

CHAPTER 188—H.F.No.800

An act relating to counties; authorizing county funds to be expended for promotional purposes and providing limitations thereon; amending Minnesota Statutes 1969, Section 395.08.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1969, Section 395.08, is amended to read:

395.08 COUNTIES; ECONOMIC AND AGRICULTURAL RESOURCES PROMOTION; APPROPRIATION. The board of county commissioners of any county in this state ~~having less than 225,000 inhabitants,~~ may appropriate annually out of the general revenue fund of such county, a sum of money not exceeding a sum equal to five cents per capita of the population of such county according to the latest census, either federal or state, of such county and not to exceed \$25,000 for any one county. Such sum so appropriated shall be paid to any incorporated development society or organization of this state which, in the opinion of the board, will use such money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county, and such other matter as may tend to a development of the county. ~~In any such county having an assessed valuation of over \$150,000,000, the county board may appropriate a sum not exceeding a sum equal to ten cents per capita of the population of such county for the carrying on of such work in the county.~~

Approved April 30, 1971.

CHAPTER 189—H.F.No.957

[Coded]

An act relating to trusts; prescribing limitations upon the activities of private foundations, charitable trusts, and split-interest trusts in accordance with federal law; amending Minnesota Statutes 1969, Chapter 501, by adding a section.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1969, Chapter 501, is amended by adding a section to read:

Changes or additions indicated by underline, deletions by ~~strikeout~~.

[501.115] TRUSTS; PRIVATE FOUNDATIONS; CHARITABLE TRUSTS; SPLIT-INTEREST TRUSTS. Subdivision 1. Any will or trust instrument creating a trust which is a "private foundation", as defined in section 509(a) of the Internal Revenue Code of 1954, or a "charitable trust", as defined in section 4947(a)(1) of the Internal Revenue Code of 1954, or a "split-interest trust", as defined in section 4947(a)(2) of the Internal Revenue Code of 1954, and any other instrument governing the trustee of any such trust or the use, retention, or disposition of any of the income or property of such trust, shall be deemed to have incorporated within such will, trust instrument, or other governing instrument with the same effect as though such language were set forth verbatim in such will, trust instrument, or other governing instrument, the following provisions with respect to such trust and the trustee thereof, and, except as the contrary is provided in subdivision 2, such provisions shall govern the administration and distribution of any such trust irrespective of any provisions of any applicable will, trust instrument, or other governing instrument, statute or law of this state to the contrary:

(a) The trustee shall distribute for each taxable year of the trust amounts at least sufficient to avoid liability for the tax imposed by section 4942(a) of the Internal Revenue Code of 1954;

(b) The trustee shall not engage in any act of "self-dealing", as defined in section 4941(d) of the Internal Revenue Code of 1954, which would give rise to any liability for the tax imposed by section 4941(a) of the Internal Revenue Code of 1954;

(c) The trustee shall not retain any "excess business holdings", as defined in section 4943(c) of the Internal Revenue Code of 1954, which would give rise to any liability for the tax imposed by section 4943(a) of the Internal Revenue Code of 1954;

(d) The trustee shall not make any investments which would jeopardize the carrying out of any of the exempt purposes of the trust, within the meaning of section 4944 of the Internal Revenue Code of 1954, so as to give rise to any liability for the tax imposed by section 4944(a) of the Internal Revenue Code of 1954; and

(e) The trustee shall not make any "taxable expenditure", as defined in section 4945(d) of the Internal Revenue Code of 1954, which would give rise to any liability for the tax imposed by section 4945(a) of the Internal Revenue Code of 1954.

Subd. 2. Subdivision 1 shall not apply to the extent that a court of competent jurisdiction shall determine that such application would be contrary to the terms of the will, trust instrument, or other governing instrument described in subdivision 1 and that such will,

Changes or additions indicated by underline, deletions by ~~strikeout~~.

trust instrument or other governing instrument may not be changed to conform to subdivision 1.

Subd. 3. As used in this section, "trustee" means a corporation, individual, or other legal entity acting as an original, added, or successor trustee of a testamentary or inter vivos trust estate, whichever in a particular case shall be appropriate. Any reference to a particular section of the Internal Revenue Code of 1954 herein shall mean and include, as now enacted or as hereafter amended, such section and any provision of federal law as is or may hereafter be applicable, cognate to such section.

Subd. 4. Nothing in this section shall impair the rights and powers of the attorney general or the courts of this state with respect to any trust.

Approved April 30, 1971.

CHAPTER 190—H.F.No.958

[Coded]

An act relating to corporations; prescribing limitations upon activities of private foundations in accordance with federal law; amending Minnesota Statutes 1969, Chapter 317, by adding a section.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1969, Chapter 317, is amended by adding a section to read:

[317.165] CORPORATIONS; PRIVATE FOUNDATIONS. Subdivision 1. Any instrument creating a corporation which is a "private foundation" (as defined in section 509(a) of the Internal Revenue Code of 1954) and any instrument governing the use, retention, or disposition by such corporation of any of its income or property shall be deemed to have incorporated within such instrument with the same effect as though such language were set forth verbatim in such instrument the following provisions, and except as the contrary is provided in subdivision 2, such provisions shall govern the corporation as to the use, retention, and disposition of its income

Changes or additions indicated by underline, deletions by ~~strikeout~~.