

By: Solomons

H.B. No. 1507

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of corporations; providing a penalty.

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

SECTION 1. Section A, Article 2.05, Texas Business Corporation Act, is amended to read as follows:

A. The Corporate name shall conform to the following requirements:

(1) It shall contain the word "corporation," "company," ~~or~~ "incorporated," or "limited," or shall contain an abbreviation of one of such words, and shall contain such additional words as may be required by law.

(2) It shall not contain any word or phrase which indicates or implies that it is organized for any purpose other than one or more of the purposes contained in its articles of incorporation.

(3) It shall not be the same as, or deceptively similar to, the name of any domestic corporation, limited partnership, or limited liability company existing under the laws of this State, or the name of any foreign corporation, non-profit corporation, limited partnership, or limited liability company authorized to transact business in this State, or a name the exclusive right to which is, at the time, reserved in the manner provided in this Act or any other statute providing for reservation of names by a limited partnership or limited liability company, or the name of a

1 corporation, limited partnership, or limited liability company  
2 which has in effect a registration of its company name as provided  
3 in this Act or any other applicable law; provided that a name may be  
4 similar if written consent is obtained from the existing  
5 corporation, limited partnership, or limited liability company  
6 having the name deemed to be similar or the person for whom the name  
7 deemed to be similar is reserved in the office of the Secretary of  
8 State.

9 (4) It shall not contain the word "lottery."

10 SECTION 2. Sections A and B, Article 2.06, Texas Business  
11 Corporation Act, are amended to read as follows:

12 A. The exclusive right to the use of a corporate name may be  
13 reserved by any person[+

14 ~~[(1) Any person intending to organize a corporation~~  
15 ~~under this Act.~~

16 ~~[(2) Any domestic corporation intending to change its~~  
17 ~~name.~~

18 ~~[(3) Any foreign corporation intending to make~~  
19 ~~application for a certificate of authority to transact business in~~  
20 ~~this State.~~

21 ~~[(4) Any foreign corporation authorized to transact~~  
22 ~~business in this State and intending to change its name.~~

23 ~~[(5) Any person intending to organize a foreign~~  
24 ~~corporation and intending to have such corporation make application~~  
25 ~~for a certificate of authority to transact business in this State].~~

26 B. The reservation shall be made by filing with the  
27 Secretary of State an application to reserve a specified corporate

1 name, executed by the applicant or the attorney or agent thereof.  
2 If the Secretary of State finds that the name is available for  
3 corporate use, he shall reserve the same for the exclusive use of  
4 the applicant for a period of one hundred and twenty (120) days. A  
5 person may renew the person's reservation of a name under this part  
6 for successive 120-day periods if, during the 30-day period  
7 preceding the expiration of that reservation, the person:

8 (1) files a new application to reserve the name; and

9 (2) pays the required filing fee.

10 SECTION 3. Section B, Article 2.07, Texas Business  
11 Corporation Act, is amended to read as follows:

12 B. Such registration shall be made by:

13 (1) Filing with the Secretary of State an[+]

14 [~~(a) An~~] application for registration executed  
15 by the corporation by an officer thereof, setting forth the name of  
16 the corporation, the state or territory under the laws of which it  
17 is incorporated, the date of its incorporation, a statement that  
18 the corporation validly exists and [~~it~~] is carrying on or doing  
19 business, and a brief statement of the business in which it is  
20 engaged; [~~7~~] and

21 [~~(b) A certificate setting forth that such~~  
22 ~~corporation is in good standing under the laws of the state or~~  
23 ~~territory wherein it is organized, executed by the Secretary of~~  
24 ~~State of such state or territory or by such other official as may~~  
25 ~~have custody of the records pertaining to corporations, and]~~

26 (2) Paying to the Secretary of State the required  
27 registration fee.

1 SECTION 4. Section A, Article 2.10, Texas Business  
2 Corporation Act, is amended to read as follows:

3 A. A corporation may change its registered office or change  
4 its registered agent, or both, upon filing in the office of the  
5 Secretary of State a statement setting forth:

6 (1) The name of the corporation.

7 (2) The street [~~post-office~~] address of its then  
8 registered office.

9 (3) If the street [~~post-office~~] address of its  
10 registered office is to be changed, the street [~~post-office~~]  
11 address to which the registered office is to be changed.

12 (4) The name of its then registered agent.

13 (5) If its registered agent is to be changed, the name  
14 of its successor registered agent.

15 (6) That the street [~~post-office~~] address of its  
16 registered office and the street [~~post-office~~] address of the  
17 business office of its registered agent, as changed, will be  
18 identical.

19 (7) That such change was authorized by its Board of  
20 Directors or by an officer of the corporation so authorized by the  
21 Board of Directors.

22 SECTION 5. Section B, Article 2.19, Texas Business  
23 Corporation Act, is amended to read as follows:

24 B. In the event a corporation is authorized to issue shares  
25 of more than one class or series, each certificate representing  
26 shares issued by such corporation (1) shall conspicuously set forth  
27 on the face or back of the certificate a full statement of all the

1 designations, preferences, limitations, and relative rights of the  
2 shares of each class or series to the extent they have been fixed  
3 and determined and the authority of the board of directors to fix  
4 and determine the designations, preferences, limitations, and  
5 relative rights of subsequent series; or (2) shall conspicuously  
6 state on the face or back of the certificate that (a) such a  
7 statement is set forth in the articles of incorporation on file in  
8 the office of the Secretary of State and (b) the corporation will  
9 furnish a copy of such statement to the record holder of the  
10 certificate without charge on written request to the corporation at  
11 its principal place of business or registered office. [~~In the event  
12 a corporation has by its articles of incorporation limited or  
13 denied the preemptive right of shareholders to acquire unissued or  
14 treasury shares of the corporation, each certificate representing  
15 shares issued by such corporation (1) shall conspicuously set forth  
16 on the face or back of the certificate a full statement of the  
17 limitation or denial of preemptive rights contained in the articles  
18 of incorporation, or (2) shall conspicuously state on the face or  
19 back of the certificate that (a) such a statement is set forth in  
20 the articles of incorporation on file in the office of the Secretary  
21 of State and (b) the corporation will furnish a copy of such  
22 statement to the record holder of the certificate without charge on  
23 request to the corporation at its principal place of business or  
24 registered office.]~~

25 SECTION 6. Section B, Article 2.24, Texas Business  
26 Corporation Act, is amended to read as follows:

27 B. An annual meeting of the shareholders shall be held at

1 such time as may be stated in or fixed in accordance with the  
2 bylaws. If the annual meeting is not held within any 13-month  
3 period and a written consent of shareholders has not been executed  
4 instead of the meeting, any court of competent jurisdiction in the  
5 county in which the principal office of the corporation is located  
6 may, on the application of any shareholder who has previously  
7 submitted a written request to the corporation that an annual  
8 meeting be held, summarily order a meeting to be held unless the  
9 meeting is not required to be held under Section D of this article.  
10 Failure to hold the annual meeting at the designated time shall not  
11 work a dissolution of the corporation.

12 SECTION 7. Section A, Article 3.02, Texas Business  
13 Corporation Act, is amended to read as follows:

14 A. The articles of incorporation shall set forth:

15 (1) The name of the corporation;

16 (2) The period of duration, which may be perpetual;

17 (3) The purpose or purposes for which the corporation  
18 is organized which may be stated to be, or to include, the  
19 transaction of any or all lawful business for which corporations  
20 may be incorporated under this Act;

21 (4) The aggregate number of shares which the  
22 corporation shall have authority to issue; if such shares are to  
23 consist of one class only, the par value of each of such shares, or a  
24 statement that all of such shares are without par value; or, if such  
25 shares are to be divided into classes, the number of shares of each  
26 class, and a statement of the par value of the shares of each class  
27 or that such shares are to be without par value;

1           (5) If the shares are to be divided into classes, the  
2 designation of each class and statement of the preferences,  
3 limitations, and relative rights in respect of the shares of each  
4 class;

5           (6) If the corporation is to issue the shares of any  
6 class in series, then the designation of each series and a statement  
7 of the variations in the preferences, limitations and relative  
8 rights as between series insofar as the same are to be fixed in the  
9 articles of incorporation, and a statement of any authority to be  
10 vested in the board of directors to establish series and fix and  
11 determine the preferences, limitations and relative rights of each  
12 series;

13           (7) If the [Any provision limiting or denying to]  
14 shareholders of a corporation are to have the preemptive right to  
15 acquire additional or treasury shares of the corporation, a  
16 provision complying with the requirements of Article 2.22-1 of this  
17 Act;

18           (7-a) If the shareholders of a corporation are to have  
19 a cumulative voting right at the election of directors, a provision  
20 complying with the requirements of Section D, Article 2.29, of this  
21 Act;

22           (8) If a corporation elects to become a close  
23 corporation in conformance with Part Twelve of this Act, any  
24 provision (a) required or permitted by this Act to be stated in the  
25 articles of incorporation of a close corporation, but not in the  
26 articles of incorporation of an ordinary corporation, (b) contained  
27 or permitted to be contained in a shareholders' agreement in

1 conformance with Part Twelve of this Act which the incorporators  
2 elect to set forth in articles of incorporation, or (c) that makes a  
3 shareholders' agreement in conformance with Part Twelve of this Act  
4 part of the articles of incorporation of a close corporation in the  
5 manner prescribed in Section F, Article 2.22 of this Act, but any  
6 such provision, other than the statement required by Section A,  
7 Article 12.11 of this Act, shall be preceded by a statement that the  
8 provision shall be subject to the corporation remaining a close  
9 corporation in conformance with Part Twelve of this Act;

10 (9) Any provision, not inconsistent with law,  
11 including any provision which under this Act is required or  
12 permitted to be set forth in the bylaws or which is permitted to be  
13 included pursuant to Article 2.30-1 of this Act, providing for the  
14 regulation of the internal affairs of the corporation;

15 (10) The street address of its initial registered  
16 office and the name of its initial registered agent at such address;

17 (11) Subject to Article 2.30-1 of this Act, the number  
18 of directors constituting the initial board of directors and the  
19 names and addresses of the person or persons who are to serve as  
20 directors until the first annual meeting of shareholders or until  
21 their successors be elected and qualify, or, in the case of a close  
22 corporation that, in conformance with Part Twelve of this Act, is to  
23 be managed in some other manner pursuant to a shareholders'  
24 agreement by the shareholders or by the persons empowered by the  
25 agreement to manage its business and affairs, the names and  
26 addresses of the person or persons who, pursuant to the  
27 shareholders' agreement, will perform the functions of the initial



1 board of directors provided for by this Act;

2 (12) The name and address of each incorporator, unless  
3 the corporation is being incorporated pursuant to a plan of  
4 conversion or a plan of merger, in which case the articles need not  
5 include such information; and

6 (13) If the corporation is being incorporated pursuant  
7 to a plan of conversion or a plan of merger, a statement to that  
8 effect, and in the case of a plan of conversion, the name, address,  
9 date of formation, and prior form of organization and jurisdiction  
10 of incorporation or organization of the converting entity.

11 SECTION 8. Section B, Article 4.04, Texas Business  
12 Corporation Act, is amended to read as follows:

13 B. The articles of amendment shall set forth:

14 (1) The name of the corporation.

15 (2) If the amendment alters any provision of the  
16 original or amended articles of incorporation, an identification by  
17 reference or description of the altered provision and a statement  
18 of its text as it is amended to read. If the amendment is an  
19 addition to the original or amended articles of incorporation, a  
20 statement of that fact and the full text of each provision added.

21 (3) ~~[The date of the adoption of the amendment by the~~  
22 ~~shareholders, or by the board of directors where no shares have been~~  
23 ~~issued.~~

24 ~~[(4)]~~ A statement that the amendment has been approved  
25 in the manner required by this Act and the constituent documents of  
26 the corporation.

27 SECTION 9. Section B, Article 5.01, Texas Business

1 Corporation Act, is amended to read as follows:

2 B. A plan of merger shall set forth:

3 (1) the name, type of entity, and jurisdiction of  
4 formation of each domestic or foreign corporation or other entity  
5 that is a party to the merger and the name of each domestic or  
6 foreign corporation or other entity, if any, that shall survive the  
7 merger, which may be one or more of the domestic or foreign  
8 corporations or other entities party to the merger, and the name,  
9 type of entity, and jurisdiction of formation of each new domestic  
10 or foreign corporation or other entity, if any, that may be created  
11 by the terms of the plan of merger;

12 (2) the terms and conditions of the merger including,  
13 if more than one domestic or foreign corporation or other entity is  
14 to survive or to be created by the terms of the plan of merger, (a)  
15 the manner and basis of allocating and vesting the real estate and  
16 other property of each domestic or foreign corporation and of each  
17 other entity that is a party to the merger among one or more of the  
18 surviving or new domestic or foreign corporations and other  
19 entities, (b) the name of the surviving or new domestic or foreign  
20 corporation or other entity that is to be obligated for the payment  
21 of the fair value of any shares held by a shareholder of any  
22 domestic corporation that is a party to the merger who has complied  
23 with the requirements of Article 5.12 of this Act for the recovery  
24 of the fair value of his shares, and (c) the manner and basis of  
25 allocating all other liabilities and obligations of each domestic  
26 or foreign corporation and other entity that is a party to the  
27 merger (or making adequate provision for the payment and discharge

1 thereof) among one or more of the surviving or new domestic or  
2 foreign corporations and other entities;

3 (3) the manner and basis of converting any of the  
4 shares or other evidences of ownership of each domestic or foreign  
5 corporation and other entity that is a party to the merger into  
6 shares, obligations, evidences of ownership, rights to purchase  
7 securities or other securities of one or more of the surviving or  
8 new domestic or foreign corporations or other entities, into cash  
9 or other property, including shares, obligations, evidences of  
10 ownership, rights to purchase securities or other securities of any  
11 other person or entity, or into any combination of the foregoing,  
12 and if any shares or other evidences of ownership of any holder of a  
13 class or series of shares or other evidence of ownership is to be  
14 converted in a manner or basis different than any other holder of  
15 shares of such class or series or other evidence of ownership, the  
16 manner and basis applicable to such holder;

17 (4) as an exhibit or attachment, the articles of  
18 incorporation of any new domestic corporation to be created by the  
19 terms of the plan of merger and the articles of incorporation or  
20 other organizational documents of any other new domestic entity to  
21 be created by the terms of the plan of merger; and

22 (5) the articles of incorporation or other  
23 organizational documents of each other entity that is a party to the  
24 merger and that is to survive the merger or is to be created by the  
25 terms of the plan of merger if it is an entity that is not organized  
26 under the laws of any state of the United States or is not required  
27 to file its articles of incorporation or other organizational

1 documents with the appropriate governmental authority.

2 SECTION 10. Section H-1, Article 5.03, Texas Business  
3 Corporation Act, is amended to read as follows:

4 H-1. The term "organizational documents," as used in  
5 Section H(6) of this article, means:

6 (1) in reference to a corporation, the articles of  
7 incorporation of the corporation; or

8 (2) in reference to a limited liability company, the  
9 articles of organization and regulations [~~limited liability~~  
10 ~~company agreement~~] of the limited liability company.

11 SECTION 11. Section I(1), Article 5.03, Texas Business  
12 Corporation Act, is amended to read as follows:

13 (1) "Direct or indirect wholly owned subsidiary"  
14 means, with respect to any corporation, another corporation or a  
15 limited liability company[~~7~~] all of the outstanding voting stock or  
16 interests, as applicable, of which is owned by the corporation or by  
17 one or more other domestic or foreign corporations or other  
18 entities, all of the outstanding voting stock or interests of which  
19 is owned by the corporation or one or more of such other wholly  
20 owned domestic or foreign corporations or other entities.

21 SECTION 12. Section A, Article 5.06, Texas Business  
22 Corporation Act, is amended to read as follows:

23 A. When a merger takes effect:

24 (1) the separate existence of every domestic  
25 corporation that is a party to the merger, except any surviving or  
26 new domestic corporation, shall cease;

27 (2) all rights, title and interests to all real estate

1 and other property owned by each domestic or foreign corporation  
2 and by each other entity that is a party to the merger shall be  
3 allocated to and vested in one or more of the surviving or new  
4 domestic or foreign corporations and other entities as provided in  
5 the plan of merger without reversion or impairment, without further  
6 act or deed, and without any transfer or assignment having  
7 occurred, but subject to any existing liens or other encumbrances  
8 thereon;

9 (3) all liabilities and obligations of each domestic  
10 or foreign corporation and other entity that is a party to the  
11 merger shall be allocated to one or more of the surviving or new  
12 domestic or foreign corporations and other entities in the manner  
13 set forth in the plan of merger, and each surviving or new domestic  
14 or foreign corporation, and each surviving or new other entity to  
15 which a liability or obligation shall have been allocated pursuant  
16 to the plan of merger, shall be the primary obligor therefor and,  
17 except as otherwise set forth in the plan of merger or as otherwise  
18 provided by law or contract, no other party to the merger, other  
19 than a surviving domestic or foreign corporation or other entity  
20 liable thereon at the time of the merger and no other new domestic  
21 or foreign corporation or other entity created thereby, shall be  
22 liable therefor;

23 (4) a proceeding pending by or against any domestic or  
24 foreign corporation or by or against any other entity that is a  
25 party to the merger may be continued as if the merger did not occur,  
26 or the surviving or new domestic or foreign corporation or  
27 corporations or the surviving or new other entity or other entities

1 to which the liability, obligation, asset or right associated with  
2 such proceeding is allocated to and vested in pursuant to the plan  
3 of merger may be substituted in the proceeding;

4 (5) the articles of incorporation of each surviving  
5 corporation shall be amended to the extent provided in the plan of  
6 merger;

7 (6) each new domestic corporation, the articles of  
8 incorporation of which are set forth in the plan of merger pursuant  
9 to Article 5.01 of this Act, shall be incorporated as a corporation  
10 under this Act; and each other entity to be incorporated or  
11 organized under the laws of this State, the organizational  
12 documents of which are set forth in the plan of merger shall, upon  
13 an executed copy of the articles of merger being delivered to or  
14 filed with any required governmental entity with which  
15 organizational documents of such other entity are required to be  
16 delivered or filed, and upon meeting such additional requirements,  
17 if any, of law for its incorporation or organization, shall be  
18 incorporated or organized as provided in the plan of merger; ~~and~~

19 (7) the shares of each domestic or foreign corporation  
20 and the shares or evidences of ownership in each other entity that  
21 is a party to the merger that are to be converted or exchanged, in  
22 whole or part, into shares, obligations, evidences of ownership,  
23 rights to purchase securities or other securities of one or more of  
24 the surviving or new domestic or foreign corporations or other  
25 entities, into cash or other property, including shares,  
26 obligations, evidences of ownership, rights to purchase securities  
27 or other securities of any other person or entity, or into any

1 combination of the foregoing, shall be so converted and exchanged  
2 and the former holders of the shares of each domestic corporation  
3 that is a party to the merger shall be entitled only to the rights  
4 provided in the plan of merger or to their rights under Article 5.11  
5 of this Act; and

6 (8) notwithstanding Subdivision (3) of this section,  
7 the surviving or new corporation or other entity named in the plan  
8 of merger as primarily obligated to pay the fair value of any shares  
9 under Section B(2), Article 5.01, of this Act is the primary obligor  
10 for that payment and all other surviving or new organizations are  
11 secondarily liable for that payment.

12 SECTION 13. Section A, Article 5.12, Texas Business  
13 Corporation Act, is amended to read as follows:

14 A. Any shareholder of any domestic corporation who has the  
15 right to dissent from any of the corporate actions referred to in  
16 Article 5.11 of this Act may exercise that right to dissent only by  
17 complying with the following procedures:

18 (1)(a) With respect to proposed corporate action that  
19 is submitted to a vote of shareholders at a meeting, the shareholder  
20 shall file with the corporation, prior to the meeting, a written  
21 objection to the action, setting out that the shareholder's right  
22 to dissent will be exercised if the action is effective and giving  
23 the shareholder's address, to which notice thereof shall be  
24 delivered or mailed in that event. If the action is effected and  
25 the shareholder shall not have voted in favor of the action, the  
26 corporation, in the case of action other than a merger, or the  
27 surviving or new corporation (foreign or domestic) or other entity

1 that is liable to discharge the shareholder's right of dissent, in  
2 the case of a merger, shall, within ten (10) days after the action  
3 is effected, deliver or mail to the shareholder written notice that  
4 the action has been effected, and the shareholder may, within ten  
5 (10) days from the delivery or mailing of the notice, make written  
6 demand on the existing, surviving, or new corporation (foreign or  
7 domestic) or other entity, as the case may be, for payment of the  
8 fair value of the shareholder's shares. The fair value of the  
9 shares shall be the value thereof as of the day immediately  
10 preceding the meeting, excluding any appreciation or depreciation  
11 in anticipation of the proposed action. In computing the fair value  
12 of the shares under this article, consideration must be given to the  
13 value of the corporation as a going concern without including in the  
14 computation of value any payment for a control premium or minority  
15 discount other than a discount attributable to the type of share  
16 held by the dissenting shareholder and any limitation placed on the  
17 rights and preference of those shares. The demand shall state the  
18 number and class of the shares owned by the shareholder and the fair  
19 value of the shares as estimated by the shareholder. Any  
20 shareholder failing to make demand within the ten (10) day period  
21 shall be bound by the action.

22 (b) With respect to proposed corporate action  
23 that is approved pursuant to Section A of Article 9.10 of this Act,  
24 the corporation, in the case of action other than a merger, and the  
25 surviving or new corporation (foreign or domestic) or other entity  
26 that is liable to discharge the shareholder's right of dissent, in  
27 the case of a merger, shall, within ten (10) days after the date the



1 action is effected, mail to each shareholder of record as of the  
2 effective date of the action notice of the fact and date of the  
3 action and that the shareholder may exercise the shareholder's  
4 right to dissent from the action. The notice shall be accompanied  
5 by a copy of this Article and any articles or documents filed by the  
6 corporation with the Secretary of State to effect the action. If  
7 the shareholder shall not have consented to the taking of the  
8 action, the shareholder may, within twenty (20) days after the  
9 mailing of the notice, make written demand on the existing,  
10 surviving, or new corporation (foreign or domestic) or other  
11 entity, as the case may be, for payment of the fair value of the  
12 shareholder's shares. The fair value of the shares shall be the  
13 value thereof as of the date the written consent authorizing the  
14 action was delivered to the corporation pursuant to Section A of  
15 Article 9.10 of this Act, excluding any appreciation or  
16 depreciation in anticipation of the action. The demand shall state  
17 the number and class of shares owned by the dissenting shareholder  
18 and the fair value of the shares as estimated by the shareholder.  
19 Any shareholder failing to make demand within the twenty (20) day  
20 period shall be bound by the action.

21 (2) Within twenty (20) days after receipt by the  
22 existing, surviving, or new corporation (foreign or domestic) or  
23 other entity, as the case may be, of a demand for payment made by a  
24 dissenting shareholder in accordance with Subsection (1) of this  
25 Section, the corporation (foreign or domestic) or other entity  
26 shall deliver or mail to the shareholder a written notice that shall  
27 either set out that the corporation (foreign or domestic) or other

1 entity accepts the amount claimed in the demand and agrees to pay  
2 that amount within ninety (90) days after the date on which the  
3 action was effected, and, in the case of shares represented by  
4 certificates, upon the surrender of the certificates duly endorsed,  
5 or shall contain an estimate by the corporation (foreign or  
6 domestic) or other entity of the fair value of the shares, together  
7 with an offer to pay the amount of that estimate within ninety (90)  
8 days after the date on which the action was effected, upon receipt  
9 of notice within sixty (60) days after that date from the  
10 shareholder that the shareholder agrees to accept that amount and,  
11 in the case of shares represented by certificates, upon the  
12 surrender of the certificates duly endorsed.

13 (3) If, within sixty (60) days after the date on which  
14 the corporate action was effected, the value of the shares is agreed  
15 upon between the shareholder and the existing, surviving, or new  
16 corporation (foreign or domestic) or other entity, as the case may  
17 be, payment for the shares shall be made within ninety (90) days  
18 after the date on which the action was effected and, in the case of  
19 shares represented by certificates, upon surrender of the  
20 certificates duly endorsed. Upon payment of the agreed value, the  
21 shareholder shall cease to have any interest in the shares or in the  
22 corporation.

23 SECTION 14. Article 6.04, Texas Business Corporation Act,  
24 is amended by adding Section B to read as follows:

25 B. The corporation may continue its business wholly or  
26 partly, including delaying the disposition of property of the  
27 corporation, for the period necessary to avoid unreasonable loss of

1 the corporation's property or business.

2 SECTION 15. Section A, Article 7.07, Texas Business  
3 Corporation Act, is amended to read as follows:

4 A. No receiver shall be appointed for any corporation to  
5 which this Act applies or for any of its assets or for its business  
6 except as provided for and on the conditions set forth in this Act.  
7 A receiver shall in all cases be a citizen of the United States or a  
8 corporation or other entity authorized to act as receiver, which  
9 corporation may be a domestic corporation or a foreign corporation  
10 authorized to transact business in this State, and shall in all  
11 cases give such bond as the court may direct with such sureties as  
12 the court may require.

13 SECTION 16. Article 7.09, Texas Business Corporation Act,  
14 is amended to read as follows:

15 Art. 7.09. DECREE OF INVOLUNTARY DISSOLUTION. A. In  
16 proceedings to liquidate the assets and business of a corporation,  
17 when the costs and expenses of such proceedings and all debts,  
18 obligations, and liabilities of the corporation shall have been  
19 paid and discharged, or adequate provision shall have been made  
20 therefor, and all of its remaining property and assets distributed  
21 to its shareholders, or, in case its property and assets are not  
22 sufficient to satisfy and discharge such costs, expenses, debts,  
23 and obligations, when all the property and assets have been applied  
24 so far as they will go to their payment, the court shall enter a  
25 decree dissolving the corporation[~~, whereupon the existence of the~~  
26 ~~corporation shall cease~~]. The existence of the corporation shall  
27 cease when a certified copy of the decree is filed with the

1 Secretary of State as provided by Article 7.10.

2 SECTION 17. Article 7.10, Texas Business Corporation Act,  
3 is amended by adding Section B to read as follows:

4 B. The existence of the corporation shall cease on the  
5 filing of the certified copy of the decree of dissolution with the  
6 Secretary of State.

7 SECTION 18. Section A, Article 8.13, Texas Business  
8 Corporation Act, is amended to read as follows:

9 A. If a foreign corporation authorized to transact business  
10 in this State shall change its corporate name, or if such  
11 corporation desires to pursue in this State purposes other than, or  
12 in addition to, those authorized by its existing certificate of  
13 authority, it shall procure an amended certificate of authority by  
14 making application therefor to the Secretary of State. The  
15 application for amendment must be filed before the 91st day after  
16 the date of the change of name.

17 SECTION 19. Section B, Article 8.16, Texas Business  
18 Corporation Act, is amended to read as follows:

19 B. The certificate of authority of a foreign corporation to  
20 transact business in this state may be revoked by order of the  
21 Secretary of State when it is established that it is in default in  
22 any of the following particulars:

23 (1) The corporation has failed to file any report  
24 within the time required by law, or has failed to pay any fees,  
25 franchise taxes, or penalties prescribed by law when the same have  
26 become due and payable; or

27 (2) The corporation has failed to maintain a

1 registered agent in this state as required by law; or

2 (3) The corporation has changed its corporate name or  
3 has changed or added to the corporation purposes other than those  
4 authorized in its existing certificate of authority, and has failed  
5 to file with the Secretary of State before the 91st day [~~within~~  
6 ~~thirty days~~] after such change of name or change or addition to  
7 purposes authorized in its existing certificate of authority became  
8 effective, an application for an amended certificate of authority,  
9 or that the corporation has changed its corporate name and that the  
10 newly adopted name is not available for use in this state; or

11 (4) The corporation has failed to pay the filing fee  
12 for the corporation's certificate of authority or the initial  
13 franchise tax deposit, or the fee or tax was paid by an instrument  
14 that was dishonored when presented by the state for payment.

15 SECTION 20. Part 8, Texas Business Corporation Act, is  
16 amended by adding Article 8.19 to read as follows:

17 Art. 8.19. VENUE. In addition to any other venue authorized  
18 by law, a suit under Article 8.18 of this Act may be brought in  
19 Travis County.

20 SECTION 21. Section B, Article 10.02, Texas Business  
21 Corporation Act, is amended to read as follows:

22 B. An offense under this article is a Class A misdemeanor  
23 unless the actor's intent is to defraud or harm another, in which  
24 event the offense is a state jail felony.

25 SECTION 22. (a) The change in law made by this Act applies  
26 only to an offense committed on or after the effective date of this  
27 Act. For purposes of this section, an offense is committed before

1 the effective date of this Act if any element of the offense occurs  
2 before that date.

3 (b) An offense committed before the effective date of this  
4 Act is covered by the law in effect when the offense was committed,  
5 and the former law is continued in effect for that purpose.

6 SECTION 23. This Act takes effect September 1, 2005.