

## **BILL ANALYSIS**

Senate Research Center  
76R7260 DWS-F

H.B. 2465  
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Natural Resources  
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Engrossed

### **DIGEST**

Currently, a limited liability company (LLC) is a relatively new business structure authorized in 1991 by the Texas Legislature. An LLC is a combination of a partnership and a corporation that maintains the limited liability of a corporation while receiving federal tax treatment as a partnership. Some common carrier pipelines in Texas have reorganized as LLCs. However, the 1991 law did not amend other laws that regulate business entities allowing some ambiguity to whether the LLCs have the rights afforded to other business entities. H.B. 2465 would provide that an LLC that is a common carrier in the pipeline business has the same right of eminent domain and other rights that the LLC previously had as a corporation or partnership.

### **PURPOSE**

As proposed, H.B. 2465 provides that a limited liability company has certain rights including the right of eminent domain.

### **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 Article 1528n, V.T.C.S. (Texas Limited Liability Company Act), by adding Section D, to provide that a limited liability company engaged as a common carrier in the pipeline business for transporting oil, oil products, gas, carbon dioxide, salt brine, fuller's earth, sand, clay, liquefied minerals, or other mineral solutions has all the rights and powers conferred by Sections 111.019-111.022, Natural Resources Code.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.