

A BILL TO BE ENTITLED

AN ACT

relating to collection of civil damages awarded against certain nonprofit institutions.

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

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

CHAPTER 40. AVAILABILITY OF CERTAIN FUNDS TO PAY DAMAGES

Sec. 40.001. ENDOWMENT OF CERTAIN NONPROFIT INSTITUTIONS.

(a) This section applies only to damages awarded against:

(1) a nonprofit institution or facility:

(A) licensed under Chapter 242, 246, or 247, Health and Safety Code, or Chapter 42, Human Resources Code; and

(B) affiliated with a nonprofit religious organization described by 34 T.A.C. Section 3.322(b)(3), as that provision existed on January 1, 2003, before the date on which the action in which the damages are awarded is filed; or

(2) a program operated by an institution or facility described by Subdivision (1).

(b) A claimant may not collect damages awarded against an institution, facility, or program described by Subsection (a) from an endowment fund, restricted fund, or similar fund or account if:

(1) the fund or account is exempt from federal taxation;

(2) the corpus, income, or a distribution from the

1 fund or account is used to assist in funding care provided by a
2 nursing institution licensed under Chapter 242, Health and Safety
3 Code, and affiliated with a nonprofit religious organization
4 described by Subsection (a)(1)(B);

5 (3) the corpus of the fund or account is derived from
6 donations or grants from third parties or public sources; and

7 (4) the use of the fund or account is temporarily or
8 permanently restricted by the donor or grantor at the time the
9 donation or grant is made by:

10 (A) the express language, action, or agreement of
11 the donor or grantor; or

12 (B) the manner in which the donation or grant was
13 solicited by the donee or grantee.

14 SECTION 2. Chapter 40, Civil Practice and Remedies Code, as
15 added by this Act, applies only to the collection of damages awarded
16 on or after the effective date of this Act. The collection of
17 damages awarded before the effective date of this Act is governed by
18 the law in effect immediately before the effective date of this Act,
19 and that law is continued in effect for that purpose.

20 SECTION 3. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2003.