

1-1 By: Williams S.B. No. 833
1-2 (In the Senate - Filed March 4, 2003; March 10, 2003, read
1-3 first time and referred to Committee on State Affairs;
1-4 April 3, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 3, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 833 By: Armbrister

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

1-10 relating to the application of the Charitable Immunity and
1-11 Liability Act of 1987 to alumni associations and on-campus
1-12 organizations.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Subdivision (1), Section 84.003, Civil Practice
1-15 and Remedies Code, is amended to read as follows:

1-16 (1) "Charitable organization" means:

1-17 (A) any organization exempt from federal income
1-18 tax under Section 501(a) of the Internal Revenue Code of 1986 by
1-19 being listed as an exempt organization in Section 501(c)(3) or
1-20 501(c)(4) of the code, if it is a nonprofit corporation,
1-21 foundation, community chest, or fund organized and operated
1-22 exclusively for charitable, religious, prevention of cruelty to
1-23 children or animals, youth sports and youth recreational,
1-24 neighborhood crime prevention or patrol, fire protection or
1-25 prevention, emergency medical or hazardous material response
1-26 services, or educational purposes, excluding private primary or
1-27 secondary schools, fraternities, sororities, and secret societies,
1-28 [alumni associations and related on-campus organizations,] or is
1-29 organized and operated exclusively for the promotion of social
1-30 welfare by being primarily engaged in promoting the common good and
1-31 general welfare of the people in a community;

1-32 (B) any bona fide charitable, religious,
1-33 prevention of cruelty to children or animals, youth sports and
1-34 youth recreational, neighborhood crime prevention or patrol, or
1-35 educational organization, excluding fraternities, sororities, and
1-36 secret societies, [alumni associations and related on-campus
1-37 organizations,] or other organization organized and operated
1-38 exclusively for the promotion of social welfare by being primarily
1-39 engaged in promoting the common good and general welfare of the
1-40 people in a community, and that:

1-41 (i) is organized and operated exclusively
1-42 for one or more of the above purposes;

1-43 (ii) does not engage in activities which in
1-44 themselves are not in furtherance of the purpose or purposes;

1-45 (iii) does not directly or indirectly
1-46 participate or intervene in any political campaign on behalf of or
1-47 in opposition to any candidate for public office;

1-48 (iv) dedicates its assets to achieving the
1-49 stated purpose or purposes of the organization;

1-50 (v) does not allow any part of its net
1-51 assets on dissolution of the organization to inure to the benefit of
1-52 any group, shareholder, or individual; and

1-53 (vi) normally receives more than one-third
1-54 of its support in any year from private or public gifts, grants,
1-55 contributions, or membership fees;

1-56 (C) a homeowners association as defined by
1-57 Section 528(c) of the Internal Revenue Code of 1986 or which is
1-58 exempt from federal income tax under Section 501(a) of the Internal
1-59 Revenue Code of 1986 by being listed as an exempt organization in
1-60 Section 501(c)(4) of the code; or

1-61 (D) a volunteer center, as that term is defined
1-62 by Section 411.126, Government Code.

1-63 SECTION 2. This Act takes effect September 1, 2003, and

2-1 applies only to a cause of action that accrues on or after that
2-2 date. A cause of action that accrued before the effective date of
2-3 this Act is governed by the law applicable to the action immediately
2-4 before the effective date of this Act, and that law is continued in
2-5 effect for that purpose.

2-6

* * * * *