

By: Lucio

S.B. No. 1305

A BILL TO BE ENTITLED

AN ACT

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

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~~ including private primary or secondary schools~~[-]~~ accredited by the Southern Association of Colleges and Schools, and excluding 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 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
24 Section 528(c) of the Internal Revenue Code of 1986 or which is
25 exempt from federal income tax under Section 501(a) of the Internal
26 Revenue Code of 1986 by being listed as an exempt organization in
27 Section 501(c)(4) of 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.