

By: S. Davis of Harris

H.B. No. 2393

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a request by the owner of an ownership interest in a
3 domestic entity that the interest be uncertificated.

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

5 SECTION 1. Subchapter E, Chapter 3, Business Organizations
6 Code, is amended by adding Section 3.206 to read as follows:

7 Sec. 3.206. REQUEST BY OWNER OF AN OWNERSHIP INTEREST THAT
8 THE INTEREST BE UNCERTIFICATED. A domestic entity that is required
9 by law or its governing documents to issue shares based on
10 certificated and uncertificated ownership interest is not in
11 violation of the law or its governing documents for failure to issue
12 a certificated share of ownership to an owner if the owner has
13 specifically made a request before the issuance of the shares that
14 the ownership interest be uncertificated.

15 SECTION 2. This Act applies only to the issuance of shares
16 by a domestic entity on or after the effective date of this Act.

17 SECTION 3. This Act takes effect September 1, 2011.