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**BUSINESS LAW SECTION
STATE BAR OF TEXAS
TEXAS LEGISLATIVE UPDATE
February 20, 2015**

Governor Greg Abbott presented his State of the State address and laid out five emergency items: border security, transportation, pre-k programs, higher education research funding and ethics reform. Texas Supreme Court Justice Nathan Hecht delivered the State of the Judiciary and called on lawmakers to support legal aid programs for the poor and veterans and reform truancy laws.

Most committees have held organizational meetings and will begin hearing bills in the next week.

The BLS is tracking legislation in ten (10) general subject-matter categories. Periodic updates will come in two parts, the first part, below, is a summary of the categories. The second part contains a detailed list of all bills being tracked within the categories.

A -- Section Prepared Bills

Bills in this category are proposed by the Texas Business Law Foundation ("TBLF"). The TBLF's suggested support legislative package includes legislation in the following areas:

Business Organization Code – Corporations

Substantive and technical amendments to the BOC affecting corporations and fundamental business transactions developed by the BLS BOC Drafting Committee.

Business Organization Code – Partnerships and LLCs

Substantive and technical amendments to the BOC affecting partnerships and limited liabilities companies developed by the BLS BOC Drafting Committee

Uniform Commercial Code

Modifies the definition of a "person" to include a "particular series of an entity" in Chapter 1 of the Business and Commerce Code to reconcile with definitions in the UCC.

B -- Business Courts

Chancery Court

[HB 1603](#) (Villalba) – Creates a chancery court system in Texas to handle specific business litigation.

C -- Business Entities

LLCs Charging Order

[SB 433](#) (Burton) – Amends the BOC code to make section 101.112, relating to member's membership interest subject to a charging order, applicable to both single-member limited liability companies and multiple-member limited liability companies.

Business Trusts

Rep. Gary Elkins has asked for TBLF assistance in drafting legislation regarding business purpose trusts. The current draft of the bill prepared by the Legislative Council would amend Section 101.003 of the Property Code to permit a settlor of an express trust to designate the trust as a "business purpose trust" in the trust instrument so that the trust can be considered a "legal organization" for all purposes. TBLF members continue to review the bill and are in the process of discussing it with other SBOT sections before final consultation with Rep. Elkins.

D -- UCC

Awaiting the filing of additional bills and identification as to relevancy.

E -- Securities

Awaiting the filing of additional bills and identification as to relevancy.

F -- Financial Institutions

Awaiting the filing of additional bills and identification as to relevancy.

G -- Business Liability

Human Trafficking

[HB 968](#) (Hernandez) – Applies to certain legal entities under the BOC and would make a shareholder or member of an entity jointly liable under Sec. 98.002 of the Civil Practices and Remedies Code for damages arising from trafficking of a person if the shareholder or member caused or had knowledge of the entity to be used for trafficking. The bill is modeled after Section 21.223 (b) of the Business and Commerce Code regarding existing lawsuit liability for shareholders in fraud cases. The bill's sponsor has indicated a willingness to consider revisions to the language of the bill and communications continue to address concerns.

H -- Real Estate and Related Topics

Power of Attorney

We anticipate that a package of POA amendments prepared by the REPTL section will be filed. Discussions with the REPTL representatives is underway.

I -- Taxation and Related Topics

Modifying the Franchise Tax is one of the top issues of the Republican leadership. Several bills have been filed to amend or eliminate the tax, and we will monitor to see which bills gain traction.

J -- Choice of Law

Application of Foreign and International Law

Efforts to restrict the impact in Texas courts of certain perceived repugnant foreign laws or doctrines, or so called “Anti-Sharia” laws, continue. Several bills have been filed impacting foreign judgment enforcement, and contractual choice of law and venue provisions.

[HB 562](#) (Leach)/ [SB 531](#) (Campbell)—narrows the application to marriages, suits for dissolution of a marriage and suits relating to a parent-child relationship.

SBOT BUSINESS LAW SECTION LEGISLATIVE TRACKING REPORT

02-20-2015 - 14:55:23

 - Action in the date range  - Link to Related Information () - Priority

A - Section Prepared

B - Business Courts

[HB 1603](#)

[Villalba, Jason\(R\)](#)

Relating to the creation of the chancery court and the court of chancery appeals to hear certain cases.

Bill History:

02-18-15 H Filed

C - Business Entities

HB 1029	Wray, John (F)(R)	Relating to trusts.
Companions:	SB 387 Rodriguez, Jose (Identical) 2- 2-15 S Introduced and referred to committee on Senate State Affairs	
Bill History:	01-28-15 H Filed	

HB 1120	Sanford, Scott(R)	Relating to creation of entities affiliated with a church organized as a nonprofit corporation.
Bill History:	02-04-15 H Filed	

SB 387	Rodriguez, Jose(D)	Relating to trusts.
Companions:	HB 1029 Wray, John (F) (Identical) 1-28-15 H Filed	
Bill History:	02-02-15 S Introduced and referred to committee on Senate State Affairs	

SB 433	Burton, Konni (F)(R)	Relating to a membership interest in a limited liability company subject to a charging order.
Bill History:	02-09-15 S Introduced and referred to committee on Senate Business and Commerce	

SB 500	Burton, Konni (F)(R)	Relating to self-settled asset protection trusts.
Bill History:	02-11-15 S Introduced and referred to committee on Senate State Affairs	

D - UCC

E - Securities

HB 870	Smith, Wayne(R)	Relating to the investment training requirement for certain local government officers.
Bill History:	01-22-15 H Filed	

[HB 1539](#) [Meyer, Morgan \(F\)\(R\)](#)

Relating to increasing the criminal penalties in certain circumstances for insider trading and other misuse of official information by public servants.

Bill History:

02-17-15 H Filed

[HB 1560](#) [Hernandez, Ana\(D\)](#)

Relating to investment options for property recovered in a suit by a next friend or guardian ad litem on behalf of a minor or incapacitated person.

Bill History:

02-18-15 H Filed

F - Financial Institutions

[HB 146](#) [Menendez, Jose\(D\)](#)

Relating to requiring photo identification for certain credit card purchases.

Bill History:

02-09-15 H Introduced and referred to committee on House Investments and Financial Services

[HB 149](#) [Menendez, Jose\(D\)](#)

Relating to photo identification requirements for certain stored value card purchases.

Bill History:

02-09-15 H Introduced and referred to committee on House Investments and Financial Services

[HB 371](#) [McClendon, Ruth Jones\(D\)](#)

Relating to certain extensions of consumer credit facilitated by a credit access business for certain military personnel or their dependents.

Bill History:

02-12-15 H Introduced and referred to committee on House Investments and Financial Services

[HB 411](#) [Turner, Chris\(D\)](#)

Relating to prohibiting telemarketing calls by a credit access business.

Bill History:

02-16-15 H Introduced and referred to committee on House Business and Industry

HB 483	Capriglione, Giovanni(R)	Relating to the establishment and administration of a state bullion depository.
Bill History:	02-12-15 H Introduced and referred to committee on House Appropriations	
HB 704	Farrar, Jessica(D)	Relating to disclosures on selection or modification of an account by a customer of a financial institution.
Bill History:	01-14-15 H Filed	
HB 705	Farrar, Jessica(D)	Relating to access to a financial institution account of a person who dies intestate.
Bill History:	01-14-15 H Filed	
HB 852	Sanford, Scott(R)	Relating to the creation of a joint interim committee to study and make recommendations regarding the storage of biometric identifiers.
Bill History:	01-21-15 H Filed	
HB 1020	Giddings, Helen(D)	Relating to credit services organizations and extensions of consumer credit facilitated by credit services organizations.
Companions:	SB 121 West, Royce (Identical) 1-27-15 S Introduced and referred to committee on Senate Business and Commerce	
Bill History:	01-28-15 H Filed	
HB 1208	Bell, Cecil(R)	Relating to lender notice to contractors regarding a construction loan or financing agreement for the improvement of real property and related procedures for suspending contractors' and subcontractors' performance.
Bill History:	02-06-15 H Filed	
HB 1626	Johnson, Eric(D)	Relating to the designation of certain areas as banking development districts to encourage

the establishment of financial institution branches in those areas.

Bill History:

02-19-15 H Filed

[HB 1628](#) [Johnson, Eric\(D\)](#)

Relating to authorizing a credit union or other financial institution to conduct savings promotion raffles.

Bill History:

02-19-15 H Filed

[HCR 26](#) [Flynn, Dan\(R\)](#)

Urging the United States Congress to repeal the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Bill History:

11-10-14 H Filed

[SB 91](#) [Ellis, Rodney\(D\)](#)

Relating to a restriction on charges charged for certain extensions of consumer credit that a credit access business obtains for a consumer or assists a consumer in obtaining.

Bill History:

01-26-15 S Introduced and referred to committee on Senate Business and Commerce

[SB 92](#) [Ellis, Rodney\(D\)](#)

Relating to regulation of certain credit services organizations and to certain extensions of consumer credit the organizations obtain for a consumer or assist a consumer in obtaining.

Bill History:

01-26-15 S Introduced and referred to committee on Senate Business and Commerce

[SB 121](#) [West, Royce\(D\)](#)

Relating to credit services organizations and extensions of consumer credit facilitated by credit services organizations.

Companions:

[HB 1020](#) Giddings, Helen (Identical)
1-28-15 H Filed

Bill History:

01-27-15 S Introduced and referred to committee on Senate Business and Commerce

[SB 641](#)

[Schwertner, Charles\(R\)](#)

Relating to debit card or stored value card surcharges.

Bill History:

02-19-15 S Filed

G - Business Liability

[HB 94](#)

[Gonzalez, Mary\(D\)](#)

Relating to a database of employers penalized for failure to pay wages or convicted of certain offenses involving wage theft.

Bill History:

02-09-15 H Introduced and referred to committee on House Business and Industry

[HB 162](#)

[Gonzalez, Mary\(D\)](#)

Relating to administrative penalties assessed by the Texas Workforce Commission against certain employers for failure to pay wages.

Companions:

[SB
152](#)

Rodriguez, Jose

(Identical)

1-27-15 S Introduced and referred to committee on Senate Natural Resources and Economic Develop

Bill History:

02-11-15 H Introduced and referred to committee on House Business and Industry

[HB 187](#)

[Thompson, Senfronia\(D\)](#)

Relating to unlawful employment practices regarding discrimination in payment of compensation.

Companions:

[SB
65](#)

Ellis, Rodney

(Identical)

1-26-15 S Introduced and referred to committee on Senate Natural Resources and Economic Develop

Bill History:

02-11-15 H Introduced and referred to committee on House Business and Industry

[HB 247](#)

[Raymond, Richard\(D\)](#)

Relating to limits on certain actions arising out of attorney's fee agreements.

Bill History:

11-12-14 H Filed

[HB 610](#) [Davis, Sarah\(R\)](#)

Relating to the statute of limitations for an action on a credit card account.

Bill History:

02-19-15 H Introduced and referred to committee on House Judiciary and Civil Jurisprudence

[HB 968](#) [Hernandez, Ana\(D\)](#)

Relating to civil liability of shareholders and members of certain legal entities that engage in the trafficking of persons.

Bill History:

01-27-15 H Filed

[HB 1515](#) [Canales, Terry\(D\)](#)

Relating to the consideration by employers of the consumer credit reports or other credit information of employees and applicants for employment.

Bill History:

02-17-15 H Filed

[SB 65](#) [Ellis, Rodney\(D\)](#)

Relating to unlawful employment practices regarding discrimination in payment of compensation.

Companions:

[HB 187](#) Thompson, Senfronia (Identical)
2-11-15 H Introduced and referred to committee on House Business and Industry

Bill History:

01-26-15 S Introduced and referred to committee on Senate Natural Resources and Economic Develop

[SB 152](#) [Rodriguez, Jose\(D\)](#)

Relating to administrative penalties assessed by the Texas Workforce Commission against certain employers for failure to pay wages.

Companions:

[HB 162](#) Gonzalez, Mary (Identical)
2-11-15 H Introduced and referred to committee on House Business and Industry

Bill History:

01-27-15 S Introduced and referred to committee on Senate Natural Resources and Economic Develop

H - Real Estate/Related Topics

[HB 703](#) [Farrar, Jessica\(D\)](#) Relating to authorizing a revocable deed that transfers real property at the transferor's death.

Companions:

[SB 462](#) Huffman, Joan (Identical)
2-10-15 S Introduced and referred to committee on Senate State Affairs

Bill History:

01-14-15 H Filed

[HB 971](#) [Bohac, Dwayne\(R\)](#) Relating to requirements governing officers and directors of condominium unit owners' associations and property owners' associations.

Bill History:

01-27-15 H Filed

[HB 1239](#) [Walle, Amando\(D\)](#) Relating to the provision of accounting statements by mortgage servicers for certain loans secured by a lien on residential real property.

Bill History:

02-09-15 H Filed

[SB 462](#) [Huffman, Joan\(R\)](#) Relating to authorizing a revocable deed that transfers real property at the transferor's death.

Companions:

[HB 703](#) Farrar, Jessica (Identical)
1-14-15 H Filed

Bill History:

02-10-15 S Introduced and referred to committee on Senate State Affairs

I - Taxation/Related Topics

[HB 79](#) [Guillen, Ryan\(D\)](#) Relating to exemptions from the sales and use tax and the franchise tax for certain businesses during an initial period of operation in the state.

Bill History:

02-09-15 H Introduced and referred to committee on House Ways and Means

HB 193	Murphy, Jim(R)	Relating to the phaseout and repeal of the franchise tax.
Bill History:	02-10-15 H Introduced and referred to committee on House Ways and Means	
HB 250	Leach, Jeff(R)	Relating to the phaseout and repeal of the franchise tax.
Companions:	HB 552 Huberty, Dan (Identical) 2-18-15 H Introduced and referred to committee on House Ways and Means	
Bill History:	02-11-15 H Introduced and referred to committee on House Ways and Means	
HB 321	Keough, Mark (F)(R)	A bill relating to the repeal of the franchise tax.
Bill History:	02-11-15 H Introduced and referred to committee on House Ways and Means	
HB 358	Button, Angie(R)	Relating to the inclusion of the costs of accepting credit and debit cards in the cost of goods sold for purposes of computing the franchise tax.
Bill History:	02-12-15 H Introduced and referred to committee on House Ways and Means	
HB 419	Wu, Gene(D)	Relating to federal income tax liability for certain damages awarded in certain civil actions.
Bill History:	02-19-15 H Introduced and referred to committee on House Judiciary and Civil Jurisprudence	
HB 525	Riddle, Debbie(R)	Relating to a franchise tax credit for wages paid to certain employees.
Bill History:	02-19-15 H Introduced and referred to committee on House Ways and Means	
HB 552	Huberty, Dan(R)	Relating to the phaseout and repeal of the franchise tax.

Companions:

[HB 250](#) Leach, Jeff (Identical)
2-11-15 H Introduced and referred to
committee on House Ways and Means

Bill History:

02-18-15 H Introduced and referred to
committee on House Ways and Means

[HB 668](#) [Farney, Marsha\(R\)](#)

Relating to the franchise tax liability of certain
taxable entities.

Bill History:

02-19-15 H Introduced and referred to
committee on House Ways and Means

[HB 850](#) [Goldman, Craig\(R\)](#)

Relating to the repeal of the franchise tax.

Companions:

[SB 105](#) Estes, Craig (Identical)
1-27-15 S Introduced and referred to
committee on Senate Finance
[SB 175](#) Huffines, Donald (F) (Identical)
1-27-15 S Introduced and referred to
committee on Senate Finance

Bill History:

01-21-15 H Filed

[HB 1001](#) [Davis, Yvonne\(D\)](#)

Relating to restrictions on tax and fee benefits
for certain private entities that outsource jobs
to foreign countries.

Bill History:

01-28-15 H Filed

[HB 1134](#) [Metcalf, Will \(F\)\(R\)](#)

Relating to the use of certain surplus state
revenue to provide for a rebate of state
franchise taxes.

Companions:

[SB 331](#) Creighton, Brandon (F) (Identical)
2- 2-15 S Introduced and referred to
committee on Senate Finance

Bill History:

02-04-15 H Filed

[HB 1152](#) [Turner, Scott\(R\)](#)

Relating to the phaseout and repeal of the
franchise tax.

Companions:

[SB 138](#) Perry, Charles (F) (Identical)
1-27-15 S Introduced and referred to
committee on Senate Finance

Bill History:

02-05-15 H Filed

[HB 1314](#)[Bohac, Dwayne\(R\)](#)

Relating to the phaseout and repeal of the franchise tax.

Bill History:

02-11-15 H Filed

[HB 1315](#)[Bohac, Dwayne\(R\)](#)

Relating to temporary permissive alternate rates for the franchise tax.

Bill History:

02-11-15 H Filed

[HB 1316](#)[Bohac, Dwayne\(R\)](#)

Relating to decreasing the rates of the franchise tax.

Bill History:

02-11-15 H Filed

[HCR 27](#)[Stephenson, Phil\(R\)](#)

Urging the U.S. Congress to abolish the current income-based system of taxation and to enact a national retail sales tax, and urging repeal of the Sixteenth Amendment.

Bill History:

11-10-14 H Filed

[HJR 19](#)[Meyer, Morgan \(F\)\(R\)](#)

Proposing a constitutional amendment requiring any increase in a rate of the franchise tax be approved by two-thirds of all the members elected to each house of the legislature.

Bill History:

02-17-15 H Filed

[HJR 80](#)[Metcalf, Will \(F\)\(R\)](#)

Proposing a constitutional amendment concerning the use of unencumbered surplus state revenues to provide for a rebate of state franchise taxes.

Companions:[SJR 23](#) Creighton, Brandon (F) (Identical)
2- 2-15 S Introduced and referred to
committee on Senate Finance**Bill History:**

02-04-15 H Filed

[SB 52](#)[Nelson, Jane\(R\)](#)

Relating to the computation of the franchise tax.

Bill History:

01-26-15 S Introduced and referred to
committee on Senate Finance

[SB 105](#)[Estes, Craig\(R\)](#)

Relating to the repeal of the franchise tax.

Companions:

[HB 850](#) Goldman, Craig (Identical)
1-21-15 H Filed

[SB 175](#) Huffines, Donald (F) (Identical)
1-27-15 S Introduced and referred to
committee on Senate Finance

Bill History:

01-27-15 S Introduced and referred to
committee on Senate Finance

[SB 134](#)[Schwertner, Charles\(R\)](#)

Relating to the total revenue exemption for
the franchise tax.

Bill History:

01-27-15 S Introduced and referred to
committee on Senate Finance

[SB 138](#)[Perry, Charles \(F\)\(R\)](#)

Relating to the phaseout and repeal of the
franchise tax.

Companions:

[HB 1152](#) Turner, Scott (Identical)
2- 5-15 H Filed

Bill History:

01-27-15 S Introduced and referred to
committee on Senate Finance

[SB 175](#)[Huffines, Donald \(F\)\(R\)](#)

Relating to the repeal of the franchise tax.

Companions:

[HB 850](#) Goldman, Craig (Identical)
1-21-15 H Filed

[SB 105](#) Estes, Craig (Identical)
1-27-15 S Introduced and referred to
committee on Senate Finance

Bill History:

01-27-15 S Introduced and referred to
committee on Senate Finance

[SB 186](#)[Creighton, Brandon \(F\)\(R\)](#)

Relating to the franchise tax and alternative
revenue sources and spending priorities for
this state.

Bill History:

01-27-15 S Introduced and referred to
committee on Senate Finance

[SB 330](#) [Creighton, Brandon \(F\)\(R\)](#) Relating to the computation of the franchise tax.

Bill History: 02-02-15 S Introduced and referred to committee on Senate Finance

[SB 331](#) [Creighton, Brandon \(F\)\(R\)](#) Relating to the use of certain surplus state revenue to provide for a rebate of state franchise taxes.

Companions: [HB 1134](#) Metcalf, Will (F) (Identical)
2- 4-15 H Filed

Bill History: 02-02-15 S Introduced and referred to committee on Senate Finance

[SJR 23](#) [Creighton, Brandon \(F\)\(R\)](#) Proposing a constitutional amendment concerning the use of unencumbered surplus state revenues to provide for a rebate of state franchise taxes.

Companions: [HJR 80](#) Metcalf, Will (F) (Identical)
2- 4-15 H Filed

Bill History: 02-02-15 S Introduced and referred to committee on Senate Finance

J - Choice of Law

[HB 562](#) [Leach, Jeff\(R\)](#) Relating to the application of foreign laws and foreign forum selection in a proceeding involving marriage, a suit for dissolution of a marriage, or a suit affecting the parent-child relationship in this state.

Companions: [SB 531](#) Campbell, Donna (Identical)
2-18-15 S Introduced and referred to committee on Senate State Affairs

Bill History: 12-19-14 H Filed

[HB 670](#) [Flynn, Dan\(R\)](#) Relating to the application of foreign laws and foreign forum selection in this state.

Bill History: 01-12-15 H Filed

[HB 828](#) [Zedler, Bill\(R\)](#)

Relating to the application of foreign and international laws and doctrines in this state and requiring a court of this state to uphold and apply certain laws, including the doctrine requiring courts to refrain.

Bill History:

01-21-15 H Filed

[HB 899](#) [Fallon, Pat\(R\)](#)

Relating to the application of foreign laws and foreign forum selection in certain family law proceedings.

Bill History:

01-23-15 H Filed

[SB 531](#) [Campbell, Donna\(R\)](#)

Relating to the application of foreign laws and foreign forum selection in a proceeding involving marriage, a suit for dissolution of a marriage, or a suit affecting the parent-child relationship in this state.

Companions:

[HB 562](#) Leach, Jeff (Identical)
12-19-14 H Filed

Bill History:

02-18-15 S Introduced and referred to committee on Senate State Affairs