

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 844

By: Daniels

AS INTRODUCED

An Act relating to charitable organizations; creating the Safeguarding Endowment Gifts Act; providing short title; defining terms; prohibiting a charitable organization from using funds in a manner inconsistent with a donor-imposed restriction; allowing for donor to file complaint; requiring notice by charitable organization if unable to fulfill endowment agreement; specifying remedies for violations; prohibiting this act from violating certain offices or provisions; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

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

As used in this act:

1 1. "Charitable organization" means an organization organized
2 and operated exclusively for religious, charitable, scientific,
3 literary, educational, or other specified purposes or for testing
4 for public safety and that is tax exempt from federal income tax as
5 an entity described in the Internal Revenue Code of 1986, as
6 amended, Section 501(c)(3);

7 2. "Charitable trust" means a trust made for the benefit of a
8 specific charitable purpose;

9 3. "Donor" means an individual or entity who has made a
10 contribution of property or money to either an existing endowment
11 fund or a new endowment fund of a charitable organization or of a
12 charitable trust pursuant to the terms of an endowment agreement
13 that may include donor-imposed restrictions or conditions governing
14 the use of the contribution;

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

18 5. "Endowment agreement" means a written agreement between a
19 charitable organization and a donor or between a charitable trust
20 and a donor regarding the contribution made by the donor and
21 accepted by the charitable organization or the charitable trust,
22 which may include donor-imposed restrictions or other conditions
23 governing the use of the contribution;

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

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

9 8. "Legal representative" means the administrator or executor
10 of a person's estate, a surviving spouse if a court judgment has
11 settled the accounts of the estate, or a person designated in an
12 endowment agreement, whether or not born at the time of such
13 designation, to act in place of a party to the agreement for all
14 matters expressed in the agreement and all of the actions it
15 contemplates, including, without limitation, interpreting,
16 performing, enforcing, and defending the validity of the agreement;
17 and

18 9. "Property" means real property, personal property or money,
19 digital assets, stocks, bonds, or any other asset or financial
20 instrument.

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

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

5 B. If a charitable organization violates a donor-imposed
6 restriction contained in an endowment agreement, the donor, or that
7 person's legal representative, ninety (90) days after notification
8 to the charitable organization, may file a complaint within six (6)
9 years after discovery for breach of such agreement. The complaint
10 may be filed in a court of general jurisdiction in the county where
11 a charitable organization named as a party has its principal place
12 of business for carrying out its charitable activities, or in a
13 court of the United States whose district includes such county. The
14 complaint may be filed regardless of whether the agreement expressly
15 reserves a right to use or enforce and it shall not seek a judgment
16 awarding damages to the plaintiff.

17 C. In the event a charitable organization is unable to fulfill
18 a term of an endowment agreement, the donor or donor's legal
19 representative shall be notified within thirty (30) days in advance
20 and offered an alternative solution that closely matches the initial
21 term in the endowment agreement.

22 D. A charitable organization may obtain a judicial declaration
23 of rights and duties expressed in an endowment agreement containing
24 donor restrictions as to all of the actions the agreement

1 contemplates, including, without limitation, the interpretation,
2 performance, and enforcement of the agreement and determination of
3 its validity. The charitable organization shall seek such
4 declaration in any suit brought under this section or by filing a
5 complaint.

6 E. If the court determines that a charitable organization
7 violated a donor-imposed restriction in an endowment agreement, the
8 court may order one or more remedies consistent with the charitable
9 purposes expressed in the endowment agreement. The court shall not
10 order the return of donated funds to the donor or the donor's legal
11 representative.

12 F. Nothing in this act shall affect the authority of the Office
13 of the Attorney General to enforce any restriction in an endowment
14 agreement, limit the application of the judicial power of cy pres,
15 or alter the right of an institution to modify a restriction on the
16 management, investment, purpose, or use of an endowment fund in a
17 manner permitted by the endowment agreement, by the Uniform Prudent
18 Management of Institutional Funds Act, or by the Oklahoma Charitable
19 Fiduciary Act.

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

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22 60-1-139 MR 1/19/2025 5:44:30 AM
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