

BUSINESS LAW SECTION
STATE BAR OF TEXAS
TEXAS LEGISLATIVE UPDATE

February 6, 2015

The 84rd Session of the Texas Legislature convened on January 13th with a new slate of leaders in statewide offices. Governor [Greg Abbott](#), the state's former attorney general, now holds Texas' highest office after Rick Perry ended his 14 years as governor, seeking to run again for the presidency.

Former Houston State Senator [Dan Patrick](#) beat former Lt. Governor David Dewhurst in the Republican Primary and State Senator Leticia Van de Putte (D-San Antonio) in the general election, and he now presides over the Senate. Sen. Van de Putte is giving up her Senate seat to run for the Mayor of San Antonio. The state also welcomed new Attorney General [Ken Paxton](#), Comptroller [Glen Hegar](#), Land Commissioner [George P. Bush](#) and Agriculture Commissioner [Sid Miller](#) to their respective offices.

Legislators began the session with Comptroller Hegar estimating \$113 billion in general revenue to spend on the 2016-2017 cycle, \$18 billion more than the last budget cycle. Hegar estimated that Texas' economy remains strong despite falling oil prices as other sectors continue to perform well. Granting tax relief, improving Infrastructure, tightening border security and public education are among the top priorities of the newly elected state leadership.

The 31-member Senate begins with a large class of freshman, adding eight new members, including former Republican House members [Lois Kolkhorst](#) (R-Brenham), [Brandon Creighton](#) (R-Conroe), [Charles Perry](#) (R-Lubbock) and [Van Taylor](#) (R-Plano). Sen. Van de Putte's replacement --- either San Antonio Democrat State Rep. Trey Martinez Fischer (D-San Antonio) or State Rep. Jose Menendez who are currently in a run-off for the seat---will be a ninth. The Senate is now made up of 20 Republicans and 11 Democrats while the House of Representatives is 95 Republicans and 55 Democrats. In the House, Leadership remains constant as Speaker [Joe Straus](#) (R-San Antonio) begins a fourth term as Speaker, despite a challenge from Rep. [Scott Turner](#) (R-Frisco), who was backed by a small number of Tea Party members.

Lt. Governor Patrick quickly acted on campaign promises leading Senators to change the long standing "two-thirds rule" that required the approval of 21 Senators for a bill to be brought to the floor. Now, 19 Senators must approve, a change that dilutes Democrat's power to block legislation. Patrick also consolidated standing committees and appointed only two Democrats to chair those committees. Sen. [Kevin Eltife](#) (R-Tyler) is now Chair of the [Senate Business and Commerce Committee](#), the substantive committee for the Texas Business Law Foundation's legislative package. Speaker Straus reappointed Rep. [Rene Oliviera](#) (D-Brownsville) as chair of the [House Business and Industry Committee](#). Rep. Tan Parker (R-) will chair the [House Investments and Financial Services Committee](#), which likely will preside over legislation impacting the Uniform Commercial Code, as last session's chair, Rep. Mike Villarreal (D-San Antonio), resigned to run for mayor of San Antonio.

The BLS is tracking legislation in nine (9) 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.

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.

Chancery Court

An initiative by State Rep. Jason Villalba (R-Dallas) to create a chancery court system in Texas to handle specified complex business litigation.

Business Entities

[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.

UCC

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

Securities

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

Financial Institutions

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

Business Liability

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

Real Estate and Related Topics

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

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.

SBOT BUSINESS LAW SECTION LEGISLATIVE TRACKING REPORT

02-06-2015 - 08:54:03

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

1 - Section Prepared

2- Business Entities

[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

[SB 433](#)

[Burton, Konni \(F\)\(R\)](#)

Relating to a membership interest in a limited liability company subject to a charging order.

Bill History: 02-03-15 S Filed

3- UCC

4 - Securities

[HB 870](#)

[Smith, Wayne\(R\)](#)

Relating to the investment training requirement for certain local government officers.

Bill History: 01-22-15 H Filed

5 - Financial Institutions

[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: 11-24-14 H Filed

[HB 483](#)

[Capriglione, Giovanni\(R\)](#)

Relating to the establishment and administration of a state bullion depository.

Bill History: 12-10-14 H Filed

[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 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 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

[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 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

6 - 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: 11-10-14 H Filed

[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: 11-10-14 H Filed

[HB 174](#) [Martinez Fischer, Trey\(D\)](#) Relating to requiring a living wage for those that do business with the state.

Bill History: 11-10-14 H Filed

[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: 11-10-14 H Filed

[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 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

[SB 65](#) [Ellis, Rodney\(D\)](#) Relating to unlawful employment practices regarding discrimination in payment of compensation.

Companions: [HB 187](#) Thompson, Senfronia (Identical)

11-10-14 H Filed

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)

11-10-14 H Filed

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

7 - 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: 11-10-14 H Filed

[HB 193](#)

[Murphy, Jim\(R\)](#)

Relating to the phaseout and repeal of the franchise tax.

Bill History: 11-10-14 H Filed

[HB 250](#)

[Leach, Jeff\(R\)](#)

Relating to the phaseout and repeal of the franchise tax.

Companions: [HB 552](#) Huberty, Dan (Identical)

12-18-14 H Filed

Bill History: 11-12-14 H Filed

[HB 321](#)

[Keough, Mark \(F\)\(R\)](#)

A bill relating to the repeal of the franchise tax.

Bill History: 11-17-14 H Filed

[HB 419](#) [Wu, Gene\(D\)](#) Relating to federal income tax liability for certain damages awarded in certain civil actions.

Bill History: 12-01-14 H Filed

[HB 525](#) [Riddle, Debbie\(R\)](#) Relating to a franchise tax credit for wages paid to certain employees.

Bill History: 12-16-14 H Filed

[HB 552](#) [Huberty, Dan\(R\)](#) Relating to the phaseout and repeal of the franchise tax.

Companions: [HB 250](#) Leach, Jeff (Identical)
11-12-14 H Filed

Bill History: 12-18-14 H Filed

[HB 668](#) [Farney, Marsha\(R\)](#) Relating to the franchise tax liability of certain taxable entities.

Bill History: 01-12-15 H Filed

[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 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

[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 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

8 - 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- 5-15 S Filed

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

[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: 02-05-15 S Filed

9 - 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.

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