

By: Moody

H.B. No. 5468

A BILL TO BE ENTITLED

AN ACT

relating to the authority of the office of the attorney general to make certain examinations and inquiries.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 12.151, Business Organizations Code, is amended to read as follows:

Sec. 12.151. AUTHORITY OF ATTORNEY GENERAL TO EXAMINE BOOKS AND RECORDS. Subject to Section 12.152, each ~~Each~~ filing entity and foreign filing entity shall permit the attorney general to inspect, examine, and make copies, as the attorney general considers necessary in the performance of a power or duty of the attorney general, of any record of the entity. A record of the entity includes minutes and a book, account, letter, memorandum, document, check, voucher, telegram, constitution, and bylaw.

SECTION 2. Section 12.152, Business Organizations Code, is amended to read as follows:

Sec. 12.152. REQUEST TO EXAMINE. (a) To examine the business of a filing entity or foreign filing entity, the attorney general shall make a written request to a managerial official, who shall ~~immediately~~ permit within a reasonable time the attorney general to inspect, examine, and make copies of the records of the entity.

(b) Each request by the attorney general under Subsection (a) shall state the statute and section of the laws of this state or

1 section of the entity's governing documents that form the basis of
2 the attorney general's investigation.

3 (c) Within 45 days after the request has been served, a
4 petition to extend the return date for or to modify or set aside the
5 request, stating good cause, may be filed in the district court in
6 the county where the parties reside or a district court of Travis
7 County.

8 (d) The deadline to respond to a request is suspended on the
9 filing of a petition to extend the return date for or to modify or
10 set aside the request. The district court shall, as necessary, set
11 a reasonable deadline for responding to the request upon entering a
12 final judgment on the petition.

13 (e) The attorney general shall conduct inspections,
14 examinations, and copying of records at a time and manner that
15 minimizes interference with the operation of the entity.

16 SECTION 3. Section 12.155, Business Organizations Code, is
17 amended to read as follows:

18 Sec. 12.155. FORFEITURE OF BUSINESS PRIVILEGES. A foreign
19 filing entity or a filing entity that fails or refuses to permit the
20 attorney general to examine or make copies of a record, subject to
21 Section 12.152, without regard to whether the record is located in
22 this or another state, forfeits the right of the entity to do
23 business in this state, and the entity's registration or
24 certificate of formation shall be revoked or terminated.

25 SECTION 4. Section 12.156(a), Business Organizations Code,
26 is amended to read as follows:

27 (a) Subject to Section 12.152, a [A] managerial official or

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1 other individual having the authority to manage the affairs of a
2 filing entity or foreign filing entity commits an offense if the
3 official or individual fails or refuses to permit the attorney
4 general to make an investigation of the entity or to examine or to
5 make copies of a record of the entity.

6 SECTION 5. This Act takes effect September 1, 2025.