

By: Weber

H.B. No. 4103

Substitute the following for H.B. No. 4103:

By: Elkins

C.S.H.B. No. 4103

A BILL TO BE ENTITLED

AN ACT

1 relating to management committees of certain nonprofit
2 corporations.
3

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

5 SECTION 1. Section 22.218, Business Organizations Code, is
6 amended by amending Subsection (b) and adding Subsection (b-1) to
7 read as follows:

8 (b) A committee designated under this section must consist
9 of at least two persons. Except as provided by Subsection (b-1),
10 the [The] majority of the persons on the committee must be
11 directors. If provided by the certificate of formation or bylaws,
12 the remaining persons on the committee are not required to be
13 directors.

14 (b-1) If a corporation is a religious institution and if
15 provided by the corporation's certificate of formation or bylaws, a
16 committee designated under this section may be composed entirely of
17 persons who are not directors of the corporation.

18 SECTION 2. Section A, Article 2.18, Texas Non-Profit
19 Corporation Act (Article 1396-2.18, Vernon's Texas Civil
20 Statutes), is amended to read as follows:

21 A. If the articles of incorporation or the bylaws so provide,
22 the board of directors, by resolution adopted by a majority of the
23 directors in office, may designate one or more committees, which,
24 to the extent provided in such resolution, in the articles of

1 incorporation, or in the bylaws, shall have and exercise the
2 authority of the board of directors in the management of the
3 corporation. Each such committee shall consist of two or more
4 persons, and except as provided by this section, a majority of the
5 persons on a committee designated under this section must be [~~whom~~
6 ~~are~~] directors; the remainder, if the articles of incorporation or
7 the bylaws so provide, need not be directors. If a corporation is a
8 religious institution and if provided by the corporation's articles
9 of incorporation or bylaws, a committee designated under this
10 section may be composed entirely of persons who are not directors of
11 the corporation. The designation of such committees and the
12 delegation thereto of authority shall not operate to relieve the
13 board of directors, or any individual director, of any
14 responsibility imposed upon it or him by law. Any non-director who
15 becomes a member of any such committee shall have the same
16 responsibility with respect to such committee as a director who is a
17 member thereof.

18 SECTION 3. This Act takes effect September 1, 2009.