

BILL ANALYSIS

Senate Research Center
76R4114 DLF-D

S.B. 333
By: Sibley
Economic Development
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DIGEST

Charitable gift annuities have been used for over 50 years in Texas. The 74th Legislature passed H.B. 3104 to clarify that, under existing law, charitable gift annuities have always been recognized as legal in Texas. However, a federal court ruled that current Texas law is unclear as to whether H.B. 3104 was intended to apply to those charitable gift annuities whose status was being challenged in pending lawsuits. This bill would clarify that H.B. 3104 applies to all charitable gift annuities, and that certain annuities are treated as charitable gift annuities.

PURPOSE

As proposed, S.B. 333 provides that certain annuities are treated as charitable gift annuities, and applies the Insurance Code and certain other laws to charitable gift annuities.

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 Article 1.14-1A, Insurance Code, by adding Section 7, as follows:

Sec. 7. TREATMENT OF ANNUITY AS CHARITABLE GIFT ANNUITY; ESTOPPEL.
Requires an annuity that the donor has treated as a charitable gift annuity in an Internal Revenue Service filing to be considered a qualified charitable gift annuity issued by a charitable organization, in any litigation or other proceeding brought by or on behalf of a donor or the donor's heirs.

SECTION 2. Sets forth the purpose of this section. Provides that Sections 1, 2, and 6, Article 1.14-1A, Insurance Code, and Section 2(b), Article 1.14-1, Insurance Code, apply to any charitable gift annuity issued before, on, or after the effective date of this Act. Provides that this section applies without regard to the effective date of the legislation enacting Article 1.14-1A, Insurance Code, or any other legislation that amended Article 1.14-1A, Insurance Code.

SECTION 3. Provides that this Act applies to any charitable gift annuity issued before, on, or after the effective date of this Act, including any charitable gift annuity that is the subject of litigation or another proceeding that is pending on the effective date of this Act.

SECTION 4. Emergency clause.
Effective date: upon passage.