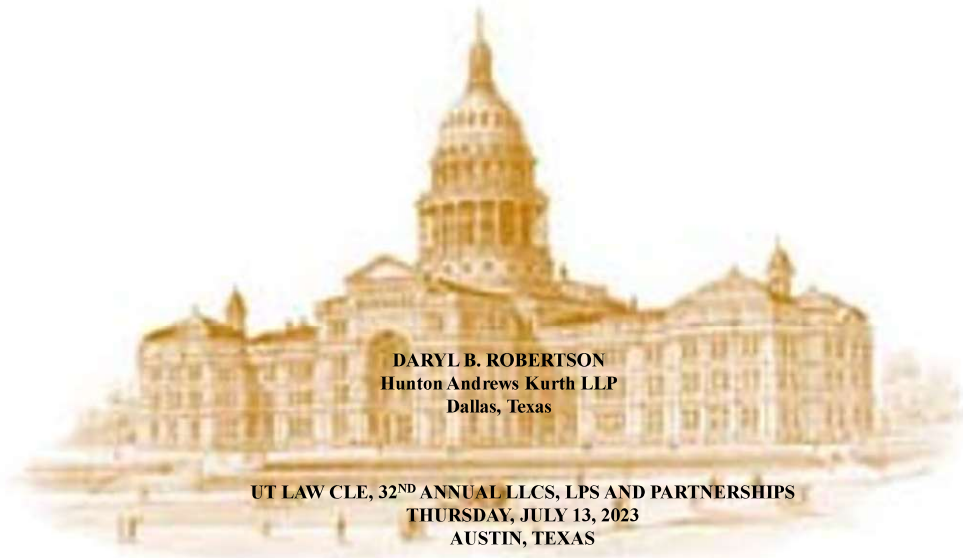


NEW TEXAS BUSINESS COURT



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Introduction

- House Bill No. 19 authored by Reps. Murr, Leach, Landgraf, Meyer and Lujan and co-authored by 72 other House members and sponsored in Senate by Senator Bryan Hughes
- Adds new Chapter 25A to the Texas Government Code establishing a new statutory court for the State of Texas called a “business court”
- HB 19 is effective September 1, 2023, but the business court would be created as of September 1, 2024
- Bill had strong support of Texas Governor, Lt. Governor and House Speaker

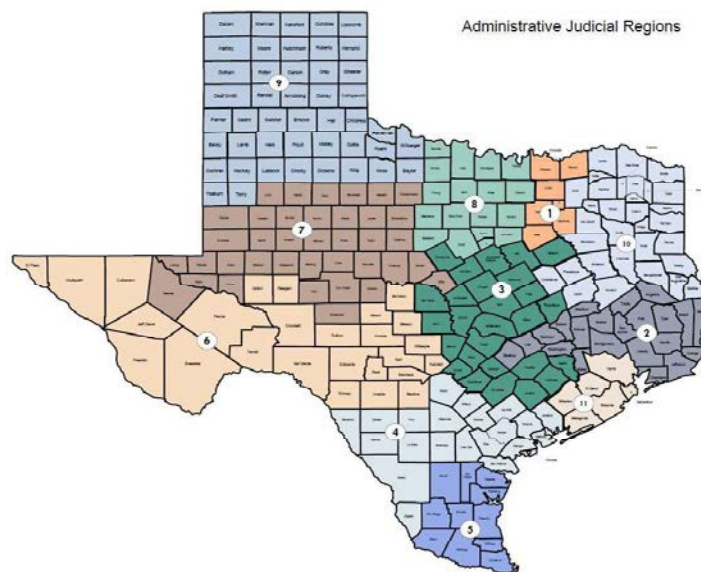
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Geographic Divisions

- Business court is composed of 11 geographic divisions, which match the 11 Administrative Judicial Regions
 - BUT six divisions (largely more rural regions) would be abolished on September 1, 2026, if not reauthorized and funded through additional legislative appropriations in 2025 Texas Legislature
- Five divisions will start operations on September 1, 2024, and remaining six divisions, assuming they are reappropriated, will start operations on September 1, 2026
- Initial five divisions are composed of counties in which Austin, Dallas, Fort Worth, Houston and San Antonio are located as well as the surrounding counties
 - These five divisions are First, Third, Fourth, Eighth and Eleventh Business Court Divisions

Geographic Divisions (cont'd)



Qualification of Business Court Judges

- To qualify to be appointed as a business court judge, a person must be:
 - At least 35 years of age
 - U.S. citizen and resident of a county within the division of the business court to which the judge is appointed for at least five years before appointment
 - A licensed attorney in Texas who has ten or more years of experience in (a) practicing complex business civil litigation, (b) practicing business transaction law, (c) serving as a judge of a court in Texas with civil jurisdiction or (d) any combination of experience described in (a)–(c)
 - Must not have had his or her license to practice law revoked, suspended or subject to a probated suspension

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Appointment of Business Court Judges

- Texas Governor appoints business court judges, with advice and consent of Texas Senate
- Governor required to appoint judges for First, Third, Fourth, Eighth and Eleventh Business Court Divisions ASAP after September 1, 2023
- Governor appoints judges to remaining six divisions between July 1, 2026, and September 1, 2026
- Two judges are appointed to the First, Third, Fourth, Eighth and Eleventh Business Court Divisions, with one judge being appointed to each of the remaining divisions
- Business court judges serve terms of two years, beginning on September 1 of even numbered years
- Business court judges may be reappointed

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First appeared as part of the conference materials for the
32nd Annual LLCs, LPs and Partnerships session

"Texas Legislative Update for Partnerships and LLCs"