

AN ACT

relating to attorney general participation in proceedings involving charitable trusts.

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

SECTION 1. Section 123.005, Property Code, is amended to read as follows:

Sec. 123.005. BREACH OF FIDUCIARY DUTY: VENUE.

~~[(a)]~~ Venue in a proceeding brought by the attorney general alleging breach of a fiduciary duty by a charitable entity or a fiduciary or managerial agent of a charitable trust shall be a court of competent jurisdiction in Travis County or in the county where the defendant resides or has its principal office.

~~[(b) The attorney general, if successful in the proceeding, is entitled to recover from a fiduciary or managerial agent of a charitable trust actual costs incurred in bringing the suit and may recover reasonable attorney's fees.]~~

SECTION 2. Chapter 123, Property Code, is amended by adding Section 123.006 to read as follows:

Sec. 123.006. ATTORNEY'S FEES. (a) In a proceeding subject to Section 123.005, the attorney general, if successful in the proceeding, is entitled to recover from the charitable entity or fiduciary or managerial agent of the charitable trust actual costs incurred in bringing the suit and may recover reasonable attorney's fees.

1 (b) In a proceeding in which the attorney general intervenes
2 under this chapter, other than a proceeding subject to Section
3 123.005, a court may award the attorney general court costs and
4 reasonable and necessary attorney's fees as may seem equitable and
5 just.

6 SECTION 3. The change in law made by this Act applies only
7 to a proceeding commenced on or after the effective date of this
8 Act. A proceeding commenced before the effective date of this Act
9 is governed by the law in effect immediately before that date, and
10 that law is continued in effect for that purpose.

11 SECTION 4. This Act takes effect September 1, 2009.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 918 passed the Senate on April 16, 2009, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 918 passed the House on May 12, 2009, by the following vote: Yeas 149, Nays 0, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor