

SESSION OF 2008

SUPPLEMENTAL NOTE ON SENATE BILL NO. 433

As Amended by Senate Committee on
Judiciary

Brief*

SB 433, as amended, would enact the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA would provide statutory guidelines for management, investment, and expenditure of endowment funds held by charitable institutions.

Background

The proponent of the bill was Randy Hearrell, Executive Director of the Kansas Judicial Council. Mr. Hearrell testified that current law is directed by the Uniform Management of Institution Funds Act (UMIFA) and the law has served Kansas and the other 46 states well. However, it was drafted 35 years ago and portions of the law are now out of date. UPMIFA was drafted in 2006 by the Uniform Law Commission to replace UMIFA. UPMIFA has been enacted in 14 jurisdictions and is expected to be introduced in another 20 states in 2008, including Kansas.

There was no testimony in opposition to the bill.

The Senate Committee on Judiciary made a clarifying amendment to the definition of "institution."

The fiscal note by the Division of Budget states the bill would have no fiscal effect on state revenues or expenditures.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>