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**BUSINESS LAW SECTION
STATE BAR OF TEXAS
87th TEXAS LEGISLATIVE SESSION
SUPPLEMENT TO FINAL REPORT**

June 23, 2021

The 87th Legislature, Regular Session, veto period ended Sunday, with the Governor vetoing 20 bills. This adds to last week's line-item vetoes in SB 1 (the state appropriations bill), which essentially defunded the legislative branch. None of the latest vetoed bills were being tracked by the BLS, so all bills that had passed the Legislature, but were pending before the Governor as reflected in the BLS Final Report, will become law. This supplement reflects the effective dates for those bills. At the end of the report, updated legislative statistics on the regular session's final work product are also included.

The Governor has called an initial special session to start on July 8; an additional special session for redistricting and pandemic funding is anticipated in the fall. The July session likely will cover unfinished business from the regular session, including election conduct issues and bail bond modifications. As an official list of subjects for the call has not yet been released by the Governor, wild speculation is in play as to what else might be included. For now, additional critical race theory restrictions likely will be added. Border wall funding, additional storm and grid topics, social media censorship, transgender issues, and lobbying by local governments are floating.

And of course, restoration of funding for the legislative branch will need to be addressed, and will be strategically positioned in the call to somehow attempt to prevent another D quorum-bust. Interestingly and unfortunately, the Governor's budget line-item vetoes included removing funding for the state's participation in NCCUSL. Hopefully, this can easily be rolled into the legislative funding fix.

Again, the following information reflects final actions on bills pending before the Governor on May 31, 2021, the date of the Final Report; and accordingly updates impacted sections of the Final Report as follows:

C -- Business Entities

Blockchain - Work Group

[SB 1076](#) (Paxton)/[HB 1576](#) (Parker) -- Relating to the creation of a work group on blockchain matters concerning this state.

HB passed Legislature, signed by Governor, effective 9/1

SOS Filing Fee Exemption

[SB 938](#) (Campbell)/[HB 1671](#) (Holland) -- Reinstates an exemption from the franchise tax and certain filing fees for certain businesses owned by veterans during an initial period of operation in the state.

SB passed Legislature, signed by Governor, effective 1/1/2022

Business Purchase – Comptroller Tax Disclosure

[SB 873](#) (Hancock)/[HB 3060](#) (Button) – Relating to disclosure by the comptroller to the purchaser of a business of the amount of tax due.

SB passed Legislature, signed by Governor, effective 9/1

Certificates of Formation – Address

[HB 3131](#) (Cole) -- Relating to the information required to be included in the certificate of formation of a filing entity.

Passed Legislature, signed by Governor, effective 1/1/2022

Oil & Gas Companies - Boycott Prevention

[SB 13](#) (Birdwell)/ [HB 2189](#) (King) -- Relating to contracts with and investments in companies that boycott certain energy companies.

SB passed Legislature, signed by Governor, effective 9/1

Critical Infrastructure Contracts – Certain Foreign-Owned Company Prohibitions

[SB 2116](#) (Campbell)/[HB 4359](#) (Parker) -- Relating to prohibiting contracts or other agreements with certain foreign-owned companies in connection with critical infrastructure in this state.

SB passed Legislature, signed by Governor, effective immediately

Gun Industry Discrimination – Government Contracting Disclosure and Restrictions

[SB 19](#) (Schwertner)/ [HB 2558](#) (Capriglione) -- Relating to prohibited contracts with companies that discriminate against the firearm or ammunition industries.

SB passed Legislature, signed by Governor, effective 9/1

D – UCC

Oil & Gas - Lien Perfection

[SB 1468](#) (Hinojosa)/[HB 3794](#) (Geren) – Relating to oil and gas liens; addressing the *First River Energy* case.

HB passed Legislature, signed by Governor, effective 9/1

Virtual Currency

[HB 4474](#) (Parker) -- Relating to the control of virtual currency and the rights of purchasers who obtain control of virtual currency for purposes of the Uniform Commercial Code.

Passed Legislature, signed by Governor, effective 9/1

F -- Financial Institutions

Rule Against Perpetuities

[SB 1377](#) (Johnson)/[HB 654](#) (Lucio) – Provides for a 300-year vesting period.

HB passed Legislature, signed by Governor, effective 9/1

M & M Liens

[HB 2237](#) (Burrows) – Relating to mechanic's, contractor's, or materialman's liens.

Passed Legislature, signed by Governor, effective 1/1/2022

Savings & Mortgage Lending Commissioner – Authority

[SB 1900](#) (Zaffirini)/[HB 4309](#) (Anchia) -- Relating to the regulatory authority of the savings and mortgage lending commissioner; authorizing fees.

SB passed Legislature, signed by Governor, effective 9/1

Credit Union Department/Credit Union Commission -- Sunset

[SB 707](#) (Paxton)/[HB 1840](#) (Lambert) -- Relating to the continuation and functions of the Credit Union Department and the Credit Union Commission.

SB passed Legislature, signed by Governor, effective on 9/1

H -- Business Liability

Pandemic Liability Shield

[SB 6](#) (Hancock)/[HB 3659](#) (Leach) -- Relating to liability for certain claims arising during a pandemic or other disaster or emergency.

SB passed Legislature, signed by Governor, effective immediately

Revised legislative statistics: During the 87th Legislature, Regular Session, lawmakers filed 7,327 bills and resolutions, and passed 1,118, for a pass ratio of 16%.