

By: Harrison

H.B. No. 184

A BILL TO BE ENTITLED

AN ACT

relating to the duty of the board of directors of a corporation to maximize the value of the corporation's shares.

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

SECTION 1. Section 21.401, Business Organizations Code, is amended by adding Subsection (f) to read as follows:

(f) Notwithstanding any other law, in discharging the duties of a director, the director shall act to maximize the value of the corporation's shares. It is considered a breach of the director's fiduciary duty if the director prioritizes another consideration over the maximization of the value of the corporation's shares.

SECTION 2. This Act applies only to an action taken by the board of directors of a corporation on or after the effective date of this Act.

SECTION 3. This Act takes effect on the 91st day after the last day of the legislative session.