

105TH CONGRESS  
1ST SESSION

# S. 565

To limit the civil liability of business entities that make available to a nonprofit organization the use of a motor vehicle or aircraft.

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IN THE SENATE OF THE UNITED STATES

APRIL 14, 1997

Mr. SANTORUM (for himself and Mr. COVERDELL) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

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## A BILL

To limit the civil liability of business entities that make available to a nonprofit organization the use of a motor vehicle or aircraft.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. LIABILITY OF BUSINESS ENTITIES PROVIDING**  
4       **USE OF A MOTOR VEHICLE OR AIRCRAFT.**

5       (a) DEFINITIONS.—In this section:

6               (1) AIRCRAFT.—The term “aircraft” has the  
7       meaning provided that term in section 40102(6) of  
8       title 49, United States Code.

9               (2) BUSINESS ENTITY.—the term “business en-  
10      tity” means a firm, corporation, association, part-

nership, consortium, joint venture, or other form of enterprise.

(3) GROSS NEGLIGENCE.—The term “gross negligence” means voluntary and conscious conduct by a person with knowledge (at the time of the conduct) that the conduct is likely to be harmful to the health or well-being of another person.

(4) INTENTIONAL MISCONDUCT.—The term “intentional misconduct” means conduct by a person with knowledge (at the time of the conduct) that the conduct is harmful to the health or well-being of another person.

(5) MOTOR VEHICLE.—The term “motor vehicle” has the meaning provided that term in section 30102(6) of title 49, United States Code.

(6) NONPROFIT ORGANIZATION.—The term “nonprofit organization” means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code; or

(B) any not-for-profit organization organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes.

1           (7) STATE.—The term “State” means each of  
 2           the several States, the District of Columbia, the  
 3           Commonwealth of Puerto Rico, the Virgin Islands,  
 4           Guam, American Samoa, the Northern Mariana Is-  
 5           lands, any other territory or possession of the Unit-  
 6           ed States, or any political subdivision of any such  
 7           State, territory, or possession.

8           (b) LIMITATION ON LIABILITY.—

9           (1) IN GENERAL.—Subject to subsection (c), a  
 10          business entity shall not be subject to civil liability  
 11          relating to any injury or death occurring as a result  
 12          of the operation of aircraft or a motor vehicle of a  
 13          business entity loaned to a nonprofit organization  
 14          for use outside of the scope of business of the busi-  
 15          ness entity if—

16                (A) such injury or death occurs during a  
 17                period that such motor vehicle or aircraft is  
 18                used by a nonprofit organization; and

19                (B) the business entity authorized the use  
 20                by the nonprofit organization of motor vehicle  
 21                or aircraft that resulted in the injury or death.

22          (2) APPLICATION.—This subsection shall  
 23          apply—

24                (A) with respect to civil liability under  
 25                Federal and State law; and

1 (B) regardless of whether a nonprofit orga-  
2 nization pays for the use of the aircraft or  
3 motor vehicle.

4 (c) EXCEPTION FOR LIABILITY.—Subsection (b)  
5 shall not apply to an injury or death that results from  
6 an act or omission of a business entity that constitutes  
7 gross negligence or intentional misconduct, including any  
8 misconduct that—

9 (1) constitutes a crime of violence (as that term  
10 is defined in section 16 of title 18, United States  
11 Code) or act of international terrorism (as that term  
12 is defined in section 2331 of title 18) for which the  
13 defendant has been convicted in any court;

14 (2) constitutes a hate crime (as that term is  
15 used in the Hate Crime Statistics Act (28 U.S.C.  
16 534 note));

17 (3) involves a sexual offense, as defined by ap-  
18 plicable State law, for which the defendant has been  
19 convicted in any court; or

20 (4) involves misconduct for which the defendant  
21 has been found to have violated a Federal or State  
22 civil rights law.

23 (d) SUPERSEDING PROVISION.—

24 (1) IN GENERAL.—Subject to paragraph (2)  
25 and subsection (e), this Act preempts the laws of

1 any State to the extent that such laws are inconsis-  
2 ent with this Act, except that this Act shall not pre-  
3 empt any State law that provides additional protec-  
4 tion from liability for a business entity for an injury  
5 or death with respect to which the conditions de-  
6 scribed in subparagraphs (A) and (B) of subsection  
7 (b)(1) apply.

8 (2) LIMITATION.—Nothing in this Act shall be  
9 construed to supersede any Federal or State health  
10 or safety law.

11 (e) ELECTION OF STATE REGARDING NON-  
12 APPLICABILITY.—This Act shall not apply to any civil ac-  
13 tion in a State court against a volunteer, nonprofit organi-  
14 zation, or governmental entity in which all parties are citi-  
15 zens of the State if such State enacts a statute—

16 (1) citing the authority of this subsection;

17 (2) declaring the election of such State that this  
18 Act shall not apply to such civil action in the State;

19 and

20 (3) containing no other provisions.

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