

# Texas Association of Nonprofit Organizations (TANO)

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## ***SUMMARY OF ISSUES AFFECTING NONPROFIT ORGANIZATIONS*** **81st Texas Legislature, 2009 Regular Session**

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### **Analysis of proposed legislation:**

With every session of the Texas Legislature, numerous bills are presented that directly or indirectly affect the interests of nonprofit organizations. The following summary lists bills of interest and concern to leaders in the nonprofit sector in Texas during the 2009 regular session and takes into account the following factors:

Whether a proposed bill strengthens nonprofit organization viability under Texas law or unduly burdens or threatens their status; whether the legal liability of nonprofit board members, officers, staff or volunteers is increased; whether current “charitable immunity” and “good faith” legal protections remain in place; whether laws governing nonprofits are necessary, understandable and based on reasonable public policy concerns; whether nonprofit advocacy is protected; whether ongoing nonprofit organization operations and finances are complicated by new governmental regulations; and whether nonprofit organization disclosure and accountability requirements remain reasonable and balanced.

### **Bills in the 2009 legislature affect nonprofits in the following areas:\***

#### **Amendments to the Texas Non-Profit Corporation Law, Chap. 22, Bus. Org. Code:**

*No bills at present affecting Texas’ nonprofit corporation laws*

#### **Amendments to charitable immunity statutes in Chapter 84, Civil Practices and Remedies Code:**

*No bills at present regarding liability of volunteers*

#### **Exemptions from state taxes now extended to nonprofit entities:**

**SB 475:** Property tax exemptions for a Sec. 501(c)(2) nonprofit (that holds property for the benefit of another qualified charitable corporation) are clarified

**HB 589:** A charitable organization owning and operating a public radio station has its property and equipment exempt from property tax

**HB 507:** Sales at charitable fundraising events at a state school are exempt from state sales and use tax

**Nonprofit board, officer, employee, volunteer and fundraising issues:**

**HB 226:** Requiring or compelling an employee to make a charitable contribution would constitute an illegal labor practice by the employer; written authorization required to withhold wages or otherwise require the contribution.

**Open meetings / open records issues:**

*No bills at present regarding open meetings/open records issues*

**Public advocacy / Ethics Commission (lobbying) issues:**

**HB 723:** Former legislators would be forbidden from lobbying for two years, except if lobbying for nonprofit organizations, disabilities, and low-income advocacy groups, without being compensated

**Nonprofit social service organization issues:**

**HB 492:** Would require a group of state agencies to designate a liaison official to improve partnerships with community and faith-based nonprofit organizations and strengthen state government initiatives with local nonprofits; would set up a task force under the Health and Human Services commissioner to advise the state on possible funding of nonprofit undertakings and capacity-building; would create a state fund account to receive legislative appropriations; and create a statewide database of local volunteer opportunities.

**SB 159:** Permits cities and counties to increase the minimum wage beyond the state and federal minimum wage

**Other bills:**

**HB 671:** Would add nonprofits as a protected class under the Penal Code by permitting an enhancement (increase) in punishment ranges for a person convicted for theft from a Sec. 501(c) organization

**HB 547:** A person sued because of a complaint or report given to a government agency is entitled to have the proceedings abated until the outcome of the complaint is resolved by the government agency

\*Above list does not include bills introduced relating to the following:

Nonprofit hospitals, health care or nursing institutions and plans; credit unions; electric or rural cooperatives; private and charter schools and colleges; cemetery corporations; insurance plans/HMOs; quasi-public nonprofit entities.

\*\*Many bills have an identical “companion” bill in the other house, bearing a different bill number.

Access bills, background information, and current status at Texas Legislature Online,  
[www.capitol.state.tx.us](http://www.capitol.state.tx.us)

