

BILL ANALYSIS

Senate Research Center
82R20862 YDB-D

H.B. 3573
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Business & Commerce
5/13/2011
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Charitable giving through philanthropic organizations is an effective way to support those citizens who are in need while reducing demand for services provided by the government. Interested parties note that such organizations have a right to self-governance and to direct where donated money is allocated. H.B. 3573 seeks to establish provisions relating to limiting the disclosure of certain information regarding certain charitable organizations, trusts, private foundations, and grant-making organizations in order to encourage giving in the private sector.

H.B. 3573 amends current law relating to limiting the disclosure of certain information regarding certain charitable organizations, trusts, private foundations, and grant-making organizations.

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 Subchapter Z, Chapter 2252, Government Code, by adding Section 2252.906, as follows:

Sec. 2252.906. DISCLOSURE PROTECTIONS FOR CERTAIN CHARITABLE ORGANIZATIONS, CHARITABLE TRUSTS, AND PRIVATE FOUNDATIONS. (a) Defines, in this section "charitable organization," "grant-making organization," "private foundation," and "split interest trust."

(b) Prohibits a governmental entity, unless the individual has given written consent to the disclosure, from requiring a charitable organization, private foundation trust, split interest trust, or private foundation to disclose the race, religion, gender, national origin, socioeconomic status, age, ethnicity, disability, marital status, sexual orientation, or political party registration of an employee, officer, director, trustee, or member of the organization, trust, or foundation.

(c) Prohibits a governmental entity, unless the individual has given written consent to the disclosure, from requiring a private foundation, private foundation trust, split interest trust, or grant-making organization to disclose the race, religion, gender, national origin, socioeconomic status, age, ethnicity, disability, marital status, sexual orientation, or political party registration of a person who receives money or in-kind contributions from or contracts with the foundation, trust, or organization, or an employee, officer, director, trustee, member, or owner of an entity that receives money or in-kind contributions from or contracts with the foundation, trust, or organization.

(d) Prohibits a governmental entity from:

(1) requiring that the governing board or officers of a charitable organization, private foundation trust, split interest trust, or private foundation include an individual of any particular race, religion, gender,

national origin, socioeconomic status, age, ethnicity, disability, marital status, sexual orientation, or political party registration;

(2) prohibiting an individual from serving as a board member or officer of the organization, trust, or foundation based on the individual's familial relationship to another board member or officer of the organization, trust, or foundation, or a donor to the organization, trust, or foundation; or

(3) requiring the governing board or officers of the organization, trust, or foundation to include one or more individuals who do not share a familial relationship with the board members or officers or with a donor.

(e) Prohibits a governmental entity, except as a condition on the expenditure of particular funds imposed by the donor of the funds, from requiring a charitable organization, private foundation trust, split interest trust, or private foundation to distribute its funds to or contract with a person or entity based on the race, religion, gender, national origin, socioeconomic status, age, ethnicity, disability, marital status, sexual orientation, or political party registration of the person or of an employee, officer, director, trustee, member, or owner of the entity, or the populations, locales, or communities served by the person or entity.

(f) Provides that this section does not limit the authority of the attorney general to investigate or enforce laws of this state in accordance with the attorney general's duty to protect the public interest in charity.

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

SECTION 3. Effective date: September 1, 2011.