

# SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

**BILL NO.** Senate Bill 731

**PRINTER NO.** 843

**AMOUNT**

No Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

June 4, 2021

**PRIME SPONSOR**

Senator Mensch

**DESCRIPTION**

Senate Bill 731 amends the act of October 16, 1996 (P.L. 712, No. 127), known as the Charitable Gift Annuity Exemption Act, to allow the use of a de-risking annuity contract to satisfy the financial requirements for a qualified gift annuity and qualified charity.

This bill defines “de-risking annuity contract” as an annuity purchased from a commercial annuity company by a charity that matches substantially all of a charity’s future payments arising from a charitable gift annuity contract obligation.

The bill allows charitable organizations to use a de-risking annuity contract to satisfy the financial requirements of a qualified charitable gift annuity and qualified charity which results in shifting financial risk from the charity to the annuity provider or insurer.

This legislation shall take effect in 60 days.

**FISCAL IMPACT:**

Senate Bill 731 will have no fiscal impact on Commonwealth funds.