

By: Parker

S.B. No. 1056

A BILL TO BE ENTITLED

1 AN ACT
2 relating to a presumption of good faith for directors and officers
3 of certain domestic corporations.

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

5 SECTION 1. Subchapter J, Chapter 21, Business Organizations
6 Code, is amended by adding Section 21.4015 to read as follows:

7 Sec. 21.4015. PRESUMPTION OF GOOD FAITH. (a) This section
8 applies only to a corporation that:

9 (1) is formed under the laws of this state;

10 (2) has a class of equity securities registered under
11 Section 12(b) of the Securities Exchange Act of 1934;

12 (3) is admitted to listing on a national securities
13 exchange; and

14 (4) either:

15 (A) has its principal office in this state; or

16 (B) is admitted to listing on a stock exchange

17 that:

18 (i) has its principal office in this state;

19 and

20 (ii) has received approval by the state
21 pursuant to Subchapter C, Chapter 4005, Government Code.

22 (b) Unless otherwise provided in a corporation's
23 certificate of formation, a director or officer of a corporation
24 described by Subsection (a) of this section is presumed to act in

1 good faith, on an informed basis, and with a view to the interests
2 of the corporation.

3 (c) Unless otherwise provided in a corporation's
4 certificate of formation, a director or officer of a corporation
5 described by Subsection (a) of this section will not be personally
6 liable for damages resulting from actions or failures to act in
7 their capacity as director or officer unless the director or
8 officer:

9 (1) violated a duty of good faith, loyalty, or due
10 care; and

11 (2) engaged in intentional misconduct, fraud, or
12 knowing violation of the law.

13 (d) In alleging intentional misconduct, fraud, or knowing
14 violation of the law pursuant to Subdivision (c)(2), a party must
15 state with particularity the circumstances constituting such
16 intentional misconduct, fraud, or knowing violation of the law.

17 (e) This section does not abrogate, preempt, or lessen any
18 other defense, presumption, immunity, or privilege available under
19 other constitutional, statutory, case, or common law or rule
20 provisions.

21 SECTION 2. This Act takes effect September 1, 2025.