Hey ChatGPT – What Texas laws regarding selling non-profit's assets?

In Texas, the **sale of nonprofit assets** is governed by a combination of state nonprofit corporation law (primarily **Texas Business Organizations Code, Title 2, Chapter 22**) and, in some cases, federal rules (IRS requirements for 501(c) entities). The key points depend on whether the transaction is **ordinary** (day-to-day operations) or a **fundamental change** (sale of substantially all assets). Here's a breakdown:

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1. Routine Sale of Assets

- A nonprofit corporation may sell or lease assets **in the regular course of business** if authorized by its **board of directors** (unless restricted by the certificate of formation, bylaws, or special statutes).
- Example: Selling office furniture or surplus equipment does not usually require member approval.

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2. Sale of Substantially All Assets

- If the nonprofit plans to **sell, lease, exchange, or otherwise dispose of all or substantially all of its assets** (not in the ordinary course of business):
    - **Board of Directors** must first adopt a resolution approving the sale.
    - If the nonprofit has **voting members**, the board must submit the resolution to the members for approval.
    - **Approval Requirements:**
        - Typically, a **two-thirds vote of members present** (unless the bylaws or certificate of formation set a different threshold).
        - If the nonprofit has no voting members, the **board alone** may authorize.
    - Notice must be given to members in advance, describing the proposed transaction.

(Citation: Tex. Bus. Orgs. Code § 22.251 – § 22.256)

SO YOU ARE STILL STUCK NEEDING 67% APPROVAL EVEN IF THE PLAN IS TO SELL THE CLUBHOUSE AND POOL. GOOD LUCK ON THAT!