

AN ACT

relating to limiting the disclosure of certain information regarding certain charitable organizations, trusts, private foundations, and grant-making organizations.

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

SECTION 1. Subchapter Z, Chapter 2252, Government Code, is amended by adding Section 2252.906 to read as follows:

Sec. 2252.906. DISCLOSURE PROTECTIONS FOR CERTAIN CHARITABLE ORGANIZATIONS, CHARITABLE TRUSTS, AND PRIVATE FOUNDATIONS. (a) In this section:

(1) "Charitable organization" means an organization that is exempt from federal income tax under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization in Section 501(c) of that code. The term does not include a property owners' or homeowners' association.

(2) "Grant-making organization" means an organization that makes grants to charitable organizations but is not a private foundation, private foundation trust, or split interest trust.

(3) "Private foundation" has the meaning assigned by Section 509(a), Internal Revenue Code of 1986.

(4) "Split interest trust" means an irrevocable trust in which the income is first dispersed to the beneficiaries of the trust for a specified period and the remainder of the trust is donated to a designated charity.

1 (b) Unless the individual has given written consent to the
2 disclosure, a governmental entity may not require a charitable
3 organization, private foundation trust, split interest trust, or
4 private foundation to disclose the race, religion, gender, national
5 origin, socioeconomic status, age, ethnicity, disability, marital
6 status, sexual orientation, or political party registration of an
7 employee, officer, director, trustee, or member of the
8 organization, trust, or foundation.

9 (c) Unless the individual has given written consent to the
10 disclosure, a governmental entity may not require a private
11 foundation, private foundation trust, split interest trust, or
12 grant-making organization to disclose the race, religion, gender,
13 national origin, socioeconomic status, age, ethnicity, disability,
14 marital status, sexual orientation, or political party
15 registration of:

16 (1) a person who receives money or in-kind
17 contributions from or contracts with the foundation, trust, or
18 organization; or

19 (2) an employee, officer, director, trustee, member,
20 or owner of an entity that receives money or in-kind contributions
21 from or contracts with the foundation, trust, or organization.

22 (d) A governmental entity may not:

23 (1) require that the governing board or officers of a
24 charitable organization, private foundation trust, split interest
25 trust, or private foundation include an individual of any
26 particular race, religion, gender, national origin, socioeconomic
27 status, age, ethnicity, disability, marital status, sexual

1 orientation, or political party registration;

2 (2) prohibit an individual from serving as a board
3 member or officer of the organization, trust, or foundation based
4 on the individual's familial relationship to:

5 (A) another board member or officer of the
6 organization, trust, or foundation; or

7 (B) a donor to the organization, trust, or
8 foundation; or

9 (3) require the governing board or officers of the
10 organization, trust, or foundation to include one or more
11 individuals who do not share a familial relationship with the board
12 members or officers or with a donor.

13 (e) Except as a condition on the expenditure of particular
14 funds imposed by the donor of the funds, a governmental entity may
15 not require a charitable organization, private foundation trust,
16 split interest trust, or private foundation to distribute its funds
17 to or contract with a person or entity based on the race, religion,
18 gender, national origin, socioeconomic status, age, ethnicity,
19 disability, marital status, sexual orientation, or political party
20 registration of:

21 (1) the person or of an employee, officer, director,
22 trustee, member, or owner of the entity; or

23 (2) the populations, locales, or communities served by
24 the person or entity.

25 (f) This section does not limit the authority of the
26 attorney general to investigate or enforce laws of this state in
27 accordance with the attorney general's duty to protect the public

1 interest in charity.

2 SECTION 2. Section 2252.906, Government Code, as added by
3 this Act, does not apply to or invalidate a contract in effect
4 before the effective date of this Act.

5 SECTION 3. This Act takes effect September 1, 2011.

President of the Senate

Speaker of the House

I certify that H.B. No. 3573 was passed by the House on May 4, 2011, by the following vote: Yeas 139, Nays 1, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3573 was passed by the Senate on May 20, 2011, by the following vote: Yeas 29, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor