

By: Rangel

H.B. No. 3373

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the treatment of certain private primary or secondary
3 schools as charitable organizations for certain purposes.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subdivision (1), Section 84.003, Civil Practice
6 and Remedies Code, is amended to read as follows:

7 (1) "Charitable organization" means:

8 (A) any organization exempt from federal income
9 tax under Section 501(a) of the Internal Revenue Code of 1986 by
10 being listed as an exempt organization in Section 501(c)(3) or
11 501(c)(4) of the code, if it is a nonprofit corporation,
12 foundation, community chest, or fund organized and operated
13 exclusively for charitable, religious, prevention of cruelty to
14 children or animals, youth sports and youth recreational,
15 neighborhood crime prevention or patrol, fire protection or
16 prevention, emergency medical or hazardous material response
17 services, or educational purposes, ~~excluding~~ including private
18 primary or secondary schools~~[-]~~ accredited by the Southern
19 Association of Colleges and Schools, and excluding alumni
20 associations and related on-campus organizations, or is organized
21 and operated exclusively for the promotion of social welfare by
22 being primarily engaged in promoting the common good and general
23 welfare of the people in a community;

24 (B) any bona fide charitable, religious,

1 prevention of cruelty to children or animals, youth sports and
2 youth recreational, neighborhood crime prevention or patrol, or
3 educational organization, excluding alumni associations and
4 related on-campus organizations, or other organization organized
5 and operated exclusively for the promotion of social welfare by
6 being primarily engaged in promoting the common good and general
7 welfare of the people in a community, and that:

8 (I) is organized and operated exclusively
9 for one or more of the above purposes;

10 (ii) does not engage in activities which in
11 themselves are not in furtherance of the purpose or purposes;

12 (iii) does not directly or indirectly
13 participate or intervene in any political campaign on behalf of or
14 in opposition to any candidate for public office;

15 (iv) dedicates its assets to achieving the
16 stated purpose or purposes of the organization;

17 (v) does not allow any part of its net
18 assets on dissolution of the organization to inure to the benefit of
19 any group, shareholder, or individual; and

20 (vi) normally receives more than one-third
21 of its support in any year from private or public gifts, grants,
22 contributions, or membership fees;

23 (c) a homeowners association as defined by Section 528(c) of
24 the Internal Revenue Code of 1986 or which is exempt from federal
25 income tax under Section 501(a) of the Internal Revenue Code of 1986
26 by being listed as an exempt organization in Section 501(c)(4) of
27 the code; or

1 (D) a volunteer center, as that term is defined
2 by Section 411.126, Government Code.

3 Section 2. This Act takes effect September 1, 2003, and
4 applies only to a cause of action that accrues on or after that
5 date. An action that accrues before the effective date of this Act
6 is governed by the law in effect when the action accrues, and the
7 former law is continued in effect for that purpose.