

BILL ANALYSIS

Senate Research Center

C.S.S.B. 189
By: Haywood
State Affairs
5-18-97
Committee Report (Substituted)

DIGEST

Currently, chambers of commerce in Texas receive limited liability protection. These chambers of commerce often rely on volunteers from the community for board members and officers. Many chambers, especially in the smaller communities, cannot afford to buy liability insurance for directors and officers, which can hinder the ability of these chambers to recruit people from the community to fill the offices. This bill grants charitable organization status to certain chambers of commerce. This status includes certain exemptions from federal income taxes under the Internal Revenue Code.

PURPOSE

As proposed, C.S.S.B. 189 grants charitable organization status to certain chambers of commerce.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 84.003(1), Civil Practice and Remedies Code, to redefine "charitable organization" as a local chamber of commerce that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986 by being listed as an exempt organization in Section 501(c)(6) of the Internal Revenue Code of 1986 and that does not directly or indirectly participate or intervene in any political campaign on behalf of or in opposition to any candidate for public office, and that does not directly or indirectly contribute to a political action committee that makes expenditures to any candidates for public office. Makes a nonsubstantive change.

SECTION 2. Amends Section 84.007, Civil Practice and Remedies Code, by adding Subsection (h), to provide that this chapter does not apply to a cosponsor of an event or activity with a local chamber of commerce.

SECTION 3. Effective date: September 1, 1997.
Makes application of this Act prospective.

SECTION 4. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 84.003(1), Civil Practice and Remedies Code to provide that a "charitable organization," consists of certain provisions, including a local chamber of commerce that does not directly or indirectly contribute to a political action committee that makes expenditures to any candidates for public office. Makes a nonsubstantive change.

SECTION 2.

Redesignates effective date and prospective clause to SECTION 3. Amends Section 84.007, Civil Practice and Remedies Code, by adding Subsection (h), to provide that this chapter does

not apply to a cosponsor of an event or activity with a local chamber of commerce.

SECTION 3.

Redesignates effective date and prospective clause from SECTION 2.

SECTION 4.

Redesignates emergency clause from SECTION 3.