

BILL ANALYSIS

Senate Research Center
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S.B. 699
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Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under Texas law, an entity is required to file an incorporated name on the entity's initial filing certificate with the Office of the Texas Secretary of State (SOS). Often, an entity will incorporate under one name but do business under another name. This is referred to as an assumed name and requires that an entity file a separate assumed named certificate with SOS. Section 71.102 (Contents of Certificate), Business & Commerce Code, requires a filing entity to provide the entity's registered office address on the original filing certificate and the assumed name certificate, if applicable. Including this information on an assumed name certificate is redundant as an assumed name certificate is meant to supplement, rather than override, the original filing certificate. Furthermore, any change to an entity's registered office address is completed through a separate statutory filing, making the address requirement on the assumed name certificate superfluous and creating unnecessary work for SOS.

Section 71.102, Business & Commerce Code, also requires a filing entity to provide the address of the entity's principal office to SOS. However, the section references both address and office, which has led to confusion over whether a single principal office address will suffice or if addresses from multiple locations need to be included. SOS cites this code as one of the common reasons for unnecessary information being provided to SOS during the filing process.

S.B. 699 eliminates the requirement that an entity filing an assumed name certificate include the entity's registered address. S.B. 699 also clarifies that a filing entity need to only list the street or mailing address of the principal office inside or outside of Texas.

As proposed, S.B. 699 amends current law relating to the contents of an assumed name certificate filed by certain businesses or professionals.

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 71.102, Business & Commerce Code, as follows:

Sec. 71.102. CONTENTS OF CERTIFICATE. Requires that a certificate for an incorporated business or profession, limited partnership, limited liability partnership, limited liability company, or foreign filing entity state certain information, including the state, country, or other jurisdiction under the laws of which the registrant was incorporated or organized, rather than the state, country, or other jurisdiction under the laws of which the registrant was incorporated or organized and the registrant's registered or similar office address in that state, country, or jurisdiction; and the street or mailing address of the registrant's principal office in this state or outside this state, as applicable, rather than the address of the registrant's principal office, or if the registrant is not required to or does not maintain a registered office in this state, the registrant's office in this state and the registrant's place of business in this state and any office of the registrant outside this state, if the registrant is not incorporated or organized under the laws of this state. Makes nonsubstantive changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2013.