

LEGISLATIVE BILL 795

Approved by the Governor April 18, 2022

Introduced by Flood, 19; Blood, 3; Wayne, 13.

A BILL FOR AN ACT relating to the Nebraska Uniform Prudent Management of Institutional Funds Act; to amend section 58-615, Reissue Revised Statutes of Nebraska; to change provisions relating to the release or modification of restrictions on the management, investment, or purpose of an institutional fund; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 58-615, Reissue Revised Statutes of Nebraska, is amended to read:

58-615 (a) If the donor consents in a record, an institution may release or modify, in whole or in part, a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund. A release or modification may not allow a fund to be used for a purpose other than a charitable purpose of the institution.

(b) The court, upon application of an institution, may modify a restriction contained in a gift instrument regarding the management or investment of an institutional fund if the restriction has become impracticable or wasteful, if it impairs the management or investment of the fund, or if, because of circumstances not anticipated by the donor, a modification of a restriction will further the purposes of the fund. The institution shall notify the Attorney General of the application, and the Attorney General must be given an opportunity to be heard. To the extent practicable, any modification must be made in accordance with the donor's probable intention.

(c) If a particular charitable purpose or a restriction contained in a gift instrument on the use of an institutional fund becomes unlawful, impracticable, impossible to achieve, or wasteful, the court, upon application of an institution, may modify the purpose of the fund or the restriction on the use of the fund in a manner consistent with the charitable purposes expressed in the gift instrument. The institution shall notify the Attorney General of the application, and the Attorney General must be given an opportunity to be heard.

(d) If an institution determines that a restriction contained in a gift instrument on the management, investment, or purpose of an institutional fund is unlawful, impracticable, impossible to achieve, or wasteful, the institution, sixty days after notification to the Attorney General, may release or modify the restriction, in whole or part, if:

(1) the institutional fund subject to the restriction has a total value of less than ~~one hundred twenty-five~~ one hundred thousand dollars;

(2) more than twenty years have elapsed since the fund was established; and

(3) the institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument.

Sec. 2. Original section 58-615, Reissue Revised Statutes of Nebraska, is repealed.