By: Fraser S.B. No. 1773

A BILL TO BE ENTITLED

AN ACT

relating to the applicability of certain laws governing corporations to limited liability companies.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 101, Business Organizations Code, is amended by adding Section 101.002 to read as follows:

Sec. 101.002. APPLICABILITY OF OTHER LAWS. (a) Subject to Section 101.114, Sections 21.223, 21.224, 21.225, and 21.226 apply to a limited liability company and the company's members, owners, assignees, and subscribers.

(b) For purposes of the application of Subsection (a):

(1) a reference to "shares" includes "membership interests";

(2) a reference to "holder," "owner," or "shareholder" includes a "member" and an "assignee";

(3) a reference to "corporation" or "corporate" includes a "limited liability company";

(4) a reference to "directors" includes "managers" of a manager-managed limited liability company and "members" of a member-managed limited liability company;

(5) a reference to "bylaws" includes "company agreement"; and

(6) the reference to "Sections 21.157-21.162" in

Section 21.223(a)(1) refers to the provisions of Subchapter D of this chapter.

SECTION 2. Section A, Article 8.12, Texas Limited Liability Company Act (Article 1528n, Vernon's Texas Civil Statutes), is amended to read as follows:

A. Subject to Section C of this Article, Articles 2.07, 2.08, 2.21, 4.14, and 5.14 and Part Seven of the TBCA apply to a limited liability company and its members, managers, and officers.

SECTION 3. This Act takes effect September 1, 2009.