

BILL ANALYSIS

Senate Research Center
76R5363 JJT-F

H.B. 1289
By: Cook (Brown)
Natural Resources
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Engrossed

DIGEST

The 72nd Legislature enacted the Texas Limited Liability Company Act (Act), which provides for the formation of limited liability companies (LLC). The Act intended to give LLCs the same powers and duties of other forms of corporations, but not all provisions of state law were changed to reflect this. The Gas Utility Regulatory Act contains definitions of “person” and “corporation” which do not include LLCs. As a result, some have questioned whether pipelines organized as LLCs have the same powers and duties as pipelines that are organized as corporations or partnerships. H.B. 1289 redefines “person” and “corporation” to include LLCs.

PURPOSE

As proposed, H.B. 1289 redefines “person” and “corporation” to include a limited liability company.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 101.003(10), Utilities Code, to redefine “person” to include a limited liability company.

SECTION 2. Amends Section 121.001(b), Utilities Code, to redefine “person” to make a conforming change.

SECTION 3. Amends Section 181.001(1), Utilities Code, to redefine “corporation” to make conforming and nonsubstantive changes.

SECTION 4. Provides that the legislature intends that each change in law made by this Act shall be considered a clarification of existing law and construed as consistent with the law as it existed immediately before the effective date of this Act.

SECTION 5. Emergency clause.
Effective date: upon passage.