

**SENATE BILL NO. 72**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY SENATORS FRANK, Sharp

Introduced: 2/7/95

Referred: STA, JUD

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to civil liability of certain nonprofit corporations and of  
2 volunteers of certain nonprofit corporations; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1.** AS 09.65 is amended by adding a new section to read:

5           Sec. 09.65.168. CIVIL LIABILITY OF CERTAIN VOLUNTEERS AND  
6 CORPORATION. (a) A person working as a volunteer for a nonprofit corporation  
7 is not liable for civil damages resulting from an act or omission that occurs while the  
8 person is acting in good faith and within the scope of the person's functions and duties  
9 as a volunteer for the nonprofit corporation if the nonprofit corporation

10                           (1) is insured as required under (b) of this section and the insurance  
11 covers an act or omission of the volunteer; or

12                           (2) had administrative operating costs of less than \$100,000 in the  
13 previous calendar year and is exempt from taxation under 26 U.S.C. 501(c)(3) (Internal  
14 Revenue Code of 1954).

1 (b) A nonprofit corporation qualifies for immunity under (a)(1) of this section  
2 if the corporation purchases and maintains a policy of liability insurance with a limit  
3 of coverage of at least \$200,000 per individual claim and \$500,000 for all claims  
4 arising from the same occurrence.

5 (c) In an action against a nonprofit corporation to recover damages resulting  
6 from an act or omission of a volunteer of the nonprofit corporation, if the nonprofit  
7 corporation is insured as described under (b) of this section, the court or jury may not  
8 award damages in an amount that exceeds the limit of coverage under the nonprofit  
9 corporation's policy of liability insurance.

10 (d) This section does not preclude liability for civil damages as a result of  
11 gross negligence, recklessness, or intentional misconduct.

12 (e) Except as provided under (c) of this section, this section does not affect the  
13 liability of a nonprofit corporation.

14 (f) In this section,

15 (1) "administrative operating costs" do not include money awarded as  
16 a grant;

17 (2) "nonprofit corporation" means a corporation

18 (A) incorporated under AS 10.20; or

19 (B) exempt from taxation under 26 U.S.C. 501(c)(3) (Internal  
20 Revenue Code of 1954);

21 (3) "volunteer" means a person who does not receive financial  
22 consideration, except for reimbursement for expenses actually incurred, for services  
23 performed for a nonprofit corporation.

24 \* **Sec. 2.** This Act applies to civil actions that accrue on or after the effective date of this  
25 Act.

26 \* **Sec. 3.** This Act takes effect July 1, 1995.