

CIVIL PRACTICE AND REMEDIES CODE

TITLE 2. TRIAL, JUDGMENT, AND APPEAL

SUBTITLE C. JUDGMENTS

CHAPTER 40. AVAILABILITY OF CERTAIN FUNDS TO PAY DAMAGES

Sec. 40.001. ENDOWMENT OF CERTAIN NONPROFIT INSTITUTIONS.

(a) This section applies only to damages awarded against:

(1) a nonprofit institution or facility:

(A) licensed under Chapter 242, 246, or 247, Health and Safety Code, or Chapter 42, Human Resources Code; and

(B) that, before the date on which the action in which the damages are awarded is filed, is affiliated with:

(i) a nonprofit religious organization that is exempt from federal income tax under Section 501(c)(3), Internal Revenue Code of 1986, as amended, and that is a nonprofit religious organization described by 34 T.A.C. Section 3.322(b)(3), as that provision existed on January 1, 2003, or a convention or association of those organizations; or

(ii) a local Jewish Federation; or

(2) a program operated by an institution or facility described by Subdivision (1).

(b) A claimant may not collect damages awarded against an institution, facility, or program described by Subsection (a) from an endowment fund, restricted fund, or similar fund or account, or the income derived from the corpus of the fund or account, if:

(1) the fund or account is exempt from federal taxation;

(2) the corpus, income, or a distribution from the fund or account is used to assist in funding care provided by a nursing institution licensed under Chapter 242, Health and Safety Code, and affiliated with an organization described by Subsection (a)(1)(B);

(3) the corpus of the fund or account is derived from donations or grants from third parties or public sources; and

(4) the use of the fund or account is temporarily or permanently restricted:

(A) by the donor or grantor at the time the

donation or grant is made by:

(i) the express language, action, or agreement of the donor or grantor; or

(ii) the manner in which the donation or grant was solicited by the donee or grantee; or

(B) by the board governing the fund or account at the time the donation or grant is accepted.

Added by Acts 2003, 78th Leg., ch. 133, Sec. 1, eff. May 27, 2003.