

BILL ANALYSIS

Senate Research Center
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S.B. 1124
By: Armbrister
State Affairs
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DIGEST AND PURPOSE

Currently, certain organizations may claim to be a state employee group and raise funds for their own purposes without having a state employee on the group's decision making board. As proposed, S.B. 1124 makes it illegal to raise funds through phone solicitation unless the organization raising funds and claiming to be a state employee group is governed by a board composed only of active or retired state employees and active employees constitute a majority of the board.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 35D, Business and Commerce Code, by adding Section 35.471, as follows:

Sec. 35.471. SOLICITATION FOR CHARITABLE ORGANIZATION OF OR BENEFITTING STATE EMPLOYEES. (a) Prohibits an organization that holds itself out to be an organization of or benefitting state employees from soliciting, directly or through use of an independent solicitor, another person to make a charitable contribution unless the organization is governed by a board composed only of active or retired state employees and active employees constitute a majority of the board.

(b) Prohibits an organization that holds itself out to be an organization of or benefitting a particular group of state employees or employees of a particular state agency from soliciting, directly or through use of an independent solicitor, another person to make a charitable contribution unless the organization is governed by a board composed only of active or retired state employees of that group or agency, as applicable, and active employees constitute a majority of the board.

(c) Provides that an organization that violates Subsection (a) or (b) is liable to the state for a civil penalty not to exceed \$25,000 for each violation. Authorizes the attorney general to bring an action to recover the penalty.

SECTION 2. Effective date: September 1, 2001.