

BILL ANALYSIS

C.S.H.B. 2047
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Judiciary & Civil Jurisprudence
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, civil papers served to a corporation must be personally served to a president, vice-president, or registered agent of the corporation. Many corporations and other entities elect to appoint a separate corporation as their registered agent to receive civil process on behalf of the corporation. However, if that service of process is challenged, some courts have held that the corporation was not properly served, since current law provides that process must be personally delivered to a person and not to a company. This situation creates confusion, lost time, additional costs in civil litigation, and backlogs in the courts. The primary purpose of C.S.H.B. 2047 is to allow for process to be served on a corporation by serving that corporation's registered agent.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2047 amends the Business Organizations Code to require a registered agent that is an organization to have an employee available at the registered office during normal business hours to receive service of process, notice, or demand. The bill authorizes any employee of the organization to receive service at the registered office.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2047 differs from the original by requiring a registered agent that is an organization to have an employee available at the registered office during normal business hours to receive service of process, notice, or demand and authorizing any employee of the organization to receive service at the registered office, whereas the original authorizes process to be served, if a registered agent is a domestic entity or foreign entity that is also required to appoint a registered agent, by serving an agent or clerk at the registered office of the registered agent.