

1-1 By: Harris, Deuell S.B. No. 313  
1-2 (In the Senate - Filed January 29, 2003; February 6, 2003,  
1-3 read first time and referred to Committee on State Affairs;  
1-4 March 19, 2003, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 9, Nays 0; March 19, 2003,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 313 By: Ellis

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to collection of civil damages awarded against certain  
1-11 nonprofit institutions.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-13 SECTION 1. Subtitle C, Title 2, Civil Practice and Remedies  
1-14 Code, is amended by adding Chapter 40 to read as follows:

1-15 CHAPTER 40. AVAILABILITY OF CERTAIN FUNDS TO PAY DAMAGES  
1-16 Sec. 40.001. ENDOWMENT OF CERTAIN NONPROFIT INSTITUTIONS.

1-17 (a) This section applies only to damages awarded against:

1-18 (1) a nonprofit institution or facility:

1-19 (A) licensed under Chapter 242, 246, or 247,  
1-20 Health and Safety Code, or Chapter 42, Human Resources Code; and

1-21 (B) affiliated with a nonprofit religious  
1-22 organization described by 34 T.A.C. Section 3.322(b)(3), as that  
1-23 provision existed on January 1, 2003, before the date on which the  
1-24 action in which the damages are awarded is filed; or

1-25 (2) a program operated by an institution or facility  
1-26 described by Subdivision (1).

1-27 (b) A claimant may not collect damages awarded against an  
1-28 institution, facility, or program described by Subsection (a) from  
1-29 an endowment fund, restricted fund, or similar fund or account if:

1-30 (1) the fund or account is exempt from federal  
1-31 taxation;

1-32 (2) the corpus, income, or a distribution from the  
1-33 fund or account is used to assist in funding care provided by a  
1-34 nursing institution licensed under Chapter 242, Health and Safety  
1-35 Code, and affiliated with a nonprofit religious organization  
1-36 described by Subsection (a)(1)(B);

1-37 (3) the corpus of the fund or account is derived from  
1-38 donations or grants from third parties or public sources; and

1-39 (4) the use of the fund or account is temporarily or  
1-40 permanently restricted by the donor or grantor at the time the  
1-41 donation or grant is made by:

1-42 (A) the express language, action, or agreement of  
1-43 the donor or grantor; or

1-44 (B) the manner in which the donation or grant was  
1-45 solicited by the donee or grantee.

1-46 SECTION 2. Chapter 40, Civil Practice and Remedies Code, as  
1-47 added by this Act, applies only to the collection of damages awarded  
1-48 on or after the effective date of this Act. The collection of  
1-49 damages awarded before the effective date of this Act is governed by  
1-50 the law in effect immediately before the effective date of this Act,  
1-51 and that law is continued in effect for that purpose.

1-52 SECTION 3. This Act takes effect immediately if it receives  
1-53 a vote of two-thirds of all the members elected to each house, as  
1-54 provided by Section 39, Article III, Texas Constitution. If this  
1-55 Act does not receive the vote necessary for immediate effect, this  
1-56 Act takes effect September 1, 2003.

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