

By: Parker, et al.
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S.B. No. 1057

A BILL TO BE ENTITLED

AN ACT

relating to the submission and approval of certain proposals by
shareholders of nationally listed corporations.

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

SECTION 1. Subchapter H, Chapter 21, Business Organizations
Code, is amended by adding Section 21.373 to read as follows:

Sec. 21.373. NATIONALLY LISTED CORPORATIONS: SHAREHOLDER
PROPOSALS. (a) In this section:

(1) "Nationally listed corporation" means a
corporation that:

(A) has a class of equity securities registered
under Section 12(b) of the Securities Exchange Act of 1934 (15
U.S.C. Section 781(b));

(B) is admitted to listing on a national
securities exchange; and

(C) either:

(i) has its principal office in this state;
or

(ii) is admitted to listing on a stock
exchange that:

(a) has its principal office in this
state; and

(b) has received approval by the
securities commissioner under Subchapter C, Chapter 4005,

1 Government Code.

2 (2) "Voting shares" means shares that entitle the
3 holders of the shares to vote on a proposal.

4 (b) This section applies only to a nationally listed
5 corporation that makes an affirmative election to be governed by
6 this section under an amendment to the corporation's governing
7 documents.

8 (c) A nationally listed corporation shall provide notice to
9 shareholders of the proposed adoption of an amendment under
10 Subsection (b) in any proxy statement provided to shareholders
11 preceding the amendment's adoption.

12 (d) A nationally listed corporation shall include in any
13 proxy statement provided to shareholders specific information
14 about the process by which a shareholder or group of shareholders
15 may submit a proposal on a matter requiring shareholder approval,
16 including information for how shareholders may contact other
17 shareholders for the purpose of satisfying the ownership
18 requirements in this section.

19 (e) Except as provided by Subsection (f) and subject to the
20 corporation's governing documents, to submit a proposal on a matter
21 to the shareholders for approval at a meeting of shareholders, a
22 shareholder or group of shareholders must:

23 (1) hold an amount of voting shares of the
24 corporation, determined as of the date of submission of the
25 proposal, equal to at least:

26 (A) \$1 million in market value; or

27 (B) three percent of the corporation's voting

1 shares;

2 (2) hold the shares described by Subdivision (1):

3 (A) for a continuous period of least six months
4 before the date of the meeting; and

5 (B) throughout the entire duration of the
6 meeting; and

7 (3) solicit the holders of shares representing at
8 least 67 percent of the voting power of shares entitled to vote on
9 the proposal.

10 (f) Subsection (e) does not apply to:

11 (1) director nominations; and

12 (2) procedural resolutions that are ancillary to the
13 conduct of the meeting.

14 SECTION 2. This Act takes effect September 1, 2025.