

By: Hughes
(Dutton)

S.B. No. 1463

A BILL TO BE ENTITLED

AN ACT

relating to the availability of financial information of nonprofit corporations for public inspection.

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

SECTION 1. Section [22.353](#), Business Organizations Code, is amended by adding Subsections (a-1), (c), (d), (e), (f), and (g) to read as follows:

(a-1) For purposes of this section, "records, books, and annual reports" of a corporation's financial activity:

(1) include:

(A) financial records required to be maintained and annual financial reports prepared or approved under Section [22.352](#);

(B) any document the Internal Revenue Service requires a corporation that is tax exempt under Section 501(a), Internal Revenue Code of 1986, by being listed as an exempt entity under Section 501(c) of that code, to make available to the public;

(C) documents containing salary or other information related to the compensation of each employee who receives more than \$75,000 annually from the corporation;

(D) other annual reports produced by the corporation;

(E) financial statements, including audited financial statements; and

1 (F) management representation letters prepared
2 in connection with an audit of the corporation; and

3 (2) do not include:

4 (A) contracts and agreements, including
5 operating and settlement agreements;

6 (B) employee personnel files;

7 (C) donor names;

8 (D) sponsor information; or

9 (E) sensitive personal information, including
10 addresses, bank account numbers, and social security numbers.

11 (c) If a corporation anticipates that the fee to be charged
12 for preparing a copy of a record or report under Subsection (b) will
13 exceed \$100, the corporation may provide notice to the person
14 requesting the copy requiring the person to pay a deposit of all or
15 a portion of the anticipated fee for preparing the copy. The
16 corporation may treat all requests for copies received by the
17 corporation during seven consecutive calendar days from a single
18 person, mailing address, or e-mail address as a single request for
19 purposes of calculating the anticipated fee under this subsection.
20 On the date a corporation provides a copy or copies of a record or
21 report for which the corporation accepted a deposit under this
22 subsection, the corporation shall refund to the requestor the
23 difference between the accepted deposit and the actual costs
24 incurred by the corporation in providing the copy or copies.

25 (d) A requestor who fails to pay a deposit required under
26 Subsection (c) not later than the 15th business day after the date
27 the requestor receives notice of the deposit from the corporation

1 is considered to have withdrawn the request for the copy or copies
2 under this section. A person whose request is considered withdrawn
3 under this subsection is not precluded from submitting a new
4 request to the corporation for the same records or reports.

5 (e) A corporation may establish a reasonable monthly limit
6 of not less than 15 hours on the total amount of hours per calendar
7 month that the corporation's personnel may spend responding to two
8 or more requests for copies submitted to the corporation by a single
9 requestor during a calendar month.

10 (f) Each time a corporation that establishes a monthly time
11 limit under Subsection (e) complies with a request for a copy or
12 copies under this section, the corporation shall provide to the
13 requestor a written statement of the monthly hour limit established
14 under that subsection, the amount of time corporation personnel
15 spent complying with the request, and the cumulative amount of time
16 spent by corporation personnel complying with all requests from
17 that requestor during the applicable calendar month in which the
18 request is made. The corporation may not include the amount of time
19 spent by personnel in preparing a written statement required by
20 this subsection in calculating the amount of time spent complying
21 with a request. A corporation that provides a written statement to
22 a requestor as required by this subsection is not required to
23 respond to additional requests for copies from a requestor who has
24 exceeded the monthly time limit until the following calendar month.

25 (g) If a corporation determines that all or part of a
26 person's request for copies is duplicative of a request for which
27 the corporation has previously provided copies to that person, the

1 corporation is not required to provide the duplicative copies to
2 the requestor and shall certify to the requestor that copies of all
3 or part of the requested record or report, as applicable, were
4 previously provided to the requestor and that the corporation is
5 not required to provide the duplicative copies to the requestor.

6 SECTION 2. This Act takes effect September 1, 2019.