

By: Hernandez

H.B. No. 968

A BILL TO BE ENTITLED

AN ACT

relating to civil liability of shareholders and members of certain legal entities that engage in the trafficking of persons.

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

SECTION 1. Chapter 98, Civil Practice and Remedies Code, is amended by adding Section 98.0025 to read as follows:

Sec. 98.0025. SHAREHOLDER AND MEMBER LIABILITY. (a) This section applies to a legal entity governed by Title 2, 3, or 7, Business Organizations Code.

(b) Notwithstanding any provision of the Business Organizations Code, if a legal entity described by Subsection (a) is liable under Section 98.002, a shareholder or member of that entity is jointly and severally liable with the entity to the person trafficked for damages arising from the trafficking of that person if the person demonstrates that the shareholder or member:

(1) caused the entity to be used for the purpose of trafficking of persons; or

(2) knew the entity was engaged in the trafficking of persons and directly benefited from that trafficking.

SECTION 2. The change in law made by this Act applies only to a cause of action that accrues on or after the effective date of this Act. A cause of action that accrues before the effective date of this Act is governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

1           SECTION 3. This Act takes effect immediately if it receives  
2 a vote of two-thirds of all the members elected to each house, as  
3 provided by Section 39, Article III, Texas Constitution. If this  
4 Act does not receive the vote necessary for immediate effect, this  
5 Act takes effect September 1, 2015.