

## BILL ANALYSIS

Senate Research Center

S.B. 313  
By: Harris  
State Affairs  
7/8/2003  
Enrolled

### DIGEST AND PURPOSE

Currently, the income of an endowment for certain nonprofit institutions is not protected from civil judgments. Donors are not guaranteed that their donations will be protected. S.B. 313 protects the income of an endowment in the collection of civil damages against certain non-profit institutions.

### RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle C, Title 2, Civil Practice and Remedies Code, by adding Chapter 40, as follows:

#### CHAPTER 40. AVAILABILITY OF CERTAIN FUNDS TO PAY DAMAGES

Sec. 40.001. ENDOWMENT OF CERTAIN NONPROFIT INSTITUTIONS. (a) Provides that this section applies only to damages awarded against certain nonprofit institutions or facilities.

(b) Prohibits a claimant from collecting damages awarded against an institution, facility, or program described by Subsection (a) from an endowment fund, restricted fund, or similar fund if the fund or account is exempt from federal taxation, is used in funding care provided by the institution, and affiliated with a nonprofit religious organization described by Subsection (a) (1) (B), the corpus of the fund or account is derived from donations or grants from third parties or public sources, and the use of the fund or account is temporarily or permanently restricted by the donor or grantor at the time the donation or grant is made or at the time the donation or grant is accepted.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2003.