

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 29, 2003

TO: Honorable Helen Giddings, Chair, House Committee on Business & Industry

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2578 by Goolsby (relating to the use of an electronic transmission by a corporation for purposes of giving notice, voting, or participating in a meeting.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

This bill amends the Texas Business Corporation Act to define the terms "electronic transmission" to mean any form of communication not directly involving transmission of paper that creates a record that may be retained, retrieved and reviewed by a recipient and that may be directly reproduced in paper form by the recipient through an automated process. The bill also amends the Business Corporation Act to permit the provision of notice to shareholders and to directors by a form of electronic transmission consented to by the shareholder or the director to whom notice is given. The bill also provides for shareholder voting by electronic transmission when it can be determined that the electronic transmission was authorized by the shareholder or shareholder's proxy. The bill has no fiscal implication to the Office of the Secretary of State.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 307 Secretary of State

LBB Staff: JK, JRO, JF