



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB0811

Introduced 2/9/2009, by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

New Act

760 ILCS 50/Act rep.

805 ILCS 110/41

from Ch. 32, par. 170

805 ILCS 110/43

from Ch. 32, par. 172

805 ILCS 110/46e

from Ch. 32, par. 180

805 ILCS 110/46f

from Ch. 32, par. 181

805 ILCS 110/46g

from Ch. 32, par. 182

805 ILCS 110/46j

from Ch. 32, par. 185

Creates the Uniform Prudent Management of Institutional Funds Act, proposed by the National Conference of Commissioners on Uniform State Laws. Provides for: standards of conduct in managing and investing an institutional fund held by a charitable institution for charitable purposes; appropriations by an institution for expenditure or accumulation of endowment funds; the delegation of management and investment functions; the release or modification of restrictions on the management, investment, or purpose of an institutional fund; compliance; application; construction; and other matters. Repeals the Uniform Management of Institutional Funds Act. Amends the Religious Corporation Act by making conforming changes.

LRB096 04081 WGH 14120 b

1 AN ACT concerning institutional funds.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Uniform Prudent Management of Institutional Funds Act.

6 Section 2. Definitions. In this Act:

7 (1) "Charitable purpose" means the relief of poverty, the
8 advancement of education or religion, the promotion of health,
9 the promotion of a governmental purpose, or any other purpose
10 the achievement of which is beneficial to the community.

11 (2) "Endowment fund" means an institutional fund or part
12 thereof that, under the terms of a gift instrument, is not
13 wholly expendable by the institution on a current basis. The
14 term does not include assets that an institution designates as
15 an endowment fund for its own use.

16 (3) "Gift instrument" means a record or records, including
17 an institutional solicitation, under which property is granted
18 to, transferred to, or held by an institution as an
19 institutional fund.

20 (4) "Institution" means:

21 (A) a person, other than an individual, organized and
22 operated exclusively for charitable purposes;

23 (B) a government or governmental subdivision, agency,

1 or instrumentality, to the extent that it holds funds
2 exclusively for a charitable purpose; or

3 (C) a trust that had both charitable and noncharitable
4 interests, after all noncharitable interests have
5 terminated.

6 (5) "Institutional fund" means a fund held by an
7 institution exclusively for charitable purposes. The term does
8 not include:

9 (A) program-related assets;

10 (B) a fund held for an institution by a trustee that is
11 not an institution; or

12 (C) a fund in which a beneficiary that is not an
13 institution has an interest, other than an interest that
14 could arise upon violation or failure of the purposes of
15 the fund.

16 (6) "Person" means an individual, corporation, business
17 trust, estate, trust, partnership, limited liability company,
18 association, joint venture, public corporation, government or
19 governmental subdivision, agency, or instrumentality, or any
20 other legal or commercial entity.

21 (7) "Program-related asset" means an asset held by an
22 institution primarily to accomplish a charitable purpose of the
23 institution and not primarily for investment.

24 (8) "Record" means information that is inscribed on a
25 tangible medium or that is stored in an electronic or other
26 medium and is retrievable in perceivable form.

1 Section 3. Standard of conduct in managing and investing
2 institutional fund.

3 (a) Subject to the intent of a donor expressed in a gift
4 instrument, an institution, in managing and investing an
5 institutional fund, shall consider the charitable purposes of
6 the institution and the purposes of the institutional fund.

7 (b) In addition to complying with the duty of loyalty
8 imposed by law other than this Act, each person responsible for
9 managing and investing an institutional fund shall manage and
10 invest the fund in good faith and with the care an ordinarily
11 prudent person in a like position would exercise under similar
12 circumstances.

13 (c) In managing and investing an institutional fund, an
14 institution:

15 (1) may incur only costs that are appropriate and
16 reasonable in relation to the assets, the purposes of the
17 institution, and the skills available to the institution;
18 and

19 (2) shall make a reasonable effort to verify facts
20 relevant to the management and investment of the fund.

21 (d) An institution may pool two or more institutional funds
22 for purposes of management and investment.

23 (e) Except as otherwise provided by a gift instrument, the
24 following rules apply:

25 (1) In managing and investing an institutional fund,

1 the following factors, if relevant, must be considered:

2 (A) general economic conditions;

3 (B) the possible effect of inflation or deflation;

4 (C) the expected tax consequences, if any, of
5 investment decisions or strategies;

6 (D) the role that each investment or course of
7 action plays within the overall investment portfolio
8 of the fund;

9 (E) the expected total return from income and the
10 appreciation of investments;

11 (F) other resources of the institution;

12 (G) the needs of the institution and the fund to
13 make distributions and to preserve capital; and

14 (H) an asset's special relationship or special
15 value, if any, to the charitable purposes of the
16 institution.

17 (2) Management and investment decisions about an
18 individual asset must be made not in isolation but rather
19 in the context of the institutional fund's portfolio of
20 investments as a whole and as a part of an overall
21 investment strategy having risk and return objectives
22 reasonably suited to the fund and to the institution.

23 (3) Except as otherwise provided by law other than this
24 Act, an institution may invest in any kind of property or
25 type of investment consistent with this Section.

26 (4) An institution shall diversify the investments of

1 an institutional fund unless the institution reasonably
2 determines that, because of special circumstances, the
3 purposes of the fund are better served without
4 diversification.

5 (5) Within a reasonable time after receiving property,
6 an institution shall make and carry out decisions
7 concerning the retention or disposition of the property or
8 to rebalance a portfolio, in order to bring the
9 institutional fund into compliance with the purposes,
10 terms, and distribution requirements of the institution as
11 necessary to meet other circumstances of the institution
12 and the requirements of this Act.

13 (6) A person that has special skills or expertise, or
14 is selected in reliance upon the person's representation
15 that the person has special skills or expertise, has a duty
16 to use those skills or that expertise in managing and
17 investing institutional funds.

18 Section 4. Appropriation for expenditure or accumulation
19 of endowment fund; rules of construction.

20 (a) Subject to the intent of a donor expressed in the gift
21 instrument and to subsection (d), an institution may
22 appropriate for expenditure or accumulate so much of an
23 endowment fund as the institution determines is prudent for the
24 uses, benefits, purposes, and duration for which the endowment
25 fund is established. Unless stated otherwise in the gift

1 instrument, the assets in an endowment fund are
2 donor-restricted assets until appropriated for expenditure by
3 the institution. In making a determination to appropriate or
4 accumulate, the institution shall act in good faith, with the
5 care that an ordinarily prudent person in a like position would
6 exercise under similar circumstances, and shall consider, if
7 relevant, the following factors:

8 (1) the duration and preservation of the endowment
9 fund;

10 (2) the purposes of the institution and the endowment
11 fund;

12 (3) general economic conditions;

13 (4) the possible effect of inflation or deflation;

14 (5) the expected total return from income and the
15 appreciation of investments;

16 (6) other resources of the institution; and

17 (7) the investment policy of the institution.

18 (b) To limit the authority to appropriate for expenditure
19 or accumulate under subsection (a), a gift instrument must
20 specifically state the limitation.

21 (c) Terms in a gift instrument designating a gift as an
22 endowment, or a direction or authorization in the gift
23 instrument to use only "income", "interest", "dividends", or
24 "rents, issues, or profits", or "to preserve the principal
25 intact", or words of similar import:

26 (1) create an endowment fund of permanent duration

1 unless other language in the gift instrument limits the
2 duration or purpose of the fund; and

3 (2) do not otherwise limit the authority to appropriate
4 for expenditure or accumulate under subsection (a).

5 (d) The appropriation for expenditure in any year of an
6 amount greater than seven percent of the fair market value of
7 an endowment fund, calculated on the basis of market values
8 determined at least quarterly and averaged over a period of not
9 less than three years immediately preceding the year in which
10 the appropriation for expenditure is made, creates a rebuttable
11 presumption of imprudence. For an endowment fund in existence
12 for fewer than three years, the fair market value of the
13 endowment fund must be calculated for the period the endowment
14 fund has been in existence. This subsection does not:

15 (1) apply to an appropriation for expenditure
16 permitted under law other than this Act or by the gift
17 instrument; or

18 (2) create a presumption of prudence for an
19 appropriation for expenditure of an amount less than or
20 equal to seven percent of the fair market value of the
21 endowment fund.

22 Section 5. Delegation of management and investment
23 functions.

24 (a) Subject to any specific limitation set forth in a gift
25 instrument or in law other than this Act, an institution may

1 delegate to an external agent the management and investment of
2 an institutional fund to the extent that an institution could
3 prudently delegate under the circumstances. An institution
4 shall act in good faith, with the care that an ordinarily
5 prudent person in a like position would exercise under similar
6 circumstances, in:

7 (1) selecting an agent;

8 (2) establishing the scope and terms of the delegation,
9 consistent with the purposes of the institution and the
10 institutional fund; and

11 (3) periodically reviewing the agent's actions in
12 order to monitor the agent's performance and compliance
13 with the scope and terms of the delegation.

14 (b) In performing a delegated function, an agent owes a
15 duty to the institution to exercise reasonable care to comply
16 with the scope and terms of the delegation.

17 (c) An institution that complies with subsection (a) is not
18 liable for the decisions or actions of an agent to which the
19 function was delegated.

20 (d) By accepting delegation of a management or investment
21 function from an institution that is subject to the laws of
22 this State, an agent submits to the jurisdiction of the courts
23 of this State in all proceedings arising from or related to the
24 delegation or the performance of the delegated function.

25 (e) An institution may delegate management and investment
26 functions to its committees, officers, or employees as

1 authorized by law of this State other than this Act.

2 Section 6. Release or modification of restrictions on
3 management, investment, or purpose.

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

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

22 (c) If a particular charitable purpose or a restriction
23 contained in a gift instrument on the use of an institutional
24 fund becomes unlawful, impracticable, impossible to achieve,
25 or wasteful, the court, upon application of an institution, may

1 modify the purpose of the fund or the restriction on the use of
2 the fund in a manner consistent with the charitable purposes
3 expressed in the gift instrument. The institution shall notify
4 the Attorney General of the application, and the Attorney
5 General must be given an opportunity to be heard.

6 (d) If an institution determines that a restriction
7 contained in a gift instrument on the management, investment,
8 or purpose of an institutional fund is unlawful, impracticable,
9 impossible to achieve, or wasteful, the institution, 60 days
10 after notification to the Attorney General, may release or
11 modify the restriction, in whole or part, if:

12 (1) the institutional fund subject to the restriction
13 has a total value of less than \$25,000;

14 (2) more than 20 years have elapsed since the fund was
15 established; and

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

19 Section 7. Reviewing compliance. Compliance with this Act
20 is determined in light of the facts and circumstances existing
21 at the time a decision is made or action is taken, and not by
22 hindsight.

23 Section 8. Application to existing institutional funds.
24 This Act applies to institutional funds existing on or

1 established after the effective date of this Act. As applied to
2 institutional funds existing on the effective date of this Act,
3 this Act governs only decisions made or actions taken on or
4 after that date.

5 Section 9. Relation to Electronic Signatures in Global and
6 National Commerce Act. This Act modifies, limits, and
7 supersedes the Electronic Signatures in Global and National
8 Commerce Act, 15 U.S.C. Section 7001 et seq., but does not
9 modify, limit, or supersede Section 101 of that Act, 15 U.S.C.
10 Section 7001(a), or authorize electronic delivery of any of the
11 notices described in Section 103 of that Act, 15 U.S.C. Section
12 7003(b).

13 Section 10. Uniformity of application and construction. In
14 applying and construing this uniform Act, consideration must be
15 given to the need to promote uniformity of the law with respect
16 to its subject matter among states that enact it.

17 Section 11. (Blank).

18 (760 ILCS 50/Act rep.)

19 Section 12. Repeal. The following Act is repealed:

20 The Uniform Management of Institutional Funds Act.

21 Section 12.1. The Religious Corporation Act is amended by

1 changing Sections 41, 43, 46e, 46f, 46g, and 46j as follows:

2 (805 ILCS 110/41) (from Ch. 32, par. 170)

3 Sec. 41. Upon the incorporation of any congregation, church
4 or society, all real and personal property held by any person
5 or trustees for the use of the members thereof, shall
6 immediately vest in such corporation and be subject to its
7 control, and may be used, mortgaged, sold and conveyed the same
8 as if it had been conveyed to such corporation by deed; but no
9 such conveyance or mortgage shall be made so as to affect or
10 destroy the intent or effect of any grant, legacy or donation
11 that may be made to such person or trustee for the use of such
12 congregation, church or society. However, this limitation on
13 the disposition of real or personal property does not apply to
14 the extent that a restriction imposed by a donor on the use of
15 an institutional fund may be released by the governing board of
16 an institution under the "Uniform Prudent Management of
17 Institutional Funds Act", ~~approved September 15, 1973.~~

18 (Source: P.A. 83-388.)

19 (805 ILCS 110/43) (from Ch. 32, par. 172)

20 Sec. 43. The trustees shall have the care, custody and
21 control of the real and personal property of the corporation,
22 subject to the direction of the congregation, church or
23 society, and may, when directed by the congregation, church or
24 society, erect houses or buildings and improvements, and repair

1 and alter the same, and may, when so directed, mortgage,
2 incumber, sell and convey any real or personal estate of such
3 corporation, and enter into all lawful contracts in the name of
4 and in behalf of such corporation: but no mortgage,
5 incumbrance, sale or conveyance shall be made of any such
6 estate, so as to defeat or destroy the effect of any gift,
7 grant or legacy which may be made to such corporation; but all
8 such gifts, grants and legacies shall be appropriated and used
9 as directed or intended by the person or persons making the
10 same. However, this limitation on the disposition of real or
11 personal property does not apply to the extent that a
12 restriction imposed by a donor on the use of an institutional
13 fund may be released by the governing board of an institution
14 under the "Uniform Prudent Management of Institutional Funds
15 Act", ~~approved September 15, 1973.~~

16 (Source: P.A. 83-388.)

17 (805 ILCS 110/46e) (from Ch. 32, par. 180)

18 Sec. 46e. The trustees of every such congregation, church,
19 or society, under the patronage, control, direction, or
20 supervision of any ecclesiastical body, or diocesan, or like
21 ecclesiastical officer, after the same has become incorporated
22 under Sections 46a to 46h, inclusive, of this Act, and their
23 successors, shall have perpetual succession with power to adopt
24 a common seal, which may be altered and changed at pleasure,
25 contract, and be contracted with, sue and be sued, plead and be

1 impleaded, by the corporate name of such congregation, in all
2 courts, whatever; to receive, hold, dispose of, mortgage, and
3 convey any kind of property; to make and adopt by-laws for
4 their government, not inconsistent with Sections 46a to 46h,
5 inclusive, of this Act, or with the rules and regulations of
6 the sect or denomination having the charge or patronage of the
7 corporation; and shall alone have power to make all contracts
8 needful in the management of the temporal affairs of such
9 congregation, church, or society: but no conveyance, or
10 mortgage shall be made to affect, or destroy the intent of any
11 grant, legacy, or donation, that may be made to any person, or
12 trustee, for the use of such congregation, church, or society,
13 or for the use of any sect, or denomination. However, this
14 limitation on the disposition of real or personal property does
15 not apply to the extent that a restriction imposed by a donor
16 on the use of an institutional fund may be released by the
17 governing board of an institution under the "Uniform Prudent
18 Management of Institutional Funds Act", ~~approved September 15,~~
19 ~~1973~~. The trustees of any corporation, organized under Sections
20 46a to 46h, inclusive, of this Act, which is, or may be, under
21 the control, patronage, direction or, supervision of any
22 ecclesiastical body, diocesan, or like officer, shall hold and
23 control, invest or reinvest the real and personal property of
24 such corporation, and contract with reference thereto,
25 according to the "Uniform Management of Institutional Funds
26 Act", or the rules, regulations, constitution, articles of

1 association, by-laws, or canons of such ecclesiastical body,
2 diocesan, or like ecclesiastical officer.

3 (Source: P.A. 83-388.)

4 (805 ILCS 110/46f) (from Ch. 32, par. 181)

5 Sec. 46f. The trustees of any corporation formed for
6 religious purposes under Sections 46a to 46h, inclusive, of
7 this Act, may receive land in the name of such corporation by
8 gift, legacy or purchase, and make, erect and build thereon,
9 such houses, buildings, or other improvements, as may be
10 necessary for the convenience and comfort of such congregation,
11 church, society, or corporation, and may lay out and maintain
12 thereon a burying ground, and may maintain and build thereon
13 schools, orphan asylums, or such other improvements or
14 buildings as may be necessary for the educational and
15 eleemosynary purposes of such congregation, church, society,
16 or corporation: but such property shall not be used except in
17 the manner expressed in the gift, grant or bequest. However,
18 this limitation on the disposition of real property does not
19 apply to the extent that a restriction imposed by a donor on
20 the use of an institutional fund may be released by the
21 governing board of an institution under the "Uniform Prudent
22 Management of Institutional Funds Act", ~~approved September 15,~~
23 ~~1973~~. If no use or trust is so expressed, no such property
24 shall be used except for the benefit of the corporation,
25 church, society, sect, or denomination for which it was

1 intended, or for any religious, educational or eleemosynary
2 purpose approved by such corporation, church, society, or
3 ecclesiastical body, diocesan, or like ecclesiastical officer.
4 (Source: P.A. 84-549.)

5 (805 ILCS 110/46g) (from Ch. 32, par. 182)

6 Sec. 46g. Any ecclesiastical body, or diocesan, or like
7 ecclesiastical officer, may elect, or nominate, or appoint,
8 according to the usages, customs, rules, regulations, articles
9 of association, constitution, by-laws or canons of such
10 ecclesiastical body, diocesan or like ecclesiastical officer,
11 or any sect or denomination, 2 or more members of such sect, or
12 denomination, residing respectively in any ecclesiastical
13 districts, or dioceses, over which such ecclesiastical body, or
14 diocesan, or like ecclesiastical officer shall have
15 jurisdiction, as trustees, who may become incorporated under
16 Sections 46a to 46k, inclusive, of this Act, and may take,
17 hold, regulate, control and dispose of any real, personal or
18 mixed property in and outside of this State, devoted to
19 eleemosynary, educational, cemetery or religious purposes (not
20 exclusively belonging to, or used by, any particular
21 congregation, church or society which as an organization,
22 incorporated or unincorporated, is in the opinion of its
23 trustees, wardens, vestrymen or other officers whose powers and
24 duties are similar to trustees financially able to own and
25 maintain such property) for the use of all of the members of

1 the sect, or denomination within said districts, or dioceses,
2 or for the use and benefit of such ecclesiastical body,
3 diocesan, or like ecclesiastical officer, or of any parishes,
4 congregations, societies, churches, missions, benevolent,
5 charitable or educational institutions existing under or
6 related to the same, according to Sections 46a to 46k,
7 inclusive, of this Act, according to the "Uniform Prudent
8 Management of Institutional Funds Act", ~~approved September 15,~~
9 ~~1973~~, or according to the usages, customs, rules, regulations,
10 articles of association, constitution, by-laws or canons of
11 such ecclesiastical body, diocesan, or like ecclesiastical
12 officer. The presiding officer or authorized representative of
13 such ecclesiastical body or diocesan, or like ecclesiastical
14 officer, shall, by virtue of his office, be a trustee of any
15 such corporation and the number, term of office and
16 qualifications of said trustees, their removal and succession
17 and their powers, duties and manner of appointment, shall be
18 regulated in the manner provided in Sections 46a to 46k,
19 inclusive, of this Act. An affidavit showing the appointment of
20 such trustees made and executed by the presiding officer, or
21 duly authorized representative of such ecclesiastical body, or
22 diocesan, or like ecclesiastical officer, or such other person
23 as may be designated by said trustees for such purpose, in
24 substantially the same manner and form as provided in Section
25 46b of this Act shall be filed in the office of the recorder in
26 the county in which the principal office or place of worship of

1 such corporation is intended to be situated and also a
2 duplicate copy in the office of the Secretary of State,
3 whenever any district or diocese, under the jurisdiction or
4 patronage of such ecclesiastical body, or diocesan, or like
5 ecclesiastical officer, comprises more than any one county of
6 this State or extends outside of the State.

7 It shall be the duty of the recorder and the Secretary of
8 State to record such affidavits and said affidavits or copies
9 thereof, duly certified by the recorder and Secretary of State,
10 shall be received as evidence of the due incorporation of the
11 organization. No affidavit of appointment after the first need
12 be filed for record.

13 (Source: P.A. 83-358.)

14 (805 ILCS 110/46j) (from Ch. 32, par. 185)

15 Sec. 46j. Any church, congregation, society or
16 corporation, heretofore or hereafter formed for religious
17 purposes or for the purpose of religious worship under any of
18 the provisions of this Act or under any law of this State
19 incorporating or for the incorporation of religious
20 corporations or societies, may receive land by gift, legacy or
21 purchase and make, erect, and build thereon such houses,
22 buildings, or other improvements as may be necessary for the
23 convenience, comfort and welfare of such church, congregation,
24 society or corporation, and may lay out and maintain thereon a
25 cemetery or cemeteries, or a burying ground or grounds and may

1 maintain and build thereon schools, orphan asylums, or such
2 other improvements or buildings as may be necessary for the
3 educational, eleemosynary, cemetery and religious purposes of
4 such congregation, church, society or corporation; but no such
5 property shall be used except in the manner expressed in the
6 gift, grant or legacy. However, this limitation on the
7 disposition of real property does not apply to the extent that
8 a restriction imposed by a donor on the use of an institutional
9 fund may be released by the governing board of an institution
10 under the "Uniform Prudent Management of Institutional Funds
11 Act", ~~approved September 15, 1973~~. Or if no use or trust is so
12 expressed, no such property shall be used except for the
13 benefit of the congregation, corporation, church or society,
14 for which it was intended, or for such religious, educational
15 or eleemosynary purpose as may be approved by such
16 congregation, church, society or corporation or the
17 ecclesiastical body having jurisdiction or patronage of or
18 charge over such congregation, corporation, church or society.

19 Any corporation, heretofore or hereafter formed for
20 religious purposes under any of the provisions of this Act or
21 under any other law of this State incorporating or for the
22 incorporation of religious corporations or societies, which
23 now or hereafter owns, operates, maintains or controls a
24 cemetery or cemeteries, or a burial ground or grounds, is
25 hereby authorized and empowered to accept by gift, grant,
26 contribution, payment, or legacy, or pursuant to contract, any

1 sum of money, funds, securities or property of any kind, or the
2 income or avails thereof, and to hold the same in trust in
3 perpetuity for the care of such cemetery or cemeteries, burial
4 ground or grounds, or for the care of any lot, grave or crypt
5 therein; or for the special care of any lot, grave or crypt or
6 of any family mausoleum or memorial, marker, or monument in
7 such cemetery or cemeteries, burial ground or grounds. No gift,
8 grant, legacy, payment or other contribution shall be invalid
9 by reason of any indefiniteness or uncertainty as to the
10 beneficiary designated in the instrument creating the gift,
11 grant, legacy, payment or other contribution. If any gift,
12 grant, legacy, payment or other contribution consists of
13 non-income producing property, such corporation is authorized
14 and empowered to sell such property and to invest the funds
15 obtained in accordance with the provisions of the "Uniform
16 Prudent Management of Institutional Funds Act", ~~approved~~
17 ~~September 15, 1973,~~ or the provisions of the next succeeding
18 paragraph.

19 The trust funds authorized by this Section shall be held
20 intact and, unless otherwise restricted by the terms of the
21 gift, grant, legacy, contribution, payment, contract or other
22 payment shall be invested, from time to time reinvested, and
23 kept invested by such corporation in such investments as are
24 authorized by the "Uniform Prudent Management of Institutional
25 Funds Act", and according to such standards as are prescribed,
26 for trustees under that Act and the "Trusts and Trustees Act",

1 approved September 10, 1973, as amended, and the net income
2 only from such investments shall be allocated and used for the
3 purposes set forth in the paragraph immediately preceding; but
4 the trust funds authorized by this Section may be commingled
5 and may also be commingled with any other trust funds received
6 by such corporation for the care of the cemetery or cemeteries,
7 or burial ground or grounds, or for the care or special care of
8 any lot, grave, crypt, private mausoleum, memorial, marker, or
9 monument whether received by gift, grant, legacy,
10 contribution, payment, contract or other conveyance heretofore
11 or hereafter made to such corporation.

12 The trust funds authorized by this Section, and the income
13 therefrom, shall be exempt from taxation and exempt from the
14 operation of the laws against perpetuities and accumulations.

15 (Source: P.A. 83-1362.)