

# Chapter 22 - NONPROFIT CORPORATIONS

- Subchapter A - GENERAL PROVISIONS (§§ 22.001 – 22.002)
- Subchapter B - PURPOSES AND POWERS (§§ 22.051 – 22.0561)
- Subchapter C - FORMATION AND GOVERNING DOCUMENTS (§§ 22.101 – 22.109)
- Subchapter D - MEMBERS (§§ 22.151 – 22.164)
- Subchapter E - MANAGEMENT (§§ 22.201 – 22.235)
- Subchapter F - FUNDAMENTAL BUSINESS TRANSACTIONS (§§ 22.251 – 22.257)
- Subchapter G - WINDING UP AND TERMINATION (§§ 22.301 – 22.307)
- Subchapter H - RECORDS AND REPORTS (§§ 22.351 – 22.365)
- Subchapter I - CHURCH BENEFITS BOARDS (§§ 22.401 – 22.409)
- Subchapter J - RATIFICATION OF DEFECTIVE CORPORATE ACTS; PROCEEDINGS (§§ 22.501 – 22.516)

# Tex. Bus. Org. Code § 22.001

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.001 - Definitions

In this chapter:

**(1)** "Board of directors" means the group of persons vested with the management of the affairs of the corporation, regardless of the name used to designate the group.

**(2)** "Bylaws" means the rules adopted to regulate or manage the corporation, regardless of the name used to designate the rules.

**(3)** "Corporation" or "domestic corporation" means a domestic nonprofit corporation subject to this chapter.

**(3-a)** "Director" means a person who is a member of the board of directors, regardless of the name or title used to designate the person. The term does not include a person designated as a director of the corporation, or as an ex officio, honorary, or other type of director of the corporation if the person is not entitled to vote as a director.

**(4)** "Foreign corporation" means a foreign nonprofit corporation.

**(5)** "Nonprofit corporation" means a corporation no part of the income of which is distributable to a member, director, or officer of the corporation, except as provided by Section 22.054.

**(6)** "Ordinary care" means the care that an ordinarily prudent person in a similar position would exercise under similar circumstances.

*Tex. Bus. Org. Code § 22.001*

Amended by Acts 2019, Texas Acts of the 86th Leg. - Regular Session, ch. 665, Sec. 16, eff. 9/1/2019. Amended by Acts 2015, Texas Acts of the 84th Leg. - Regular Session, ch. 121, Sec. 0.1, eff. 5/23/2015. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

# Tex. Bus. Org. Code § 22.002

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.002 - Meetings By Remote Communications Technology

A meeting of the members of a corporation, the board of directors of a corporation, or any committee designated by the board of directors of a corporation may be held by means of a conference telephone or similar communications equipment, another suitable electronic communications system, including videoconferencing technology or the Internet, or any combination of those means, in accordance with Section 6.002.

*Tex. Bus. Org. Code § 22.002*

Amended by Acts 2019, Texas Acts of the 86th Leg.- Regular Session, ch. 665, Sec. 17, eff. 9/1/2019. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.101

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.101 - Incorporation of Certain Organizations

A religious society, a charitable, benevolent, literary, or social association, or a church may incorporate as a corporation governed by this chapter with the consent of a majority of its members. Those members shall authorize the organizers to execute the certificate of formation.

*Tex. Bus. Org. Code § 22.101*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.102

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.102 – Bylaws

- (a)** The initial bylaws of a corporation shall be adopted by the corporation's board of directors or, if the management of the corporation is vested in the corporation's members, by the members.
- (b)** The bylaws may contain provisions for the regulation and management of the affairs of the corporation that are consistent with law and the certificate of formation.
- (c)** The board of directors may amend or repeal the bylaws, or adopt new bylaws, unless:
  - (1)** this chapter or the corporation's certificate of formation wholly or partly reserves the power exclusively to the corporation's members;
  - (2)** the management of the corporation is vested in the corporation's members; or
  - (3)** in amending, repealing, or adopting a bylaw, the members expressly provide that the board of directors may not amend or repeal the bylaw.

*Tex. Bus. Org. Code § 22.102*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

# Tex. Bus. Org. Code § 22.10

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.103 - Inconsistency Between Certificate of Formation and Bylaw

**(a)** A provision of a certificate of formation of a corporation that is inconsistent with a bylaw controls over the bylaw, except as provided by Subsection (b).

**(b)** A change in the number of directors by amendment to the bylaws controls over the number stated in the certificate of formation, unless the certificate of formation provides that a change in the number of directors may be made only by amendment to the certificate.

*Tex. Bus. Org. Code § 22.103*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

# Tex. Bus. Org. Code § 22.104

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.104 - Organization Meeting

**(a)** After the certificate of formation is filed, the board of directors named in the certificate of formation of a corporation shall hold an organization meeting of the board, either in or out of this state, at the call of the organizers or a majority of the directors to adopt bylaws and elect officers and for other purposes determined by the board at the meeting. The organizers or directors calling the meeting shall send notice of the time and place of the meeting to each director named in the certificate of formation not later than the third day before the date of the meeting.

**(b)** A first meeting of the members may be held at the call of the majority of the directors on notice provided not later than the third day before the date of the meeting. The notice must state the purposes of the meeting.

**(c)** If the management of a corporation is vested in the corporation's members, the members shall hold the organization meeting on the call of an organizer. An organizer who calls the meeting shall:

**(1)** send notice of the time and place of the meeting to each member not later than the third day before the date of the meeting;

**(2)** if the corporation is a church, make an oral announcement of the time and place of the meeting at a regularly scheduled worship service before the meeting; or

**(3)** send notice of the meeting in the manner provided by the certificate of formation.

*Tex. Bus. Org. Code § 22.104*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006. Amended by Acts 2005, 79th Leg., Ch. 64, Sec. 66, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.105**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.105 - Procedures to Adopt Amendment to Certificate of Formation By Members Having Voting Rights

**(a)** Except as provided by Section 22.107(b), to amend the certificate of formation of a corporation with members having voting rights, the board of directors of the corporation must adopt a resolution specifying the proposed amendment and directing that the amendment be submitted to a vote at an annual or special meeting of the members having voting rights.

**(b)** Written notice containing the proposed amendment or a summary of the changes to be effected by the amendment shall be given to each member entitled to vote at the meeting within the time and in the manner provided by this chapter for giving notice of a meeting of members.

**(c)** The proposed amendment shall be adopted on receiving the vote required by Section 22.164.

*Tex. Bus. Org. Code § 22.105*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.106**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.106 - Procedures to Adopt Amendment to Certificate of Formation By Managing Members

**(a)** To be approved, a proposed amendment to the certificate of formation of a corporation the management of the affairs of which is vested in the corporation's members under Section 22.202 must be submitted to a vote at an annual, regular, or special meeting of the members.

**(b)** Except as otherwise provided by the certificate of formation or bylaws, notice containing the proposed amendment or a summary of the changes to be effected by the amendment shall be given to the members within the time and in the manner provided by this chapter for giving notice of a meeting of members.

**(c)** The proposed amendment shall be adopted on receiving the vote required by Section 22.164.

*Tex. Bus. Org. Code § 22.106*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.107

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.107 - Procedures to Adopt Amendment to Certificate of Formation By Board of Directors

**(a)** If a corporation has no members or has no members with voting rights, or in the case of an amendment under Subsection (b), an amendment to the corporation's certificate of formation shall be adopted at a meeting of the board of directors on receiving the vote of directors required by Section 22.164.

**(b)** Except as otherwise provided by the certificate of formation, the board of directors of a corporation with members having voting rights may, without member approval, adopt amendments to the certificate of formation to:

- (1)** extend the duration of the corporation if the corporation was incorporated when limited duration was required by law;
- (2)** delete the names and addresses of the initial directors;
- (3)** delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the secretary of state; or
- (4)** change the corporate name by:
  - (A)** substituting the word "corporation," "incorporated," "company," or "limited," or the abbreviation "corp.," "inc.," "co.," or "ltd.," for a similar word or abbreviation in the name; or
  - (B)** adding, deleting, or changing a geographical attribution to the name.

*Tex. Bus. Org. Code § 22.107*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.108

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.108 - Number of Amendments Subject to Vote At Meeting

Any number of amendments to the corporation's certificate of formation may be submitted to and voted on by a corporation's members at any one meeting of the members.

*Tex. Bus. Org. Code § 22.108*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.109

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

#### Section 22.109 - Restated Certificate of Formation

**(a)** A corporation may adopt a restated certificate of formation as provided by Subchapter B, Chapter 3, by following the same procedure to amend its certificate of formation provided by Sections 22.104-22.107, except that:

- (1)** member approval is required only if the restated certificate of formation contains an amendment; and
- (2)** the members may consent in writing, or the organizers of a corporation may adopt a resolution, to authorize a restated certificate of formation that contains an amendment to cancel an event requiring winding up in accordance with Section 22.302(1)(B) or 22.302(2), as applicable.

**(b)** A person shall file a restated certificate of formation as provided by Chapter 4, and the restated certificate of formation takes effect as provided by Subchapter B, Chapter 3.

*Tex. Bus. Org. Code § 22.109*

Amended by Acts 2015, Texas Acts of the 84th Leg. - Regular Session, ch. 32, Sec. 27, eff. 9/1/2015. Added by Acts 2005, 79th Leg., Ch. 64, Sec. 67, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.101

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

#### Section 22.101 - Incorporation of Certain Organizations

A religious society, a charitable, benevolent, literary, or social association, or a church may incorporate as a corporation governed by this chapter with the consent of a majority of its members. Those members shall authorize the organizers to execute the certificate of formation.

*Tex. Bus. Org. Code § 22.101*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.102

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

#### Section 22.102 – Bylaws

**(a)** The initial bylaws of a corporation shall be adopted by the corporation's board of directors or, if the management of the corporation is vested in the corporation's members, by the members.

**(b)** The bylaws may contain provisions for the regulation and management of the affairs of the corporation that are consistent with law and the certificate of formation.

**(c)** The board of directors may amend or repeal the bylaws, or adopt new bylaws, unless:

- (1)** this chapter or the corporation's certificate of formation wholly or partly reserves the power exclusively to the corporation's members;
- (2)** the management of the corporation is vested in the corporation's members; or
- (3)** in amending, repealing, or adopting a bylaw, the members expressly provide that the board of directors may not amend or repeal the bylaw.

*Tex. Bus. Org. Code § 22.102*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.103**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.103 - Inconsistency Between Certificate of Formation and Bylaw

**(a)** A provision of a certificate of formation of a corporation that is inconsistent with a bylaw controls over the bylaw, except as provided by Subsection (b).

**(b)** A change in the number of directors by amendment to the bylaws controls over the number stated in the certificate of formation, unless the certificate of formation provides that a change in the number of directors may be made only by amendment to the certificate.

*Tex. Bus. Org. Code § 22.103*

Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.104**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.104 - Organization Meeting

**(a)** After the certificate of formation is filed, the board of directors named in the certificate of formation of a corporation shall hold an organization meeting of the board, either in or out of this state, at the call of the organizers or a majority of the directors to adopt bylaws and elect officers and for other purposes determined by the board at the meeting. The organizers or directors calling the meeting shall send notice of the time and place of the meeting to each director named in the certificate of formation not later than the third day before the date of the meeting.

**(b)** A first meeting of the members may be held at the call of the majority of the directors on notice provided not later than the third day before the date of the meeting. The notice must state the purposes of the meeting.

**(c)** If the management of a corporation is vested in the corporation's members, the members shall hold the organization meeting on the call of an organizer. An organizer who calls the meeting shall:

**(1)** send notice of the time and place of the meeting to each member not later than the third day before the date of the meeting;

**(2)** if the corporation is a church, make an oral announcement of the time and place of the meeting at a regularly scheduled worship service before the meeting; or

**(3)** send notice of the meeting in the manner provided by the certificate of formation.

*Tex. Bus. Org. Code § 22.104* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006. Amended by Acts 2005, 79th Leg., Ch. 64, Sec. 66, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.105

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.105 - Procedures to Adopt Amendment to Certificate of Formation By Members Having Voting Rights

**(a)** Except as provided by Section 22.107(b), to amend the certificate of formation of a corporation with members having voting rights, the board of directors of the corporation must adopt a resolution specifying the proposed amendment and directing that the amendment be submitted to a vote at an annual or special meeting of the members having voting rights.

**(b)** Written notice containing the proposed amendment or a summary of the changes to be effected by the amendment shall be given to each member entitled to vote at the meeting within the time and in the manner provided by this chapter for giving notice of a meeting of members.

**(c)** The proposed amendment shall be adopted on receiving the vote required by Section 22.164.

*Tex. Bus. Org. Code § 22.105* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.106

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.106 - Procedures to Adopt Amendment to Certificate of Formation By Managing Members

**(a)** To be approved, a proposed amendment to the certificate of formation of a corporation the management of the affairs of which is vested in the corporation's members under Section 22.202 must be submitted to a vote at an annual, regular, or special meeting of the members.

**(b)** Except as otherwise provided by the certificate of formation or bylaws, notice containing the proposed amendment or a summary of the changes to be effected by the amendment shall be given to the members within the time and in the manner provided by this chapter for giving notice of a meeting of members.

**(c)** The proposed amendment shall be adopted on receiving the vote required by Section 22.164.

*Tex. Bus. Org. Code § 22.106* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.107

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.107 - Procedures to Adopt Amendment to Certificate of Formation By Board of Directors

**(a)** If a corporation has no members or has no members with voting rights, or in the case of an amendment under Subsection (b), an amendment to the corporation's certificate of formation shall be adopted at a meeting of the board of directors on receiving the vote of directors required by Section 22.164.

**(b)** Except as otherwise provided by the certificate of formation, the board of directors of a corporation with members having voting rights may, without member approval, adopt amendments to the certificate of formation to:

- (1)** extend the duration of the corporation if the corporation was incorporated when limited duration was required by law;
- (2)** delete the names and addresses of the initial directors;
- (3)** delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the secretary of state; or
- (4)** change the corporate name by:
  - (A)** substituting the word "corporation," "incorporated," "company," or "limited," or the abbreviation "corp.," "inc.," "co.," or "ltd.," for a similar word or abbreviation in the name; or
  - (B)** adding, deleting, or changing a geographical attribution to the name.

*Tex. Bus. Org. Code § 22.107* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.108

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

## Section 22.108 - Number of Amendments Subject to Vote At Meeting

Any number of amendments to the corporation's certificate of formation may be submitted to and voted on by a corporation's members at any one meeting of the members.

*Tex. Bus. Org. Code § 22.108.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.109

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.109 - Restated Certificate of Formation

**(a)** A corporation may adopt a restated certificate of formation as provided by Subchapter B, Chapter 3, by following the same procedure to amend its certificate of formation provided by Sections 22.104-22.107, except that:

- (1)** member approval is required only if the restated certificate of formation contains an amendment; and
- (2)** the members may consent in writing, or the organizers of a corporation may adopt a resolution, to authorize a restated certificate of formation that contains an amendment to cancel an event requiring winding up in accordance with Section 22.302(1)(B) or 22.302(2), as applicable.

**(b)** A person shall file a restated certificate of formation as provided by Chapter 4, and the restated certificate of formation takes effect as provided by Subchapter B, Chapter 3.

*Tex. Bus. Org. Code § 22.109* Amended by Acts 2015, Texas Acts of the 84th Leg. - Regular Session, ch. 32, Sec. 27, eff. 9/1/2015. Added by Acts 2005, 79th Leg., Ch. 64, Sec. 67, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.151

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.151 – Members

**(a)** A corporation may have one or more classes of members or may have no members.

**(b)** If the corporation has one or more classes of members, the corporation's certificate of formation or bylaws must include:

- (1)** a designation of each class;
- (2)** the manner of the election or appointment of the members of each class; and

**(3)** the qualifications and rights of the members of each class.

**(c)** A corporation may issue a certificate, card, or other instrument evidencing membership rights, voting rights, or ownership rights as authorized by the certificate of formation or bylaws.

*Tex. Bus. Org. Code § 22.151* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.152**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.152 - Immunity From Liability

The members of a corporation are not personally liable for a debt, liability, or obligation of the corporation.

*Tex. Bus. Org. Code § 22.152* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006

## **Tex. Bus. Org. Code § 22.153**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.153 - Annual Meeting

**(a)** Except as provided by Subsection (b), a corporation shall hold an annual meeting of the members at a time that is stated in or determined in accordance with the corporation's bylaws.

**(b)** If the bylaws provide for more than one regular meeting of members each year, an annual meeting is not required. If an annual meeting is not required, directors may be elected at a meeting as provided by the bylaws.

*Tex. Bus. Org. Code § 22.153.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.154**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.154 - Failure to Call Annual Meeting

**(a)** If the board of directors of a corporation fails to call the annual meeting of members when required, a member of the corporation may demand that the meeting be held within a reasonable time. The demand must be made in writing and sent to an officer of the corporation by certified or registered mail, return receipt requested, or by other means specified in the corporation's governing documents.

**(b)** If a required annual meeting is not called before the 61st day after the date of demand, a member of the corporation may compel the holding of the meeting by legal action directed against the board of directors, and each of the extraordinary writs of common law and of courts of equity are available to the member to compel the holding of the meeting. Each member has a justiciable interest sufficient to enable the member to institute and prosecute the legal proceedings.

**(c)** Failure to hold a required annual meeting at the designated time does not result in the winding up and termination of the corporation.

*Tex. Bus. Org. Code § 22.154* Amended by Acts 2017, Texas Acts of the 85th Leg. - Regular Session, ch. 75, Sec. 28, eff. 9/1/2017. Amended by Acts 2007, 80th Leg., R.S., Ch. 688, Sec. 87, eff. 9/1/2007. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.155**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.155 - Special Meetings of Members

A special meeting of the members of a corporation may be called by:

**(1)** the president;

**(2)** the board of directors;

**(3)** members having not less than one-tenth of the votes entitled to be cast at the meeting; or

**(4)** other officers or persons as provided by the certificate of formation or bylaws of the corporation.

*Tex. Bus. Org. Code § 22.155* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.156**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

## Section 22.156 - Notice of Meeting

**(a)** A corporation other than a church shall provide written notice of the place, date, and time of a meeting of the members of the corporation and, if the meeting is a special meeting, the purpose or purposes for which the meeting is called. The notice shall be delivered to each member entitled to vote at the meeting not later than the 10th day and not earlier than the 60th day before the date of the meeting. Notice may be delivered personally or in accordance with Section 6.051(b).

**(b)** Notice of a meeting of the members of a corporation that is a church is sufficient if given by oral announcement at a regularly scheduled worship service before the meeting or as otherwise provided by the certificate of formation or bylaws of the corporation.

*Tex. Bus. Org. Code § 22.156* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.157

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.157 - Special Bylaws Affecting Notice

**(a)** A corporation may provide in the corporation's bylaws that notice of an annual or regular meeting is not required.

**(b)** A corporation having more than 1,000 members at the time a meeting is scheduled or called may provide notice of a meeting by publication in a newspaper of general circulation in the community in which the principal office of the corporation is located, if the corporation provides for that notice in its bylaws.

*Tex. Bus. Org. Code § 22.157.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.158

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.158 - Preparation and Inspection of List of Voting Members

**(a)** After setting a record date for the notice of a meeting, a corporation shall prepare an alphabetical list of the names of all its voting members. The list must identify:

- (1)** the members who are entitled to notice and the members who are not entitled to notice of the meeting;
- (2)** the address of each voting member; and

**(3)** the number of votes each voting member is entitled to cast at the meeting.

**(b)** Not later than the second business day after the date notice is given of a meeting for which a list was prepared in accordance with Subsection (a), and continuing through the meeting, the list of voting members must be available at the corporation's principal office or at a reasonable place in the municipality in which the meeting will be held, as identified in the notice of the meeting, for inspection by members entitled to vote at the meeting for the purpose of communication with other members concerning the meeting.

**(c)** A voting member or voting member's agent or attorney is entitled on written demand to inspect and, at the member's expense and subject to Section 22.351, copy the list at a reasonable time during the period the list is available for inspection.

**(d)**[Repealed by 2023 legislation.]

*Tex. Bus. Org. Code § 22.158.* Amended by Acts 2023, Texas Acts of the 88th Leg. - Regular Session, ch. 27, Sec. 59, eff. 9/1/2023. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.159

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.159 - Quorum of Members

**(a)** Unless otherwise provided by the certificate of formation or bylaws of a corporation, members of the corporation holding one-tenth of the votes entitled to be cast, in person or by proxy, constitute a quorum.

**(b)** The vote of the majority of the votes entitled to be cast by the members present or represented by proxy at a meeting at which a quorum is present is the act of the members meeting, unless the vote of a greater number is required by law or the certificate of formation or bylaws.

**(c)** Unless otherwise provided by the certificate of formation or bylaws, a church incorporated before May 12, 1959, is considered to have provided in the certificate of formation or bylaws that members present at a meeting for which notice has been given constitute a quorum.

*Tex. Bus. Org. Code § 22.159.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.160

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

## Section 22.160 - Voting of Members

**(a)** Each member of a corporation, regardless of class, is entitled to one vote on each matter submitted to a vote of the corporation's members, except to the extent that the voting rights of members of a class are limited, enlarged, or denied by the certificate of formation or bylaws of the corporation.

**(b)** A member may vote in person or, unless otherwise provided by the certificate of formation or bylaws, by proxy executed in writing by the member or the member's attorney-in-fact.

**(c)** Unless otherwise provided by the proxy, a proxy is revocable and expires 11 months after the date of its execution. A proxy may not be irrevocable for longer than 11 months.

**(d)** If authorized by the certificate of formation or bylaws of the corporation, a member vote on any matter may be conducted by mail, by facsimile transmission, by electronic message, or by any combination of those methods.

*Tex. Bus. Org. Code § 22.160. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.161

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.161 - Election of Directors

**(a)** A member entitled to vote at an election of directors is entitled to vote, in person or by proxy, for as many persons as there are directors to be elected and for whose election the member has a right to vote.

**(b)** If expressly authorized by the corporation's certificate of formation, the member may cumulate the member's vote by:

- (1)** giving one candidate a number of votes equal to the number of the directors to be elected multiplied by the member's vote; or
- (2)** distributing the votes on the same principle among any number of the candidates.

**(c)** A member who intends to cumulate votes under Subsection (b) shall give written notice of the member's intention to the secretary of the corporation not later than the day preceding the date of the election.

*Tex. Bus. Org. Code § 22.161. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.162

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.162 - Greater Voting Requirements Under Certificate of Formation  
If the corporation's certificate of formation requires the vote or concurrence of a greater proportion of the members of a corporation than is required by this chapter with respect to an action to be taken by the members, the certificate of formation controls.

*Tex. Bus. Org. Code § 22.162. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.163

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.163 - Record Date for Determination of Members

**(a)** The record date for determining members of a corporation may be set as provided by Section 6.101.

**(b)** If a record date is not set under Section 6.101:

- (1)** members on the date of the meeting who are otherwise eligible to vote are entitled to vote at the meeting;
- (2)** members at the close of business on the business day preceding the date notice is given, or if notice is waived, at the close of business on the business day preceding the date of the meeting, are entitled to notice of a meeting of members; and
- (3)** members at the close of business on the later of the day the board of directors adopts the resolution relating to the action or the 60th day before the date of the action are entitled to exercise any rights regarding any other lawful action.

**(c)** The record date for the determination of members entitled to notice of or to vote at a meeting is effective for an adjournment of the meeting unless the board of directors of a corporation sets a new date for determining the right to notice of or to vote at the adjournment.

*Tex. Bus. Org. Code § 22.163. Amended by Acts 2007, 80th Leg., R.S., Ch. 688, Sec. 88, eff. 9/1/2007. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.164

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.164 - Vote Required to Approve Fundamental Action

**(a)** In this section, "fundamental action" means:

- (1)** an amendment of a certificate of formation, including an amendment required for the cancellation of an event requiring winding up in accordance with Section 11.152(b);
- (2)** a voluntary winding up under Chapter 11;
- (3)** a revocation of a voluntary decision to wind up under Section 11.151;

- (4) a cancellation of an event requiring winding up under Section 11.152(a);
- (5) a reinstatement under Section 11.202;
- (6) a distribution plan under Section 22.305;
- (7) a plan of merger under Subchapter F;
- (8) a sale of all or substantially all of the assets of a corporation under Subchapter F;
- (9) a plan of conversion under Subchapter F; or
- (10) a plan of exchange under Subchapter F.

(b) Except as otherwise provided by Subsection (c) or (d) or the certificate of formation in accordance with Section 22.162, the vote required for approval of a fundamental action is:

- (1) at least two-thirds of the votes that members present in person or by proxy are entitled to cast at the meeting at which the action is submitted for a vote, if the corporation has members with voting rights;
- (2) at least two-thirds of the votes of members present at the meeting at which the action is submitted for a vote, if the management of the affairs of the corporation is vested in the corporation's members under Section 22.202; or
- (3) the affirmative vote of the majority of the directors in office, if the corporation has no members or has no members with voting rights.

(c) If any class of members is entitled to vote on the fundamental action as a class by the terms of the certificate of formation or the bylaws, the vote required for the approval of the fundamental action is the vote required by Subsection (b)(1) and at least two-thirds of the votes that the members of each class in person or by proxy are entitled to cast at the meeting at which the action is submitted for a vote.

(d) If the corporation has no members or has no members with voting rights and the corporation does not hold any assets and has not solicited any assets or otherwise engaged in activities, the vote required for approval of a fundamental action consisting of an amendment to the certificate of formation to cancel an event requiring winding up or any of the actions described by Subsections (a)(2) through (a)(6) is the affirmative vote of a majority of the organizers or a majority of the directors in office. *Tex. Bus. Org. Code § 22.164.* Amended by Acts 2015, Texas Acts of the 84th Leg. - Regular Session, ch. 32, Sec. 28, eff. 9/1/2015. Amended by Acts 2007, 80th Leg., R.S., Ch. 688, Sec. 89, eff. 9/1/2007.

## **Tex. Bus. Org. Code § 22.201**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.201 - Management By Board of Directors

Except as provided by Section 22.202, the affairs of a corporation are managed by a board of directors. The board of directors may be designated by any name appropriate to the customs, usages, or tenets of the corporation.

## **Tex. Bus. Org. Code § 22.202**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.202 - Management By Members

**(a)** The certificate of formation of a corporation may vest the management of the affairs of the corporation in the members of the corporation. If the corporation has a board of directors, the corporation may limit the authority of the board to the extent provided by the certificate of formation or bylaws.

**(b)** A corporation is considered to have vested the management of the corporation's affairs in the board of directors of the corporation in the absence of a provision to the contrary in the certificate of formation, unless the corporation is a church organized and operating under a congregational system that:

**(1)** was incorporated before January 1, 1994; and

**(2)** has the management of its affairs vested in the corporation's members.

*Tex. Bus. Org. Code § 22.202. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.203**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.203 - Board Member Eligibility Requirements

A director of a corporation is not required to be a resident of this state or a member of the corporation unless the certificate of formation or a bylaw of the corporation imposes that requirement. The certificate of formation or bylaws may prescribe other qualifications for directors.

*Tex. Bus. Org. Code § 22.203. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.204**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.204 - Number of Directors

**(a)** If the corporation has a board of directors, a corporation may not have fewer than three directors. The number of directors shall be set by, or in the manner provided by, the certificate of formation or bylaws of the corporation, except that the number of directors on the initial board of directors must be set by the certificate of formation.

**(b)** The number of directors may be increased or decreased by amendment to, or in the manner provided by, the certificate of formation or bylaws. A decrease in the number of directors may not shorten the term of an incumbent director.

**(c)** In the absence of a provision of the certificate of formation or a bylaw setting the number of directors or providing for the manner in which the number of directors shall be determined, the number of directors is the same as the number constituting the initial board of directors.

*Tex. Bus. Org. Code § 22.204. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.205**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.205 - Designation of Initial Board of Directors If the corporation is to be managed by a board of directors, the certificate of formation of a corporation must state the names of the members of the initial board of directors of the corporation.

*Tex. Bus. Org. Code § 22.205. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.206**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.206 - Election or Appointment of Board of Directors

Directors other than the initial directors are elected, appointed, or designated in the manner provided by the certificate of formation or bylaws. If the method of election, designation, or appointment is not provided by the certificate of formation or bylaws, directors other than the initial directors are elected by the board of directors.

*Tex. Bus. Org. Code § 22.206. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.207**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.207 - Election and Control By Certain Entities

**(a)** The board of directors of a religious, charitable, educational, or eleemosynary corporation may be affiliated with, elected, and controlled by an incorporated or unincorporated convention, conference, or association organized under the laws of this or another state, the membership of which is composed of representatives, delegates, or messengers from a church or other religious association.

**(b)** The board of directors of a corporation may be wholly or partly elected by one or more associations or corporations organized under the laws of this or another state if:

**(1)** the certificate of formation or bylaws of the corporation provide for that election; and

**(2)** the corporation has no members with voting rights.

*Tex. Bus. Org. Code § 22.207* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.208

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.208 - Term of Office

**(a)** Unless the director resigns or is removed, a director on the initial board of directors of a corporation holds office until the first annual election of directors or for the period specified in the certificate of formation or bylaws of the corporation. Directors other than the initial directors are elected, appointed, or designated for the terms provided by the certificate of formation or bylaws.

**(b)** In the absence of a provision in the certificate of formation or bylaws setting the term of office for directors, a director holds office until the next annual election of directors and until a successor is elected, appointed, or designated and qualified. **(c)** A director may be removed from office as provided in Section 22.211.

*Tex. Bus. Org. Code § 22.208.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006. Amended by Acts 2005, 79th Leg., Ch. 64, Sec. 68, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.209

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.209 - Classification of Directors

Directors may be divided into classes. The terms of office of the several classes are not required to be uniform.

*Tex. Bus. Org. Code § 22.209.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.210

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.210 - Non-Director Rights and Limitations

The certificate of formation or bylaws of a corporation may provide that a person who is not a director is entitled to receive notice of and to attend meetings of the board of directors. By having those rights, the person does not have the authority, duties, or liabilities of a director and is not a governing person of the corporation.

*Tex. Bus. Org. Code § 22.210.* Amended by Acts 2019, Texas Acts of the 86th Leg.- Regular Session, ch. 665, Sec. 18, eff. 9/1/2019. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

# Tex. Bus. Org. Code § 22.211

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.211 - Removal of Director

**(a)** A director of a corporation may be removed from office under any procedure provided by the certificate of formation or bylaws of the corporation.

**(b)** In the absence of a provision for removal in the certificate of formation or bylaws, a director may be removed from office, with or without cause, by the persons entitled to elect, designate, or appoint the director. If the director was elected to office, removal requires an affirmative vote equal to the vote necessary to elect the director.

*Tex. Bus. Org. Code § 22.211. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

# Tex. Bus. Org. Code § 22.2111

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.2111 - Resignation of Director

Except as provided by the certificate of formation or bylaws, a director of a corporation may resign at any time by providing written notice to the corporation.

*Tex. Bus. Org. Code § 22.2111 Added by Acts 2005, 79th Leg., Ch. 64, Sec. 69, eff. 1/1/2006.*

# Tex. Bus. Org. Code § 22.212

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.212 – Vacancy

**(a)** Unless otherwise provided by the certificate of formation or bylaws of the corporation, a vacancy in the board of directors of a corporation shall be filled by the affirmative vote of the majority of the remaining directors, regardless of whether that majority is less than a quorum. A director elected to fill a vacancy is elected for the unexpired term of the member's predecessor in office.

**(b)** A vacancy in the board occurring because of an increase in the number of directors shall be filled by election at an annual meeting or at a special meeting of members called for that purpose. If a corporation has no members or has no members with the right to vote on the vacancy, the vacancy shall be filled as provided by the certificate of formation or bylaws.

*Tex. Bus. Org. Code § 22.212. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

# Tex. Bus. Org. Code § 22.213

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.213 – Quorum

**(a)** A quorum for the transaction of business by the board of directors of a corporation is the lesser of:

- (1)** the majority of the number of directors set by the corporation's bylaws or, in the absence of a bylaw setting the number of directors, a majority of the number of directors stated in the corporation's certificate of formation; or
- (2)** any number, not less than three, set as a quorum by the certificate of formation or bylaws.

**(b)** A director present by proxy at a meeting may not be counted toward a quorum.

*Tex. Bus. Org. Code § 22.213. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.214

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.214 - Action By Directors

The act of a majority of the directors present in person or by proxy at a meeting at which a quorum is present at the time of the act is the act of the board of directors of a corporation, unless the act of a greater number is required by the certificate of formation or bylaws of the corporation.

*Tex. Bus. Org. Code § 22.214. Amended by Acts 2017, Texas Acts of the 85th Leg. - Regular Session, ch. 75, Sec. 29, eff. 9/1/2017. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.215

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.215 - Voting in Person or By Proxy

A director of a corporation may vote in person or, if authorized by the certificate of formation or bylaws of the corporation, by proxy executed in writing by the director.

*Tex. Bus. Org. Code § 22.215. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.216

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.216 - Term and Revocability of Proxy

**(a)** A proxy expires three months after the date the proxy is executed.

**(b)** A proxy is revocable unless otherwise provided by the proxy or made irrevocable by law.

## **Tex. Bus. Org. Code § 22.217**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.217 - Notice of Meeting; Waiver of Notice

**(a)** Regular meetings of the board of directors of a corporation may be held with or without notice as prescribed by the corporation's bylaws.

**(b)** Special meetings of the board of directors shall be held with notice as prescribed by the bylaws. Attendance of a director at a meeting constitutes a waiver of notice, unless the director attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

**(c)** Unless required by the bylaws, the business to be transacted at, or the purpose of, a regular or special meeting of the board of directors is not required to be specified in the notice or waiver of notice of the meeting.

**(d)** Notice may be delivered personally or in accordance with Section 6.051(b).

*Tex. Bus. Org. Code § 22.217. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.218**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.218 - Management Committee

**(a)** If authorized by the certificate of formation or bylaws of the corporation, the board of directors of a corporation, by resolution adopted by the majority of the directors in office, may designate one or more committees to have and exercise the authority of the board in the management of the corporation to the extent provided by:

- (1)** the resolution;
- (2)** the certificate of formation; or
- (3)** the bylaws.

**(b)** A committee designated under this section must consist of at least two persons. Except as provided by Subsection (b-1), the majority of the persons on the committee must be directors. If provided by the certificate of formation or bylaws, the remaining persons on the committee are not required to be directors.

**(b-1)** If a corporation is a religious institution and if provided by the corporation's certificate of formation or bylaws, a committee designated under this section may be composed entirely of persons who are not directors of the corporation.

**(c)** The designation of a committee and the delegation of authority to the committee does not operate to relieve the board of directors, or an individual director, of any responsibility imposed on the board or director by law. A committee member who is not a director has the same responsibility with respect to the committee as a committee member who is a director.

*Tex. Bus. Org. Code § 22.218.* Amended by Acts 2009, 81st Leg., R.S., Ch. 1007, Sec. 1, eff. 9/1/2009. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.219

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.219 - Other Committees

**(a)** The board of directors of a corporation, by resolution adopted by the majority of the directors at a meeting at which a quorum is present, or the president, if authorized by a similar resolution of the board of directors or by the certificate of formation or bylaws of the corporation, may designate and appoint one or more committees that do not have the authority of the board of directors in the management of the corporation.

**(b)** The membership on a committee designated under this section may be limited to directors.

*Tex. Bus. Org. Code § 22.219.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## Tex. Bus. Org. Code § 22.220

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.220 - Action Without Meeting of Directors or Committee

**(a)** The certificate of formation or bylaws of a corporation may provide that an action required by this chapter to be taken at a meeting of the corporation's directors or an action that may be taken at a meeting of the directors or a committee may be taken without holding a meeting, providing prior notice, or taking a vote if a written consent, stating the action to be taken, is signed by the number of directors or committee members necessary to take that action at a meeting at which all of the directors or committee members are present and voting. The consent must state the date of each director's or committee member's signature.

**(b)** Prompt notice of the taking of an action by directors or a committee without a meeting by less than unanimous written consent shall be given to each director or committee member who did not consent in writing to the action.

**(c)** Notwithstanding a provision of this code, advance notice is not required to be given to take an action by written consent as provided by this section.

*Tex. Bus. Org. Code § 22.220.* Amended by Acts 2023, Texas Acts of the 88th Leg.- Regular Session, ch. 27, Sec. 30, eff. 9/1/2023. Amended by Acts 2007, 80th Leg., R.S., Ch. 688, Sec. 90, eff. 9/1/2007. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

# Tex. Bus. Org. Code § 22.221

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.221 - General Standards for Directors

**(a)** A director shall discharge the director's duties, including duties as a committee member, in good faith, with ordinary care, and in a manner the director reasonably believes to be in the best interest of the corporation.

**(b)** A director is not liable to the corporation, a member, or another person for an action taken or not taken as a director if the director acted in compliance with this section. A person seeking to establish liability of a director must prove that the director did not act:

**(1)** in good faith;

**(2)** with ordinary care; and

**(3)** in a manner the director reasonably believed to be in the best interest of the corporation.

*Tex. Bus. Org. Code § 22.221. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

# Tex. Bus. Org. Code § 22.222

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.222 - Religious Corporation Director's Good Faith Reliance on Certain Information

A director of a religious corporation, in the discharge of a duty imposed or power conferred on the director, including a duty imposed or power conferred as a committee member, may rely in good faith on information or on an opinion, report, or statement, including a financial statement or other financial data, concerning the corporation or another person that was prepared or presented by:

**(1)** a religious authority; or

**(2)** a minister, priest, rabbi, or other person whose position or duties in the religious organization the director believes justify reliance and confidence and whom the director believes to be reliable and competent in the matters presented.

*Tex. Bus. Org. Code § 22.222. Amended by Acts 2007, 80th Leg., R.S., Ch. 688, Sec. 91, eff. 9/1/2007. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

# Tex. Bus. Org. Code § 22.223

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.223 - Not A Trustee

A director of a corporation is not considered to have the duties of a trustee of a trust with respect to the corporation or with respect to property held or administered by the corporation, including property subject to restrictions imposed by the donor or transferor of the property.

*Tex. Bus. Org. Code § 22.223. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.224**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.224 - Delegation of Investment Authority

**(a)** The board of directors of a corporation may:

**(1)** contract with an advisor who is an investment counsel or a trust company, bank, investment advisor, or investment manager; and

**(2)** confer on that advisor the authority to:

**(A)** purchase or otherwise acquire a stock, bond, security, or other investment on behalf of the corporation; and

**(B)** sell, transfer, or otherwise dispose of an asset or property of the corporation at a time and for a consideration the advisor considers appropriate.

**(b)** The board of directors may:

**(1)** confer on an advisor described by Subsection (a) other powers regarding the corporation's investments as the board considers appropriate; and

**(2)** authorize the advisor to hold title to an asset or property of the corporation, in the advisor's own name or in the name of a nominee, for the benefit of the corporation.

**(c)** The board of directors is not liable for an action taken or not taken by an advisor under this section if the board acted in good faith and with ordinary care in selecting the advisor. The board of directors may remove or replace the advisor, with or without cause, if the board considers that action appropriate or necessary.

*Tex. Bus. Org. Code § 22.224. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.225**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.225 - Loan to Director Prohibited

**(a)** A corporation may not make a loan to a director.

**(b)** The directors of a corporation who vote for or assent to the making of a loan to a director, and any officer who participates in making the loan, are jointly and severally liable to the corporation for the amount of the loan until the loan is repaid.

*Tex. Bus. Org. Code § 22.225. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.226

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.226 - Director Liability for Certain Distributions of Assets

**(a)** In addition to any other liability imposed by law on the directors of a corporation, the directors who vote for or assent to a distribution of assets other than in payment of the corporation's debts, when the corporation is insolvent or when distribution would render the corporation insolvent, or during the liquidation of the corporation, without the payment and discharge of or making adequate provisions for any known debt, obligation, or liability of the corporation, are jointly and severally liable to the corporation for the value of the assets distributed, to the extent that the debt, obligation, or liability is not paid and discharged.

**(b)** A director is not liable under this section if, in voting for or assenting to a distribution, the director:

**(1)** relied in good faith and with ordinary care on information or an opinion, report, or statement in accordance with Section 3.102;

**(2)** acting in good faith and with ordinary care, considered the assets of the corporation to be at least equal to their book value; or

**(3)** in determining whether the corporation made adequate provision for the discharge of all of its liabilities and obligations as provided in Section 11.053, relied in good faith and with ordinary care on financial statements of, or other information concerning, a person who was or became contractually obligated to discharge some or all of those liabilities or obligations.

*Tex. Bus. Org. Code § 22.226. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.227

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

### Section 22.227 - Dissent to or Abstention From Action

**(a)** A director of a corporation who is present at a meeting of the board of directors at which action is taken on a corporate matter described by Section 22.226(a) is presumed to have assented to the action unless:

**(1)** the director's dissent or abstention has been entered in the minutes of the meeting;

- (2)** the director has filed a written dissent or abstention with respect to the action with the person acting as the secretary of the meeting before the meeting is adjourned; or
- (3)** the director has sent to the secretary of the corporation, within a reasonable time after the meeting has been adjourned, a written dissent or abstention by:
  - (A)** certified or registered mail, return receipt requested; or
  - (B)** other means specified in the corporation's governing documents.

**(b)** The right to dissent or abstain under this section does not apply to a director who voted in favor of the action.

*Tex. Bus. Org. Code § 22.227.* Amended by Acts 2017, Texas Acts of the 85th Leg. - Regular Session, ch. 75, Sec. 30, eff. 9/1/2017. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.228**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.228 - Reliance on Written Opinion of Attorney

A director is not liable under Section 22.226 or 22.227 if, in the exercise of ordinary care, the director acted in good faith and in reliance on the written opinion of an attorney for the corporation.

*Tex. Bus. Org. Code § 22.228.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.229**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.229 - Right to Contribution

A director against whom a claim is asserted under Section 22.226 or 22.227 and who is held liable on the claim is entitled to contribution from persons who accepted or received the distribution knowing the distribution to have been made in violation of that section, in proportion to the amounts received by those persons.

*Tex. Bus. Org. Code § 22.229.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

## **Tex. Bus. Org. Code § 22.230**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.230 - Contracts or Transactions Involving Interested Directors, Officers, and Members

- (a)** This section applies to a contract or transaction between a corporation and:
  - (1)** one or more directors, officers, or members, or one or more affiliates or associates of one or more directors, officers, or members, of the corporation; or

**(2)** an entity or other organization in which one or more directors, officers, or members, or one or more affiliates or associates of one or more directors, officers, or members, of the corporation:

- (A)** is a managerial official or a member; or
- (B)** has a financial interest.

**(b)** An otherwise valid and enforceable contract or transaction is valid and enforceable, and is not void or voidable, notwithstanding any relationship or interest described by Subsection (a), if any one of the following conditions is satisfied:

**(1)** the material facts as to the relationship or interest and as to the contract or transaction are disclosed to or known by:

**(A)** the corporation's board of directors, a committee of the board of directors, or the members, and the board, the committee, or the members in good faith and with ordinary care authorize the contract or transaction by the affirmative vote of the majority of the disinterested directors, committee members or members, regardless of whether the disinterested directors, committee members or members constitute a quorum; or

**(B)** the members entitled to vote on the authorization of the contract or transaction, and the contract or transaction is specifically approved in good faith and with ordinary care by a vote of the members; or

**(2)** the contract or transaction is fair to the corporation when the contract or transaction is authorized, approved, or ratified by the board of directors, a committee of the board of directors, or the members.

**(c)** Common or interested directors or members of a corporation may be included in determining the presence of a quorum at a meeting of the board, a committee of the board, or members that authorizes the contract or transaction.

**(d)** A person who has the relationship or interest described by Subsection (a) may:

**(1)** be present at or participate in and, if the person is a director, member, or committee member, may vote at a meeting of the board of directors, of the members, or of a committee of the board that authorizes the contract or transaction; or

**(2)** sign, in the person's capacity as a director, member, or committee member, a written consent of the directors, members, or committee members to authorize the contract or transaction.

**(e)** If at least one of the conditions of Subsection (b) is satisfied, neither the corporation nor any of the corporation's members will have a cause of action against any of the persons described by Subsection (a) for breach of duty with respect to the making, authorization, or performance of the contract or transaction because the person had the relationship or interest described by Subsection (a) or took any of the actions authorized by Subsection (d).

# Tex. Bus. Org. Code § 22.231

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.231 – Officers

**(a)** The officers of a corporation shall include a president and a secretary and may include one or more vice presidents, a treasurer, and other officers and assistant officers as considered necessary. Any two or more offices, other than the offices of president and secretary, may be held by the same person.

**(b)** A properly designated committee may perform the functions of an officer. A single committee may perform the functions of any two or more officers, including the functions of president and secretary.

**(c)** The officers of a corporation may be designated by other or additional titles as provided by the certificate of formation or bylaws of the corporation.

*Tex. Bus. Org. Code § 22.231. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

# Tex. Bus. Org. Code § 22.232

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.232 - Election or Appointment of Officers

**(a)** An officer of a corporation shall be elected or appointed at the time, in the manner, and for the terms prescribed by the certificate of formation or bylaws of the corporation. The term of an officer may not exceed three years.

**(b)** If the certificate of formation or bylaws do not include provisions for the election or appointment of officers, the officers shall be elected or appointed annually by the board of directors or, if the management of the corporation is vested in the corporation's members, by the members.

*Tex. Bus. Org. Code § 22.23. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

# Tex. Bus. Org. Code § 22.233

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.233 - Application to Church

A corporation that is a church is not required to have officers as provided by this subchapter. The duties and responsibilities of the officers may be vested in the corporation's board of directors or other designated body in any manner provided for by the certificate of formation or bylaws of the corporation.

*Tex. Bus. Org. Code § 22.233. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

# Tex. Bus. Org. Code § 22.234

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.234 - Religious Corporation Officer's Good Faith Reliance on Certain Information

An officer of a religious corporation, in the discharge of a duty imposed or power conferred on the officer, may rely in good faith and with ordinary care on information or on an opinion, report, or statement, including a financial statement or other financial data, concerning the corporation or another person that was prepared or presented by:

- (1) a religious authority; or
- (2) a minister, priest, rabbi, or other person whose position or duties in the religious organization the officer believes justify reliance and confidence and whom the officer believes to be reliable and competent in the matters presented.

*Tex. Bus. Org. Code § 22.234.* Amended by Acts 2007, 80th Leg., R.S., Ch. 688, Sec. 92, eff. 9/1/2007. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

# Tex. Bus. Org. Code § 22.235

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.235 - Officer Liability

(a) An officer is not liable to the corporation or any other person for an action taken or omission made by the officer in the person's capacity as an officer unless the officer's conduct was not exercised:

- (1) in good faith;
- (2) with ordinary care; and
- (3) in a manner the officer reasonably believes to be in the best interest of the corporation.

(b) This section shall not affect the liability of the corporation for an act or omission of the officer.

*Tex. Bus. Org. Code § 22.235.* Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.

# Tex. Bus. Org. Code § 22.351

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.351 - Member's Right to Inspect Books and Records

A member of a corporation, on written demand stating the purpose of the demand, is entitled to examine and copy at the member's expense, in person or by agent,

accountant, or attorney, at any reasonable time and for a proper purpose, the books and records of the corporation relevant to that purpose.

*Tex. Bus. Org. Code § 22.351. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.352**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.352 - Financial Records and Annual Reports

**(a)** A corporation shall maintain current and accurate financial records with complete entries as to each financial transaction of the corporation, including income and expenditures, in accordance with generally accepted accounting principles.

**(b)** Based on the records maintained under Subsection (a), the board of directors of the corporation shall annually prepare or approve a financial report for the corporation for the preceding year. The report must conform to accounting standards as adopted by the American Institute of Certified Public Accountants and must include:

- (1)** a statement of support, revenue, and expenses;
- (2)** a statement of changes in fund balances;
- (3)** a statement of functional expenses; and
- (4)** a balance sheet for each fund.

*Tex. Bus. Org. Code § 22.352. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.353**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.353 - Availability Of Financial Information For Public Inspection

**(a)** A corporation shall keep each document the corporation is required to make available for public inspection as an entity that is exempt from income taxation under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt organization under Section 501(c)(3) of that code, at the corporation's registered or principal office in this state for at least three years after the close of the fiscal year.

**(b)** The corporation shall make the documents described by Subsection (a) available to the public for inspection and copying at the corporation's registered or principal office during regular business hours. The corporation may charge a reasonable fee for preparing a copy of a document .

*Tex. Bus. Org. Code § 22.353. Amended by Acts 2023, Texas Acts of the 88th Leg.- Regular Session, ch. 434, Sec. 1, eff. 9/1/2023. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.354**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.354 - Failure to Maintain Financial Record or Prepare Annual Report;  
Offense

**(a)** A corporation commits an offense if the corporation fails to maintain a financial record, prepare an annual report, or make the record or report available to the public in the manner required by Section 22.353.

**(b)** An offense under this section is a Class B misdemeanor.

*Tex. Bus. Org. Code § 22.354. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.355

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.355 - Exemptions From Certain Requirements Relating to Financial Records and Annual Reports

Sections 22.352, 22.353, and 22.354 do not apply to:

- (1)** a corporation that solicits funds only from members of the corporation;
- (2)** a corporation that does not intend to solicit and receive and does not actually raise or receive during a fiscal year contributions in an amount exceeding \$10,000 from a source other than its own membership;
- (3)** a private or independent institution of higher education described by Section 61.003, Education Code, accredited by a recognized accrediting agency as defined by Section 61.003, Education Code, a postsecondary educational institution authorized to grant degrees under a certificate of authority issued by the Texas Higher Education Coordinating Board or a foundation chartered for the benefit of the institution or any component part of the institution, a career school or college that has received a certificate of approval from the Texas Workforce Commission, a public institution of higher education or a foundation chartered for the benefit of the institution or any component part of the institution, or an elementary or secondary school;
- (4)** a religious institution that is a church, an ecclesiastical or denominational organization, or another established physical place for worship at which religious services are the primary activity and are regularly conducted;
- (5)** a trade association or professional society the income of which is principally derived from membership dues and assessments, sales, or services;
- (6)** an insurer licensed and regulated by the Texas Department of Insurance; or
- (7)** an alumni association of a public or private institution of higher education in this state that is recognized and acknowledged as the official alumni association by the institution.

*Tex. Bus. Org. Code § 22.355. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006. Amended by Acts 2005, 79th Leg., Ch. 64, Sec. 70, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.356

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

## Section 22.356 - Corporations Assisting State Agencies

**(a)** In this section, "state agency" means:

- (1)** a board, commission, department, office, or other entity that is in the executive branch of state government and that was created by the constitution or a statute of this state, including an institution of higher education as defined by Section 61.003, Education Code;
- (2)** the legislature or a legislative agency; or
- (3)** the supreme court, the court of criminal appeals, a court of appeals, the state bar, or another state judicial agency.

**(b)** The books and records of a corporation other than a bona fide alumni association are subject to audit at the discretion of the state auditor if:

- (1)** the corporation's certificate of formation specifically dedicates the corporation's activities to the benefit of a particular state agency; and
- (2)** a board member, officer, or employee of that state agency is a director of the corporation.

**(c)** If the corporation's charter specifically dedicates the corporation's activities to the benefit of a particular state agency but the conditions described by Subsection (b)(2) do not exist, a corporation shall file with the secretary of state a copy of the report required by Section 22.352(b) for the preceding fiscal year not later than the 89th day after the last day of the corporation's fiscal year.

*Tex. Bus. Org. Code § 22.356. Amended by Acts 2019, Texas Acts of the 86th Leg.- Regular Session, ch. 665, Sec. 19, eff. 9/1/2019. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## Tex. Bus. Org. Code § 22.357

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

## Section 22.357 - Report of Domestic and Foreign Corporations

**(a)** The secretary of state may require a domestic corporation or a foreign corporation registered to conduct affairs in this state to file a report in accordance with Chapter 4 not more than once every four years as required by this subchapter. The report must state:

- (1)** the name of the corporation;
- (2)** the state or country under the laws of which the corporation is incorporated;
- (3)** the address of the registered office of the corporation in this state and the name of the registered agent at that address;
- (4)** if the corporation is a foreign corporation, the address of the principal office of the corporation in the state or country under the laws of which the corporation is incorporated; and
- (5)** the names and addresses of the directors and officers of the corporation.

**(b)** A corporation required to prepare a report under this section shall prepare the report on a form adopted by the secretary of state for that purpose and shall include in the report information that is accurate as of the date the report is executed. An officer or, if the corporation is in the hands of a receiver or trustee, the receiver or trustee shall sign the report on behalf of the corporation.

*Tex. Bus. Org. Code § 22.357. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.358**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.358 - Notice Regarding Report

**(a)** The secretary of state shall send written notice that the report required by Section 22.357 is due. The notice must be:

**(1)** addressed to the corporation; and

**(2)** mailed to the corporation's registered agent or to the corporation at:

**(A)** the last known address of the corporation as it appears on record in the office of the secretary of state; or

**(B)** any other known place of business of the corporation.

**(b)** The secretary of state shall include with the notice a report form to be prepared and filed as provided by this subchapter.

*Tex. Bus. Org. Code § 22.358. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.359**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.359 - Filing of Report

A copy of the report must be filed with the secretary of state in accordance with Chapter 4 not later than the 30th day after the date notice is mailed under Section 22.358.

*Tex. Bus. Org. Code § 22.359. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.360**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.360 - Failure to File Report

**(a)** A domestic or foreign corporation that fails to file a report under Sections 22.357 and 22.359 when the report is due forfeits the corporation's right to conduct affairs in this state.

**(b)** The forfeiture takes effect, without judicial action, when the secretary of state enters on the record of the corporation kept in the office of the secretary of state:

- (1)** the words "right to conduct affairs forfeited"; and
- (2)** the date of forfeiture.

*Tex. Bus. Org. Code § 22.360. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.361**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.361 - Notice of Forfeiture

Notice of forfeiture under Section 22. 360 shall be mailed to the corporation's registered agent at the registered office or to the corporation at:

- (1)** the address of the principal place of business of the corporation as it appears in the certificate of formation;
- (2)** the last known address of the corporation as it appears on record in the office of the secretary of state; or
- (3)** any other known place of business of the corporation.

*Tex. Bus. Org. Code § 22.361. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.362**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.362 - Effect of Forfeiture

**(a)** Unless the right of the corporation to conduct affairs in this state is revived under Section 22.363:

- (1)** the corporation may not maintain an action, suit, or proceeding in a court of this state; and
- (2)** a successor or assignee of the corporation may not maintain an action, suit, or proceeding in a court of this state on a right, claim, or demand arising from the conduct of affairs by the corporation in this state.

**(b)** This section does not affect the right of an assignee of the corporation as:

- (1)** the holder in due course of a negotiable promissory note, check, or bill of exchange; or
- (2)** the bona fide purchaser for value of a warehouse receipt, stock certificate, or other instrument negotiable by law.

**(c)** The forfeiture of the right to conduct affairs in this state does not:

- (1)** impair the validity of a contract or act of the corporation; or

- (2)** prevent the corporation from defending an action, suit, or proceeding in a court of this state.

*Tex. Bus. Org. Code § 22.362. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.363**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.363 - Revival of Right to Conduct Affairs

**(a)** A corporation may be relieved from a forfeiture under Section 22.360 by filing the required report, accompanied by the revival fee, not later than the 120th day after the date of mailing of the notice of forfeiture under Section 22.361.

**(b)** If a corporation complies with Subsection (a), the secretary of state shall:

- (1)** revive the right of the corporation to conduct affairs in this state;
  - (2)** cancel the words regarding the forfeiture on the record of the corporation;
- and
- (3)** endorse on that record the word "revived" and the date of revival.

*Tex. Bus. Org. Code § 22.363. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.364**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.364 - Failure to Revive; Termination or Revocation

**(a)** The failure of a corporation that has forfeited its right to conduct affairs in this state to revive that right under Section 22.363 is grounds for:

- (1)** the involuntary termination of the domestic corporation, or; corporat
- (2)** the revocation of the foreign corporation's registration to transact business in this state.

**(b)** The termination or revocation takes effect, without judicial action, when the secretary of state enters on the record of the corporation filed in the office of the secretary of state the word "forfeited" and the date of forfeiture and cites this chapter as authority for that forfeiture.

*Tex. Bus. Org. Code § 22.364. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.*

## **Tex. Bus. Org. Code § 22.365**

Current with legislation from the 2023 Regular and Special Sessions signed by the Governor as of November 21, 2023.

Section 22.365 – Reinstatement

**(a)** A corporation that is terminated or the registration of which has been revoked as provided by Section 22.364 may be relieved of the termination or revocation by filing the report required by Section 22.357, accompanied by the filing fee for the report, if the corporation has paid:

- (1)** all fees, taxes, penalties, and interest due and accruing before the termination or revocation; and
- (2)** an amount equal to the total taxes from the date of termination or revocation to the date of reinstatement that would have been payable if the corporation had not been terminated or had its registration revoked.

**(b)** When the report is filed and the filing fee is paid to the secretary of state, the secretary of state shall:

- (1)** reinstate the certificate of formation or registration without judicial action;
- (2)** cancel the word "forfeited" on the record; and
- (3)** endorse on the record kept in the secretary's office relating to the corporation the words "set aside" and the date of the reinstatement.

**(c)** If a termination or revocation is set aside under this section, the corporation shall determine from the secretary of state whether the name of the corporation is available. If the name of the corporation is not available at the time of reinstatement, the corporation shall amend its corporate name under this code.

Tex. Bus. Org. Code § 22.365. Acts 2003, 78th Leg., ch. 182, Sec. 1, eff. 1/1/2006.