

**2019 TEXAS LEGISLATIVE UPDATE ON  
AMENDMENTS TO TEXAS BUSINESS  
ORGANIZATIONS CODE AND  
TEXAS BUSINESS AND COMMERCE CODE**

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# 2019 TEXAS LEGISLATIVE UPDATE ON AMENDMENTS TO TEXAS BUSINESS ORGANIZATIONS CODE AND TEXAS BUSINESS AND COMMERCE CODE

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## I. Introduction

This article summarizes several pieces of legislation that have been passed by the Texas Legislature in its 2019 Regular Session and that amend the Texas Business Organizations Code (the “TBOC”) and the Texas Business and Commerce Code (the “TBCC”). There are many other bills that were passed affecting business law, so this article should not be viewed as containing a listing of business-related bills. The article contains summaries only and should not be relied on as a complete description of any bill or portion thereof.

Senate Bill No. 1859 (“*SB 1859*”) was authored by Senator Kelly Hancock, sponsored by Representative Trey Martinez Fischer and becomes effective on September 1, 2019. SB 1859 makes several technical and substantive amendments to the TBOC relating to partnerships, limited liability companies, electronic data systems and delayed effectiveness of filings.

Senate Bill No. 1969 (“*SB 1969*”) was authored by Senator Kelly Hancock, sponsored by Representative Trey Martinez Fischer, and becomes effective on September 1, 2019. SB 1969 has provisions modeled on the provisions of the TBOC applicable to for-profit corporations to establish procedures for the ratification of void or voidable acts of a non-profit corporation.

Senate Bill No. 1971 (“*SB 1971*”) was authored by Senator Kelly Hancock, sponsored by Representative Trey Martinez Fischer, and becomes effective on September 1, 2019. SB 1971 makes several technical and substantive amendments to the TBOC relating to corporations, voting agreements and mergers.

House Bill No. 3609 (“*HB 3609*”) was authored by Representative Trey Martinez Fischer, sponsored by Senator Kelly Hancock, and becomes effective on September 1, 2019. HB 3609 makes substantive amendments to the provisions relating to assumed name certificates contained in the TBCC.

House Bill No. 3603 (“*HB 3603*”) was authored by Representative Trey Martinez Fischer, sponsored by Senator Kelly Hancock, and becomes effective on September 1, 2019. HB 3603 amends the TBOC provisions relating to derivative proceedings of for-profit corporations, limited liability companies and limited partnerships.

Unless otherwise indicated, all references to a “Chapter,” “Section” or “Subsection” are to a Chapter, Section or Subsection of the TBOC or TBCC, as applicable.

## II. Assumed Name Filings

The TBCC is amended by HB 3609 to provide that an assumed name certificate for a domestic or foreign filing entity or certain other entities need only be filed with the office of the Secretary of State.<sup>2</sup> The filing of an assumed name certificate with the office of the county clerk of the county in which is located such entity’s registered office or principal place of business in Texas will no longer be required.

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<sup>1</sup> The author is a partner in the Dallas, Texas office of Hunton Andrews Kurth LLP. The author would like to acknowledge the contributions of Richard A. Tulli of Foley Gardere LLP, Carmen Flores and Brianna Godbey of the Office of the Texas Secretary of State, and Professor Elizabeth Miller of Baylor Law School.

<sup>2</sup> HB 3609 §§1, 2, amending TBOC §71.103(a) and repealing TBOC §§71.103(b), (c) and 71.104(b).

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