

SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

No. 1

COMMITTEE AMENDMENT

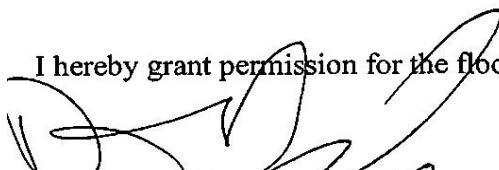
(Date)

I move to amend Senate Bill No. 844 by substituting the attached floor substitute (Request No. 1847) for the title, enacting clause and entire body of the measure.

Submitted by:

Senator Gillespie

I hereby grant permission for the floor substitute to be adopted.



Senator Bullard, Chair (required)

Senator Grellner

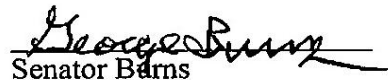


Senator Bergstrom

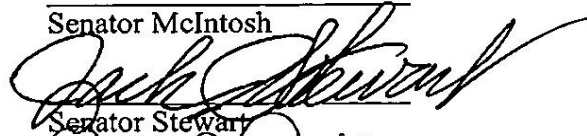
Senator Kirt

Senator Boren

Senator McIntosh



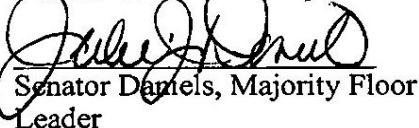
Senator Barnes



Senator Stewart



Senator Paxton, President Pro Tempore



Senator Daniels, Majority Floor Leader

Note: Retirement and Government Resources committee majority requires five (5) members' signatures.

Gillespie-RD-FS-SB844
3/18/2025 9:00 AM

(Floor Amendments Only)

Date and Time Filed: 3/18/25 11:41 am *gd*

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 FLOOR SUBSTITUTE
4 FOR

5 SENATE BILL NO. 844

By: Gillespie of the Senate

and

Hasenbeck of the House

7
8
9 FLOOR SUBSTITUTE

10 [charitable organizations - donor-imposed
11 restriction - complaint - notice - violations -
12 codification - effective date]

13
14
15 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

16 SECTION 1. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 302 of Title 60, unless there is
18 created a duplication in numbering, reads as follows:

19 A. This act shall be known and may be cited as the
20 "Safeguarding Endowment Gifts Act".

21 B. The provisions of the Safeguarding Endowment Gifts Act shall
22 apply only to restricted endowment gifts.

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 302.1 of Title 60, unless there
3 is created a duplication in numbering, reads as follows:

4 As used in this act:

5 1. "Charitable organization" means any person soliciting
6 contributions in this state, other than a natural person, that is
7 described in Section 501(c) of Title 26 of the United States Code,
8 that solicits contributions as described in this act and that is
9 organized and operated primarily:

- 10 a. for religious, charitable, scientific, literary,
11 educational, artistic, cultural, economic development,
12 civic improvement, testing for public safety,
13 research, humanitarian, animal welfare, recreational,
14 or environmental protection purposes,
- 15 b. to foster national or international amateur sports
16 competition, but only if no part of its activities
17 involves the provision of athletic facilities or
18 equipment,
- 19 c. to prevent cruelty to children, the elderly,
20 identified populations, or animals,
- 21 d. to relieve poverty, hunger, or homelessness,
- 22 e. to support law enforcement or citizen protection
23 organizations or agencies, or
- 24 f. to provide emergency relief.

1 The term shall also include a natural person representing
2 himself or herself as a charitable organization or purporting to act
3 on behalf of a charitable organization;

4 2. "Charitable trust" means:

- 5 a. a trust which qualifies as a charitable remainder
6 unitrust under the Internal Revenue Code of 1986, as
7 amended,
- 8 b. a trust which qualifies as a charitable remainder
9 annuity trust under the Internal Revenue Code of 1986,
10 as amended,
- 11 c. a trust which is described as a charitable lead trust
12 in the Internal Revenue Code of 1986, as amended,
- 13 d. a fund which qualifies as a pooled income fund under
14 the Internal Revenue Code of 1986, as amended,
- 15 e. an endowment fund as that term is defined in the
16 Uniform Prudent Management of Institutional Funds Act,
- 17 f. a trust providing for the welfare, maintenance,
18 support, and education of minor issue of a decedent
19 who has made a gift in the document creating the trust
20 for the benefit of the minor issue to the charitable
21 organization administering the trust or one or more of
22 its affiliated charitable organizations at the
23 decedent's death and the total of all gifts made to
24 the charitable organization administering the trust or

1 one or more of its affiliated charitable organizations
2 at the decedent's death is as large as the largest
3 distribution made to another person who is not a
4 charitable organization, but in no event shall the
5 total of all gifts made to the charitable organization
6 administering the trust or one or more of its
7 affiliated charitable organizations be less than
8 twenty-five percent (25%) of the property which is
9 available for distribution, or

10 g. any other irrevocable or revocable trust in which:

- 11 (1) one or more gifts of either trust income or
12 principal, whether direct or in trust, are
13 irrevocably made to or for the benefit of a
14 charitable organization,
- 15 (2) if the irrevocable gift consists of income or
16 principal distributed before the termination of
17 the trust, the total of all such irrevocable
18 gifts of income or principal made to the
19 charitable organization administering the trust,
20 or one or more of its affiliated charitable
21 organizations, is greater than or equal to the
22 largest distribution to another beneficiary who
23 is entitled to receive distributions from the
24 trust before the termination of the trust and who

1 is not the charitable organization administering
2 the trust or an affiliated charitable
3 organization. Provided, in no event shall the
4 total of all irrevocable gifts of income or
5 principal made to the charitable organization
6 administering the trust or one or more of its
7 affiliated charitable organizations before the
8 termination of the trust be less than twenty-five
9 percent (25%) of the income or principal
10 available for distribution from the trust,

11 (3) if the irrevocable gift is of the remainder of
12 the trust which is distributed upon the
13 termination of the trust, and the total of all
14 irrevocable gifts of the remainder of the trust
15 made to the charitable organization administering
16 the trust or one or more of its affiliated
17 charitable organizations is greater than or equal
18 to the largest distribution made to another
19 remainderman who is not the charitable
20 organization administering the trust or an
21 affiliated charitable organization, in no event
22 shall the total of all irrevocable gifts of the
23 remainder of the trust made to the charitable
24 organization administering the trust or one or

1 more of its affiliated charitable organizations
2 be less than twenty-five percent (25%) of the
3 remainder of the trust which is available for
4 distribution at the termination of the trust, and

5 (4) if distributions of income from the trust are
6 made to beneficiaries who are not charitable
7 organizations, such distributions are in an
8 amount specified by the donor in the governing
9 instrument, or, if not in an amount specified by
10 the donor in the governing instrument, are in an
11 amount not less than five percent (5%) of the
12 value of the principal of the trust determined
13 annually, reduced by distributions of current
14 income from the trust to charitable
15 organizations, if any;

16 3. "Donor" means an individual or entity that has made a
17 contribution of property or money to either an existing endowment
18 fund or a new endowment fund of a charitable organization or of a
19 charitable trust pursuant to the terms of an endowment agreement
20 that may include donor-imposed restrictions or conditions governing
21 the use of the contribution;

22 4. "Donor-imposed restriction" means a written statement within
23 an endowment agreement that specifies obligations on the management
24 or purpose of the endowment fund;

1 5. "Endowment agreement" means a written agreement between a
2 charitable organization and a donor or between a charitable trust
3 and a donor regarding the contribution made by the donor and
4 accepted by the charitable organization or the charitable trust,
5 which may include donor-imposed restrictions or other conditions
6 governing the use of the contribution;

7 6. "Endowment fund" means an institutional fund or part thereof
8 that, under the terms of a gift instrument, is not wholly expendable
9 by the institution on a current basis. The term does not mean
10 assets that an institution designates as an endowment fund for its
11 own use;

12 7. "Gift instrument" means a record or records, including an
13 institutional solicitation, under which property is granted to,
14 transferred to, or held by an institution as an institutional fund;

15 8. "Legal representative" means the administrator or executor
16 of a person's estate, a surviving spouse if a court judgment has
17 settled the accounts of the estate, or a person designated in an
18 endowment agreement to act in place of a party to the agreement for
19 all matters expressed in the agreement and all of the actions it
20 contemplates, including, without limitation, interpreting,
21 performing, enforcing, and defending the validity of the agreement;
22 and
23
24

1 9. "Property" means real property, personal property or money,
2 digital assets, stocks, bonds, or any other asset or financial
3 instrument.

4 SECTION 3. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 302.2 of Title 60, unless there
6 is created a duplication in numbering, reads as follows:

7 A. Unless otherwise specified by federal or state law, no
8 charitable organization that accepts a contribution pursuant to a
9 written donor-imposed restriction may violate the terms of that
10 restriction without penalty.

11 B. If a charitable organization violates a donor-imposed
12 restriction contained in an endowment agreement, the donor, or that
13 person's legal representative, ninety (90) days after notification
14 to the charitable organization, may file a complaint within two (2)
15 years after discovery for breach of such agreement. The complaint
16 may be filed in a court of general jurisdiction in the county where
17 a charitable organization named as a party has its principal place
18 of business for carrying out its charitable activities, or in a
19 court of the United States whose district includes such county. The
20 complaint shall state the circumstances constituting the violation
21 with particularity. The complaint may be filed regardless of
22 whether the agreement expressly reserves a right to use or enforce
23 and it shall not seek a judgment awarding damages to the plaintiff.

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1 Notification shall be provided by the complainant to the Office of
2 the Attorney General for any complaint filed under this section.

3 C. In the event a charitable organization is unable to fulfill
4 a term of an endowment agreement, the organization shall make every
5 effort to notify the donor or the donor's legal representative
6 within six (6) months in advance and offer an alternative solution
7 that closely matches the initial term in the endowment agreement.

8 D. A charitable organization may obtain a judicial declaration
9 of rights and duties expressed in an endowment agreement containing
10 donor restrictions as to all of the actions the agreement
11 contemplates, including, without limitation, the interpretation,
12 performance, and enforcement of the agreement and determination of
13 its validity. The charitable organization may only seek such
14 declaration in any suit brought under this section or by filing a
15 complaint.

16 E. If the court determines that a charitable organization
17 violated a donor-imposed restriction in an endowment agreement, the
18 court may order one or more remedies consistent with the charitable
19 purposes expressed in the endowment agreement. The court shall not
20 order the return of donated funds to the donor or the donor's legal
21 representative.

22 F. Nothing in this act shall affect the authority of the Office
23 of the Attorney General to enforce any restriction in an endowment
24 agreement, limit the application of the judicial power of cy pres,

1 or alter the right of an institution to modify a restriction on the
2 management, investment, purpose, or use of an endowment fund in a
3 manner permitted by the endowment agreement, by the Uniform Prudent
4 Management of Institutional Funds Act, or by the Oklahoma Charitable
5 Fiduciary Act.

6 SECTION 4. This act shall become effective November 1, 2025.

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8 60-1-1847 RD 3/18/2025 12:05:20 PM

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