

1-1 By: King of Taylor, et al. (Senate Sponsor - Fraser) H.B. No. 3573  
1-2 (In the Senate - Received from the House May 5, 2011;  
1-3 May 9, 2011, read first time and referred to Committee on Business  
1-4 and Commerce; May 18, 2011, reported favorably by the following  
1-5 vote: Yeas 8, Nays 0; May 18, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to limiting the disclosure of certain information  
1-9 regarding certain charitable organizations, trusts, private  
1-10 foundations, and grant-making organizations.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subchapter Z, Chapter 2252, Government Code, is  
1-13 amended by adding Section 2252.906 to read as follows:

1-14 Sec. 2252.906. DISCLOSURE PROTECTIONS FOR CERTAIN  
1-15 CHARITABLE ORGANIZATIONS, CHARITABLE TRUSTS, AND PRIVATE  
1-16 FOUNDATIONS. (a) In this section:

1-17 (1) "Charitable organization" means an organization  
1-18 that is exempt from federal income tax under Section 501(a),  
1-19 Internal Revenue Code of 1986, by being listed as an exempt  
1-20 organization in Section 501(c) of that code. The term does not  
1-21 include a property owners' or homeowners' association.

1-22 (2) "Grant-making organization" means an organization  
1-23 that makes grants to charitable organizations but is not a private  
1-24 foundation, private foundation trust, or split interest trust.

1-25 (3) "Private foundation" has the meaning assigned by  
1-26 Section 509(a), Internal Revenue Code of 1986.

1-27 (4) "Split interest trust" means an irrevocable trust  
1-28 in which the income is first dispersed to the beneficiaries of the  
1-29 trust for a specified period and the remainder of the trust is  
1-30 donated to a designated charity.

1-31 (b) Unless the individual has given written consent to the  
1-32 disclosure, a governmental entity may not require a charitable  
1-33 organization, private foundation trust, split interest trust, or  
1-34 private foundation to disclose the race, religion, gender, national  
1-35 origin, socioeconomic status, age, ethnicity, disability, marital  
1-36 status, sexual orientation, or political party registration of an  
1-37 employee, officer, director, trustee, or member of the  
1-38 organization, trust, or foundation.

1-39 (c) Unless the individual has given written consent to the  
1-40 disclosure, a governmental entity may not require a private  
1-41 foundation, private foundation trust, split interest trust, or  
1-42 grant-making organization to disclose the race, religion, gender,  
1-43 national origin, socioeconomic status, age, ethnicity, disability,  
1-44 marital status, sexual orientation, or political party  
1-45 registration of:

1-46 (1) a person who receives money or in-kind  
1-47 contributions from or contracts with the foundation, trust, or  
1-48 organization; or

1-49 (2) an employee, officer, director, trustee, member,  
1-50 or owner of an entity that receives money or in-kind contributions  
1-51 from or contracts with the foundation, trust, or organization.

1-52 (d) A governmental entity may not:

1-53 (1) require that the governing board or officers of a  
1-54 charitable organization, private foundation trust, split interest  
1-55 trust, or private foundation include an individual of any  
1-56 particular race, religion, gender, national origin, socioeconomic  
1-57 status, age, ethnicity, disability, marital status, sexual  
1-58 orientation, or political party registration;

1-59 (2) prohibit an individual from serving as a board  
1-60 member or officer of the organization, trust, or foundation based  
1-61 on the individual's familial relationship to:

1-62 (A) another board member or officer of the  
1-63 organization, trust, or foundation; or

1-64 (B) a donor to the organization, trust, or

2-1 foundation; or  
2-2 (3) require the governing board or officers of the  
2-3 organization, trust, or foundation to include one or more  
2-4 individuals who do not share a familial relationship with the board  
2-5 members or officers or with a donor.

2-6 (e) Except as a condition on the expenditure of particular  
2-7 funds imposed by the donor of the funds, a governmental entity may  
2-8 not require a charitable organization, private foundation trust,  
2-9 split interest trust, or private foundation to distribute its funds  
2-10 to or contract with a person or entity based on the race, religion,  
2-11 gender, national origin, socioeconomic status, age, ethnicity,  
2-12 disability, marital status, sexual orientation, or political party  
2-13 registration of:

2-14 (1) the person or of an employee, officer, director,  
2-15 trustee, member, or owner of the entity; or

2-16 (2) the populations, locales, or communities served by  
2-17 the person or entity.

2-18 (f) This section does not limit the authority of the  
2-19 attorney general to investigate or enforce laws of this state in  
2-20 accordance with the attorney general's duty to protect the public  
2-21 interest in charity.

2-22 SECTION 2. Section 2252.906, Government Code, as added by  
2-23 this Act, does not apply to or invalidate a contract in effect  
2-24 before the effective date of this Act.

2-25 SECTION 3. This Act takes effect September 1, 2011.

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