

By: King of Taylor

H.B. No. 3573

A BILL TO BE ENTITLED

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.

(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.

(b) Unless the individual has given written consent to the

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

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

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

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

21 (d) A governmental entity may not:

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

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

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

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

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

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

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

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

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

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