

TEXAS BUSINESS ORGANIZATIONS CODE AMENDMENTS IN 2017 TEXAS LEGISLATURE SESSION

26TH Annual LLCs, LPs and Partnerships
July 13, 2017

Presented by:

Daryl B. Robertson
Hunton & Williams LLP
1445 Ross Avenue, Suite 3700
Dallas, Texas 75202
Copyright 2017 reserved

99900.10985 65611700v1

Key Bills Amending Texas Business Organizations Code Passed in 2017 Texas Legislature

- S.B. No. 1517 – partnerships and limited liability companies
- S.B. No. 1518 – corporations and nonprofit associations
- HB No. 2856 – adoption of “distinguishable in the records” standard for entity names
- HB No. 3488 – authorization of public benefit corporations
- S.B. No. 679 – chiropractors can own entities with other doctors

2

Series of Limited Liability Company

- Series of limited liability companies first authorized in Texas in 2009
- Service of process, notice or demand on a series of LLC
 - no separate registered agent or registered office for a series has to be filed with TX Secretary of State
 - LLC is responsible to inform the series of any service of process, notice or demand
 - LLC's registered agent is deemed to be registered agent of each series of the LLC
 - Secretary of State is also deemed to be an agent of the series
 - each governing person of the series is also an agent of the series

3

Series of LLC (contd.)

- Service of process on a series (contd.)
 - Service of process must include the names of both the LLC and the series of the LLC
 - Duties of registered agent and Secretary of State are to forward the service of process to the LLC
 - No duty to send process to the series directly
 - Special provisions added for service of process by a political subdivision – similar to rules for other entities

4

Series of LLC (contd.)

- Cross-collateralization of debts
 - statute authorizes protection of a series from liabilities of another series or of the LLC generally
 - series can expressly agree in company agreement or other written agreement that the debts of LLC generally or another series are enforceable against the series' assets
 - LLC can expressly agree in company agreement or other written agreement that the debts of a series are enforceable against the LLC's assets

5

Series of LLC (contd.)

- Series as a Person
 - Texas Business & Commerce Code amended in 2015 to add series to definition of "person" to UCC
 - TBOC amended to clarify that "person" includes:
 - series of domestic LLC
 - series of foreign entity
 - Series can serve as a promoter, organizer, owner, partner, member, associate or manager of an organization

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Texas Business Organizations Code Amendments in 2017 Texas Legislature Session

Also available as part of the eCourse

[Answer Bar: LLCs and Partnerships Formation](#)

First appeared as part of the conference materials for the
26th Annual LLCs, LPs and Partnerships session
"Texas Legislative Update"