

HCS HB 1523 -- MANAGEMENT OF TRUSTS AND FUNDS

SPONSOR: Dugger

COMMITTEE ACTION: Voted "Do Pass by Consent" by the Committee on Financial Institutions by a vote of 18 to 0.

This bill changes the laws regarding the guidelines for the management, investment, and expenditures of endowment funds held by charitable institutions and other entities holding funds for charitable purposes. Terms in a gift instrument designating a gift as an endowment, or a direction or authorization in the gift instrument must use only "income," "interest," "dividends," or "rents, issues, or profits," or "to preserve the principal intact," or words of similar import create an endowment fund of permanent duration unless other language in the gift instrument limits the duration or purpose of the fund and do not otherwise limit the authority to appropriate for expenditure or accumulate as provided in this section.

The bill contains an emergency clause.

PROPOSERS: Supporters say that the bill clarifies language needed to properly handle certain endowments.

Testifying for the bill were Representative Dugger and Curators of the University of Missouri.

OPPOSERS: There was no opposition voiced to the committee.