

- SUBJECT:** Liability exemption for alumni associations and on-campus organizations
- COMMITTEE:** Civil Practices — favorable, without amendment
- VOTE:** 5 ayes — Gattis, Hartnett, King, Krusee, Woolley
0 nays
4 absent — Nixon, Capelo, Y. Davis, Rose
- SENATE VOTE:** On final passage, April 16 — voice vote (Duncan present, not voting)
- WITNESSES:** None
- BACKGROUND:** The Charitable Immunity and Liability Act (CILA), codified in Civil Practice and Remedies Code, ch. 84, exempts insured charitable organizations' volunteers from liability for acts within the scope of their duties. The act defines a charitable organization as a tax-exempt organization under U.S. Internal Revenue Code, secs. 501(c)(3) or 501(c)(4), organized and operated exclusively for certain charitable purposes, including educational purposes, except for private primary or secondary schools, alumni associations, and related on-campus organizations. Volunteers, including board members and officers, of a charitable organization generally are immune from civil liability for acts or omissions in the scope of their duties. Liability of a charitable organization itself, other than a hospital, is limited to \$500,000 per person or to \$1 million per occurrence of bodily injury or death and \$100,000 per occurrence of injury to or destruction of property. To be eligible for this protection, the organization must have liability insurance that covers these amounts. Liability is not limited for acts or omissions that are intentional, wilfully or wantonly negligent, or done with conscious indifference or reckless disregard for the safety of others.
- DIGEST:** SB 833 would remove the language excluding alumni associations and related on-campus organizations from CILA liability protections but specifically would exclude sororities, fraternities, and secret societies.

The bill would take effect September 1, 2003.

**SUPPORTERS
SAY:**

CILA's purpose is to encourage volunteer services and to maximize the resources devoted to delivering these services by reducing the liability exposure and insurance cost of charitable organizations and their employees and volunteers. Most alumni associations are supported primarily by volunteers. By allowing them to enjoy this liability protection, SB 833 would increase their ability to recruit volunteers to serve as board members and to help in other activities such as fundraising for scholarships.

Many alumni associations are private 501(c)(3) entities that are separate from the universities they support. Those that are part of the university already enjoy liability limitation under state immunity. It makes sense to allow the 501(c)(3) associations that are performing the same functions as state entities to have liability protection as well.

The bill would not provide protection for on-campus organizations such as fraternities, sororities, or secret societies.

**OPPONENTS
SAY:**

Limiting the liability of alumni associations and on-campus organizations could reduce access to the courts by making it more difficult for plaintiffs to sue for their injuries. Alumni organizations primarily are promotional rather than charitable in their purpose and should not be afforded the same liability protection as charitable groups.