Fiscal Note & Local Impact Statement

123 rd General Assembly of Ohio

BILL:	**H.B. 161**	DATE:	**April 13, 1999**
STATUS:	**As Reported by House Financial Institutions**	SPONSOR:	**Rep. Womer Benjamin**
LOCAL IMPACT STATEMENT REQUIRED:	**No —**	**No local cost**	
CONTENTS:	**Enacts the "Institutional Trust Funds Act" to define income and establish spending standards for trust assets that are held for the benefit of charities**		

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political governments.

Detailed Fiscal Analysis

The bill defines an "institutional trust fund" as a trust fund that is held by a trustee for the exclusive use, benefit, or purposes of one or more institutions. An "institution" is defined as an organization that is organized and operated exclusively for educational, religious, charitable, or other eleemosynary purposes or a governmental organization to the extent that it holds funds exclusively for any of these purposes. These funds are tax exempt.

During any fiscal year in which income may be or is required to be distributed, the income of the institutional trust fund is defined to be the greater of the income from the fund's assets or the amount requested by the institution's governing board. The amount that may be requested by an institution's governing board is subject to limitation. It may not exceed the sum of 5% of the fund's "applicable fund value" for the fiscal year and the cumulative sum for prior fiscal years of the difference between 5% of the fund's applicable fund value and the amount requested if the amount requested was less than 5% of the fund's applicable fund value. If less than 5% is requested during a fiscal year, the difference between the amount requested and 5% may be requested in a later year. A fund's "applicable fund value" for a fiscal year is the average of the month-end values of the net assets of the fund for those months in which the fund has been in existence during the prior fiscal year.

❑ LBO staff Allan Lundell, Economist

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