



**Office of the Attorney General  
State of Texas**

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ATTORNEY GENERAL

February 9, 1995

Honorable Debra Danburg  
Chair  
Committee on Elections  
Texas House of Representatives  
P.O. Box 2910  
Austin, Texas 78768-2910

Letter Opinion No. 95-003

Re: Whether the term "corporation" in section 22(a) of the Veterinary Licensing Act, V.T.C.S. art. 8890, refers to a nonprofit or municipal corporation (RQ-773)

Dear Representative Danburg:

You ask whether the term "corporation" in section 22(a) of the Veterinary Licensing Act, V.T.C.S. art. 8890, refers to a nonprofit or municipal corporation. Section 22(a) provides as follows:

No sole proprietorship, partnership, or corporation shall engage in veterinary medicine unless the owner, partners, or shareholders, respectively, are all licensees.

We understand from the briefs submitted with respect to your query that there is a great deal of confusion regarding whether section 22(a) applies to nonprofit animal welfare organizations and municipalities that employ veterinarians who render veterinary services in connection with the sheltering and spaying or neutering of animals.

We conclude that section 22(a) does not apply to nonprofit and municipal corporations for the following reasons. The use of the term "respectively" in section 22(a) clearly indicates that the term "owner" corresponds to "sole proprietorship," the term "partners" corresponds to "partnership," and the term "shareholders" corresponds to "corporation." Thus, section 22(a) limits the term "corporation" to corporations with shareholders. A shareholder, or stockholder, is "[a] person who owns shares of stock in a corporation or joint-stock company," and who thus has a right to share proportionally in the corporation's net profits or earnings. See BLACK'S LAW DICTIONARY 1233, 1269, 1272 (5th ed. 1979); see also *Valley Int'l Properties, Inc. v. Los Campeones, Inc.*, 568 S.W.2d 680, 687 (Tex. App.—Corpus Christi 1978, writ ref'd n.r.e.) ("The plain meaning of the term 'shareholder' is one who owns a share of corporate stock"). A nonprofit corporation organized under the Texas Non-Profit Corporation Act by definition is a corporation "no part of the income of which is distributable to its members, directors, or

officers." See V.T.C.S. art. 1396-1.02(A)(3). Therefore, we conclude that the term "corporation" in section 22(a) of the Veterinary Licensing Act does not refer to a nonprofit corporation organized under the Texas Non-Profit Corporation Act.

Nor can a municipal corporation be said to have shareholders in this sense. A "municipal corporation" is generally understood to be "an organized body, consisting of the inhabitants of a designated area--subdivision of the State, created by the Legislature, that is, a legal entity possessing certain delegated powers." *Welch v. State*, 148 S.W.2d 876, 879 (Tex. Civ. App.--Dallas 1941, writ ref'd). Furthermore, as a general rule, courts construe the term "corporation" not to refer to municipal corporations unless the statute expressly so provides. See, e.g., *State v. Central Power & Light Co.*, 161 S.W.2d 766, 768 (Tex. 1942); *City of Houston v. Howe & Wise*, 323 S.W.2d 134, 151 (Tex. Civ. App.--Houston 1959, writ ref'd n.r.e.); *City of Houston v. L.J. Fuller, Inc.*, 311 S.W.2d 285, 291 (Tex. Civ. App.--Houston 1958, no writ). The legislature has not expressly provided that the term "corporation" in section 22(a) includes municipal corporations and, indeed, by linking the term "corporation" to the term "shareholders" has suggested the very opposite. Therefore, we conclude that the term "corporation" in section 22(a) of the Veterinary Licensing Act does not refer to a municipal corporation.

Finally, we caution that while section 22(a) does not apply to a nonprofit corporation or municipal corporation, section 2A(b) of the Veterinary Licensing Act, a related provision, requires as follows:

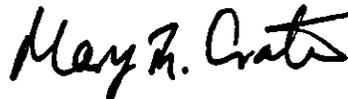
The professional services of a veterinarian may not be controlled or exploited by any person or entity not licensed under this Act that intervenes between the client and the veterinarian. A veterinarian may not allow a person or entity not licensed under this Act to interfere or intervene with the veterinarian's practice of veterinary medicine and a veterinarian may not submit to interference or intervention by a person or entity not licensed under this Act. A veterinarian shall avoid all relationships that may result in interference or intervention in the veterinarian's practice by a person or entity not licensed under this Act. A veterinarian is responsible for the veterinarian's own actions and is directly responsible to the client and for the care and treatment of the patient.

Although we do not construe section 2A(b) to prohibit veterinarians from being employed by nonprofit or municipal corporations as a matter of law, such veterinarians and their employers should take care not to run afoul of this provision.

**S U M M A R Y**

The term "corporation" in section 22(a) of the Veterinary Licensing Act, V.T.C.S. art. 8890, does not refer to a nonprofit corporation organized under the Texas Non-Profit Corporation Act, V.T.C.S. arts. 1396-1.01 to -11.01, or to a municipal corporation.

Yours very truly,

A handwritten signature in black ink, appearing to read "Mary R. Crouter". The signature is written in a cursive, flowing style.

Mary R. Crouter  
Assistant Attorney General  
Opinion Committee