

BILL ANALYSIS

Senate Research Center
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H.B. 3131
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Entities doing business in Texas are required to file a certificate of formation with the secretary of state. Statute requires the certificate of formation to include the street address of the initial registered office and the name of the initial registered agent. Statute does not specifically require formation documents to include the business address or preferred mailing address of the taxpayer.

Information included in the certificate of formation is forwarded to the Comptroller of Public Accounts of the State of Texas (comptroller) and used to set up franchise tax accounts for taxable entities. However, because the mailing address on the certificate of formation is for the registered agent, tax information and correspondence sent by the comptroller is often not received by the taxpayer. This can have negative—and expensive—consequences for the taxpayer and may result in charter forfeiture.

H.B. 3131 seeks to ensure that important tax information is reaching the right people by requiring a certificate of formation of certain business entities to state the entity's preferred mailing address.

H.B. 3131 amends the Business Organizations Code to require the certificate of formation of a domestic corporation, limited partnership, limited liability company, professional association, cooperative, or real estate investment trust to state the entity's preferred mailing address.

H.B. 3131 amends current law relating to the information required to be included in the certificate of formation of a filing entity.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 3.005(a), Business Organizations Code, to require that the certificate of formation of a filing entity state certain information, including the preferred mailing address of the filing entity. Makes nonsubstantive changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2021.