

By: Hughes

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 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 and audited financial statements described by Subsection (c) at the corporation's registered or principal office in this state for at least three years after the close of the fiscal year.

(b) Except as provided by Subsection (c), the ~~[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) A corporation is exempt from Subsection (b) if:

(1) an independent certified public accountant has conducted an audit of the corporation's financial statements for the preceding fiscal year in accordance with generally accepted auditing standards; and

(2) subject to Subsection (d), the corporation makes

1 its audited financial statements and the annual reports of the
2 corporation's financial activity kept under Subsection (a)
3 available to the public for inspection and copying at the
4 corporation's registered or principal office during regular
5 business hours. The corporation may charge a reasonable fee for
6 preparing a copy of a statement or report.

7 (d) A corporation shall make an audited financial statement
8 described by Subsection (c)(1) available to the public for
9 inspection and copying not later than the 180th day after the close
10 of the fiscal year to which the audit relates.

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