

By: Alonzo

H.B. No. 1620

A BILL TO BE ENTITLED

AN ACT

relating to the award of attorney's fees in an action against an officer or director of a nonprofit corporation.

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

SECTION 1. The Texas Non-Profit Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes) is amended by adding Article 2.22B to read as follows:

Art. 2.22B. LIABILITY FOR ATTORNEY'S FEES. The court shall award reasonable attorney's fees to a person who prevails in an action against an officer or director of a corporation for an act or omission occurring in the person's capacity as an officer or director.

SECTION 2. Subchapter E, Chapter 22, Business Organizations Code, is amended by adding Section 22.236 to read as follows:

Sec. 22.236. LIABILITY FOR ATTORNEY'S FEES. The court shall award reasonable attorney's fees to a person who prevails in an action against an officer or director of a corporation for an act or omission occurring in the person's capacity as an officer or director.

SECTION 3. Article 2.22B, Texas Non-Profit Corporation Act (Article 1396-2.22B, Vernon's Texas Civil Statutes), as added by this Act, applies only to an action filed on or after the effective date of this Act. An action filed before the effective date of this Act is governed by the law in effect on the date the action was

1 filed, and the former law is continued in effect for that purpose.

2 SECTION 4. Section 22.236, Business Organizations Code, as  
3 added by Section 2 of this Act, applies only to an action filed on or  
4 after the effective date of that section. An action filed before  
5 that date is governed by the law in effect on the date the action was  
6 filed, and the former law is continued in effect for that purpose.

7 SECTION 5. Section 2 of this Act takes effect January 1,  
8 2006.

9 SECTION 6. Except as provided by Section 5, this Act takes  
10 effect immediately if it receives a vote of two-thirds of all the  
11 members elected to each house, as provided by Section 39, Article  
12 III, Texas Constitution. If this Act does not receive the vote  
13 necessary for immediate effect, this Act takes effect September 1,  
14 2005.