

By: Menéndez

S.B. No. 2180

A BILL TO BE ENTITLED

AN ACT

relating to financial records and audits of nonprofit corporations.

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

SECTION 1. Section 22.353, Business Organizations Code, is amended to read as follows:

Sec. 22.353. AVAILABILITY OF FINANCIAL INFORMATION FOR PUBLIC INSPECTION. (a) A corporation shall keep records, books, and annual reports of the corporation's financial activity at the corporation's registered or principal office in this state for at least three years after the close of the fiscal year.

(b) The corporation shall make the records, books, and reports available to the public for inspection and copying at the corporation's registered or principal office during regular business hours. The corporation may charge a reasonable fee for preparing a copy of a record or report.

(c) If a certified public accountant has conducted an independent audit of any of the previous three fiscal years' of the corporation's finances, the corporation shall be exempt from 22.353(b) so long as the corporation makes available to the public a copy of the audit letter and copies of its most recent three annual reports.

SECTION 2. Section 22.354, Business Organizations Code, is amended to read as follows:

Sec. 22.354. FAILURE TO MAINTAIN FINANCIAL RECORD OR

1 PREPARE ANNUAL REPORT; OFFENSE. (a) Subject to section  
2 22.353(c), a corporation commits an offense if the corporation  
3 fails to maintain a financial record, prepare an annual report, or  
4 make the record or report available to the public in the manner  
5 required by Section 22.353.

6 (b) An offense under this section is a Class B misdemeanor.

7 SECTION 3. This Act takes effect September 1, 2017.