

LEGISLATIVE UPDATE: NEW TEXAS BUSINESS COURTS



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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 was effective September 1, 2023, but the business court will commence taking cases on or after September 1, 2024
- Bill had strong support of Texas Governor, Lt. Governor and House Speaker
- Bill faced significant opposition resulting in numerous amendments

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- Bill addresses growing need for specialized Texas courts to handle complex business litigation
 - More predictable outcomes for business disputes
 - Make Texas more attractive place for resolving business disputes

- 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

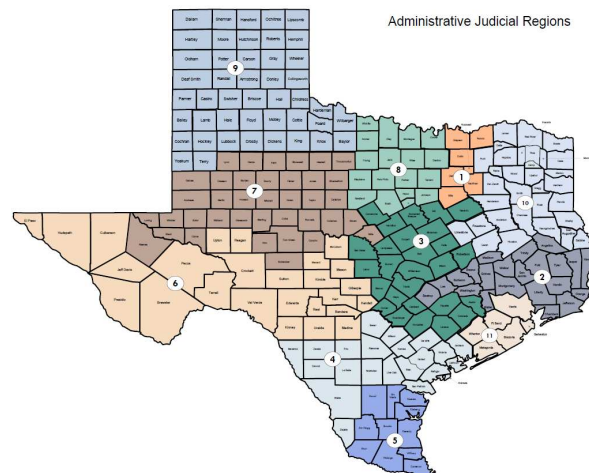
Geographic Divisions (cont'd)

- 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
- Six other non-operating divisions include counties in which El Paso, Lubbock, Amarillo, Midland/Odessa, Tyler, Texarkana, Brownsville and Beaumont/Port Arthur are located and their surrounding counties

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Geographic Divisions (cont'd)



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