

1-1 By: Hughes S.B. No. 1463
 1-2 (In the Senate - Filed March 4, 2019; March 14, 2019, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 May 6, 2019, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 0; May 6, 2019,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16			X	
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1463 By: Nichols

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the availability of financial information of nonprofit
 1-22 corporations for public inspection.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 22.353, Business Organizations Code, is
 1-25 amended by adding Subsections (a-1), (c), (d), (e), (f), and (g) to
 1-26 read as follows:

1-27 (a-1) For purposes of this section, "records, books, and
 1-28 annual reports" of a corporation's financial activity:

1-29 (1) include:

1-30 (A) financial records required to be maintained
 1-31 and annual financial reports prepared or approved under Section
 1-32 22.352;

1-33 (B) any document the Internal Revenue Service
 1-34 requires a corporation that is tax exempt under Section 501(a),
 1-35 Internal Revenue Code of 1986, by being listed as an exempt entity
 1-36 under Section 501(c) of that code, to make available to the public;

1-37 (C) documents containing salary or other
 1-38 information related to the compensation of each employee who
 1-39 receives more than \$75,000 annually from the corporation;

1-40 (D) other annual reports produced by the
 1-41 corporation;

1-42 (E) financial statements, including audited
 1-43 financial statements; and

1-44 (F) management representation letters prepared
 1-45 in connection with an audit of the corporation; and

1-46 (2) do not include:

1-47 (A) contracts and agreements, including
 1-48 operating and settlement agreements;

1-49 (B) employee personnel files;

1-50 (C) donor names;

1-51 (D) sponsor information; or

1-52 (E) sensitive personal information, including
 1-53 addresses, bank account numbers, and social security numbers.

1-54 (c) If a corporation anticipates that the fee to be charged
 1-55 for preparing a copy of a record or report under Subsection (b) will
 1-56 exceed \$100, the corporation may provide notice to the person
 1-57 requesting the copy requiring the person to pay a deposit of all or
 1-58 a portion of the anticipated fee for preparing the copy. The
 1-59 corporation may treat all requests for copies received by the
 1-60 corporation during seven consecutive calendar days from a single

2-1 person, mailing address, or e-mail address as a single request for
2-2 purposes of calculating the anticipated fee under this subsection.
2-3 On the date a corporation provides a copy or copies of a record or
2-4 report for which the corporation accepted a deposit under this
2-5 subsection, the corporation shall refund to the requestor the
2-6 difference between the accepted deposit and the actual costs
2-7 incurred by the corporation in providing the copy or copies.

2-8 (d) A requestor who fails to pay a deposit required under
2-9 Subsection (c) not later than the 15th business day after the date
2-10 the requestor receives notice of the deposit from the corporation
2-11 is considered to have withdrawn the request for the copy or copies
2-12 under this section. A person whose request is considered withdrawn
2-13 under this subsection is not precluded from submitting a new
2-14 request to the corporation for the same records or reports.

2-15 (e) A corporation may establish a reasonable monthly limit
2-16 of not less than 15 hours on the total amount of hours per calendar
2-17 month that the corporation's personnel may spend responding to two
2-18 or more requests for copies submitted to the corporation by a single
2-19 requestor during a calendar month.

2-20 (f) Each time a corporation that establishes a monthly time
2-21 limit under Subsection (e) complies with a request for a copy or
2-22 copies under this section, the corporation shall provide to the
2-23 requestor a written statement of the monthly hour limit established
2-24 under that subsection, the amount of time corporation personnel
2-25 spent complying with the request, and the cumulative amount of time
2-26 spent by corporation personnel complying with all requests from
2-27 that requestor during the applicable calendar month in which the
2-28 request is made. The corporation may not include the amount of time
2-29 spent by personnel in preparing a written statement required by
2-30 this subsection in calculating the amount of time spent complying
2-31 with a request. A corporation that provides a written statement to
2-32 a requestor as required by this subsection is not required to
2-33 respond to additional requests for copies from a requestor who has
2-34 exceeded the monthly time limit until the following calendar month.

2-35 (g) If a corporation determines that all or part of a
2-36 person's request for copies is duplicative of a request for which
2-37 the corporation has previously provided copies to that person, the
2-38 corporation is not required to provide the duplicative copies to
2-39 the requestor and shall certify to the requestor that copies of all
2-40 or part of the requested record or report, as applicable, were
2-41 previously provided to the requestor and that the corporation is
2-42 not required to provide the duplicative copies to the requestor.

2-43 SECTION 2. This Act takes effect September 1, 2019.

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