

1 **SENATE FLOOR VERSION**

2 March 4, 2025

3 **AS AMENDED**

4 SENATE BILL NO. 844

5 By: Gillespie

6 **[ charitable organizations - donor-imposed**  
7 **restriction - complaint - notice - violations -**  
8 **codification - effective date ]**

9  
10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

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

19 As used in this act:

20 1. "Charitable organization" means an organization organized  
21 and operated exclusively for religious, charitable, scientific,  
22 literary, educational, or other specified purposes or for testing  
23 for public safety and that is tax exempt from federal income tax as  
24

1 an entity described in the Internal Revenue Code of 1986, as  
2 amended, Section 501(c)(3);

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

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

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

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

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

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

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

13       9. "Property" means real property, personal property or money,  
14 digital assets, stocks, bonds, or any other asset or financial  
15 instrument.

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

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

23       B. If a charitable organization violates a donor-imposed  
24 restriction contained in an endowment agreement, the donor, or that

1 person's legal representative, ninety (90) days after notification  
2 to the charitable organization, may file a complaint within six (6)  
3 years after discovery for breach of such agreement. The complaint  
4 may be filed in a court of general jurisdiction in the county where  
5 a charitable organization named as a party has its principal place  
6 of business for carrying out its charitable activities, or in a  
7 court of the United States whose district includes such county. The  
8 complaint may be filed regardless of whether the agreement expressly  
9 reserves a right to use or enforce and it shall not seek a judgment  
10 awarding damages to the plaintiff.

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

16 D. A charitable organization may obtain a judicial declaration  
17 of rights and duties expressed in an endowment agreement containing  
18 donor restrictions as to all of the actions the agreement  
19 contemplates, including, without limitation, the interpretation,  
20 performance, and enforcement of the agreement and determination of  
21 its validity. The charitable organization shall seek such  
22 declaration in any suit brought under this section or by filing a  
23 complaint.

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

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

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

16 COMMITTEE REPORT BY: COMMITTEE ON RETIREMENT AND GOVERNMENT  
17 RESOURCES  
18 March 4, 2025 - DO PASS AS AMENDED  
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