



**THE ATTORNEY GENERAL
OF TEXAS**

AUSTIN 11, TEXAS

PRICE DANIEL
ATTORNEY GENERAL

June 22, 1948

Hon. M. B. Morgan, Commissioner
Bureau of Labor Statistics
Austin, Texas

Opinion No. V-613.

Re: Legality of chartering
a corporation for the
purpose of operating an
employment agency.

Dear Mr. Morgan:

You desire to know if the statutes of this State authorize the creation of corporations for the purpose of acting as an employment or labor agency.

The statutes regulating employment or labor agencies define such an agency as "any person in this State who for a fee offers or attempts to procure or procures employment for employees, or without a fee offers or attempts to procure or procures employment for common laborers or agricultural workers, or any person who for a fee offers or attempts to procure or procures employees for employers, or without a fee offers or attempts to procure or procures common laborers or agricultural workers for employers, or any person, regardless of whether a fee is received or due, offers or attempts to supply or supplies the services of common or agricultural workers to any person." V. C. S., Art. 5221a-4, Sec. 1, subdivision e.

Our present Constitution forbids the creation of corporations "except by general laws" and directs the Legislature to enact "general laws. . . for the creation of private corporations." Constitution, Art. XII, Secs. 1, 2. Thus, corporations can be organized only for the purposes specifically prescribed by general law. It is "The policy of our law to limit the right of a corporation to the specific purposes authorized by statute." *Staacke v. Routledge*, 175 S. W. 444, 447, affirmed 111 Tex. 489, 241 S. W. 994.

"A charter must specify the purpose for which the corporation is to be created. This should be done

with sufficient clearness to enable the Secretary of State to see that the purpose specified is one provided for by the statute." *Johnston v. Townsend*, 103 Tex. 122, 124 S. W. 417. *Corporations*, 10 Tex. Juris.. 622, Sec. 31.

Now the Texas Employment and Labor Agency Law might be broad enough to empower the Commissioner of the Bureau of Labor Statistics to license a corporation acting as an employment agency if corporations were authorized in Texas to so act, which is a question we do not decide. But a most careful and detailed study of our statutes fails to disclose any authority in the Secretary of State to issue a corporation charter for such purpose. In the absence of such an authority the Secretary of State is not authorized to issue such a charter. *Ramsey v. Tod*, 95 Tex. 614, 69 S. W. 133, 93 Am. St. Rep. 875; *Empire Mills v. Alston Grocery Co.*, 15 S. W. 200, 505, 12 L.R.A. 366. And, in order for a corporation to be eligible to an employment and labor agency license "it must be authorized by its charter to conduct the business for which a license is sought." *Licenses*, 53 U.J.S. 624, § 33, n. 15.

SUMMARY

A corporation cannot be chartered, under the present Texas law, for the purpose of operating an employment or labor agency.

Yours very truly,

ATTORNEY GENERAL OF TEXAS

By 

David Wuntch
Assistant

APPROVED:


FIRST ASSISTANT
ATTORNEY GENERAL.