

By: Williams

S.B. No. 833

A BILL TO BE ENTITLED

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AN ACT

relating to the application of the Charitable Immunity and Liability Act of 1987 to alumni associations and on-campus organizations.

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

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

(1) "Charitable organization" means:

(A) any organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 by being listed as an exempt organization in Section 501(c)(3) or 501(c)(4) of the code, if it is a nonprofit corporation, foundation, community chest, or fund organized and operated exclusively for charitable, religious, prevention of cruelty to children or animals, youth sports and youth recreational, neighborhood crime prevention or patrol, fire protection or prevention, emergency medical or hazardous material response services, or educational purposes, excluding private primary or secondary schools, fraternities, sororities, and secret societies, [~~alumni associations and related on-campus organizations,~~] or is organized and operated exclusively for the promotion of social welfare by being primarily engaged in promoting the common good and general welfare of the people in a community;

(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 fraternities, sororities, and  
4 secret societies, [~~alumni associations and related on-campus~~  
5 ~~organizations,~~] or other organization organized and operated  
6 exclusively for the promotion of social welfare by being primarily  
7 engaged in promoting the common good and general welfare of the  
8 people in a community, and that:

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

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

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

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

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

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

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

1 Section 501(c)(4) of the code; or

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

4 SECTION 2. This Act takes effect September 1, 2003, and  
5 applies only to a cause of action that accrues on or after that  
6 date. A cause of action that accrued before the effective date of  
7 this Act is governed by the law applicable to the action immediately  
8 before the effective date of this Act, and that law is continued in  
9 effect for that purpose.