

BILL ANALYSIS

Senate Research Center
78R9167 AJA-D

C.S.S.B. 313
By: Harris
State Affairs
3/18/2003
Committee Report (Substituted)

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. C.S.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 Title 2C, 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.

SECTION 2. Makes application of this Act prospective.

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

SUMMARY OF COMMITTEE CHANGES

Differs from As Filed by replacing the term “nursing institutions” with the term “nonprofit institutions” in the relating clause.

SECTION 1. Amends As Filed S.B. 313, proposed Chapter 40, Title 2C, Civil Practices and Remedies Code, to change the heading. Changes the entities to which the section applies from a nonprofit nursing institution to a nonprofit institution or facility or a program operated by an institution or facility described by Subdivision (1). Adds to the limitations which prohibit a claimant from collecting damages against an institution, facility, or program.

SECTION 2. No changes.