AN ACT
relating to partnerships and limited liability companies.

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

SECTION 1. Effective January 1, 2016, Section 4.158, Business Organizations Code, is amended to read as follows:

Sec. 4.158. FILING FEES: GENERAL PARTNERSHIPS. For a filing by or for a general partnership, the secretary of state shall impose the following fees:

(1) for filing a limited liability partnership application, $200 for each partner;

(2) for filing a limited liability partnership annual report [renewal application], $200 for each partner on the date of filing of the report or, in the case of any past due annual report, $200 for the number of partners as of May 31 of the year that the report was due [renewal];

(3) for filing an application for registration by a foreign limited liability partnership, $200 for each partner in this state, except that the maximum fee may not exceed $750;

(4) for filing a renewal of registration by a foreign limited liability partnership, $200 for each partner in this state, except that the maximum fee may not exceed $750;

(5) for filing a certificate of amendment for a domestic limited liability partnership, $10, plus $200 for each partner added by the amendment;
(6) for filing a certificate of amendment for a foreign limited liability partnership, $10, plus $200 for each partner in this state added by amendment not to exceed $750; and
(7) for filing any other filing instrument, the filing fee imposed for a similar instrument under Section 4.155.

SECTION 2. Subchapter B, Chapter 101, Business Organizations Code, is amended by adding Section 101.055 to read as follows:

Sec. 101.055. IRREVOCABLE POWER OF ATTORNEY. (a) This section applies only to:

(1) a power of attorney with respect to matters relating to the organization, internal affairs, or termination of a limited liability company; or
(2) a power of attorney granted by:

(A) a person as a member of or assignee of a membership interest in a limited liability company; or
(B) a person seeking to become a member of or assignee of a membership interest in a limited liability company.

(b) A power of attorney is irrevocable for all purposes if the power of attorney:

(1) is coupled with an interest sufficient in law to support an irrevocable power; and
(2) states that it is irrevocable.

(c) Unless otherwise provided in the power of attorney, an irrevocable power of attorney created under this section is not affected by the subsequent death, disability, incapacity, winding up, dissolution, termination of existence, or bankruptcy of, or any
other event concerning, the principal.

(d) A power of attorney granted to the limited liability company, a member of the company, or any of their respective officers, directors, managers, members, partners, trustees, employees, or agents is conclusively presumed to be coupled with an interest sufficient in law to support an irrevocable power.

SECTION 3. Section 152.002(b), Business Organizations Code, is amended to read as follows:

(b) A partnership agreement or the partners may not:

(1) unreasonably restrict a partner's right of access to books and records under Section 152.212;

(2) eliminate the duty of loyalty under Section 152.205, except that the partners by agreement may identify specific types of activities or categories of activities that do not violate the duty of loyalty if the types or categories are not manifestly unreasonable;

(3) eliminate the duty of care under Section 152.206, except that the partners by agreement may determine the standards by which the performance of the obligation is to be measured if the standards are not manifestly unreasonable;

(4) eliminate the obligation of good faith under Section 152.204(b), except that the partners by agreement may determine the standards by which the performance of the obligation is to be measured if the standards are not manifestly unreasonable;

(5) vary the power to withdraw as a partner under Section 152.501(b)(1), (7), or (8), except for the requirement that notice be in writing;
(6) vary the right to expel a partner by a court in an event specified by Section 152.501(b)(5); 
(7) restrict rights of a third party under this chapter or the other partnership provisions, except for a limitation on an individual partner's liability in a limited liability partnership as provided by this chapter; 
(8) select a governing law not permitted under Sections 1.103 and 1.002(43)(C); or 
(9) except as provided in Subsections (c) and (d), waive or modify the following provisions of Title 1: 
(A) Chapter 1, if the provision is used to interpret a provision or to define a word or phrase contained in a section listed in this subsection; 
(B) Chapter 2, other than Sections 2.104(c)(2), 2.104(c)(3), and 2.113; 
(C) Chapter 3, other than Subchapters C and E of that chapter; or 
(D) Chapters 4, 5, 10, 11, and 12, other than Sections 11.057(a), (b), (c)(1), (c)(3), [and] (d), and (f).

SECTION 4. Effective January 1, 2016, Section 152.802, Business Organizations Code, is amended by amending Subsections (a), (c), (e), (f), and (h) and adding Subsections (c-1) and (k) to read as follows:
(a) In addition to complying with Section 152.803, a partnership, to become a limited liability partnership, must file an application for registration with the secretary of state in accordance with Chapter 4 and this section. The application must:
(1) set out:
   (A) the name of the partnership;
   (B) the federal taxpayer identification number of the partnership;
   (C) the street address of the partnership’s principal office in this state or outside of this state, as applicable; and
   (D) the number of partners at the date of application; and
(2) contain a brief statement of the partnership’s business.

(c) A partnership is registered as a limited liability partnership by the secretary of state on:
   (1) the date on which a completed [initial or renewal] application is filed in accordance with Chapter 4; or
   (2) a later date specified in the application.

(c-1) An application for registration of a limited liability partnership accepted by the secretary of state is an effective registration and is conclusive evidence of the satisfaction of all conditions precedent to an effective registration.

(e) The registration of a limited liability partnership is effective until it is withdrawn or terminated [the first anniversary of the date of registration or a later effective date, unless the application is:
   (1) withdrawn or revoked at an earlier time; or
   (2) renewed in accordance with Subsection (g)].
(f) A registration may be withdrawn by filing a withdrawal notice with the secretary of state in accordance with Chapter 4. A certificate from the comptroller stating that all taxes administered by the comptroller under Title 2, Tax Code, have been paid must be filed with the notice of withdrawal. A withdrawal notice terminates the status of the partnership as a limited liability partnership from the date on which the notice is filed or a later date specified in the notice, but not later than the expiration date under Subsection (e). A withdrawal notice must:

1. Contain:
   - (A) the name of the partnership;
   - (B) the federal taxpayer identification number of the partnership;
   - (C) the date of registration of the partnership's last [last] application under this subchapter; and
   - (D) the current street address of the partnership's principal office in this state and outside this state, if applicable; and

2. Be signed by:
   - (A) a majority-in-interest of the partners; or
   - (B) one or more partners authorized by a majority-in-interest of the partners.

(h) The secretary of state may remove from its active records the registration of a limited liability partnership the registration of which has [1] been withdrawn or terminated [revoked], or [2] expired and not been renewed].
(k) Except in a proceeding by the state to terminate the registration of a limited liability partnership, the registration of a limited liability partnership continues in effect so long as there has been substantial compliance with the registration provisions of this section and substantial compliance with the annual reporting requirements of Section 152.806.

SECTION 5. Effective January 1, 2016, Subchapter J, Chapter 152, Business Organizations Code, is amended by adding Section 152.806 to read as follows:

Sec. 152.806. ANNUAL REPORT. (a) Not later than June 1 of each year following the calendar year in which the application for registration as a limited liability partnership takes effect, a limited liability partnership that has an effective registration shall file with the secretary of state, in accordance with Chapter 4, a report that contains:

(1) the name of the partnership; and

(2) the number of partners of the partnership as of the date of filing of the report or, in the case of any past due annual reports, the number of partners as of May 31 of each year that a report was due.

(b) Not later than March 31 of each year, the secretary of state shall provide to each limited liability partnership that had an effective registration as of December 31 of the preceding year a written notice stating that:

(1) the annual report and applicable filing fee are due on June 1 of that year; and

(2) the registration of the partnership shall be
terminated unless the report is filed and the filing fee is paid on
or before the date prescribed by Subsection (c).

(c) The registration of a limited liability partnership
that fails to file an annual report or pay the required filing fee
not later than May 31 of the calendar year following the year in
which the report or fee is due is automatically terminated.

(d) A termination of registration under Subsection (c)
affects only the partnership's status as a limited liability
partnership and is not an event requiring a winding up and
termination of the partnership under Chapter 11.

(e) A partnership whose registration as a limited liability
partnership is terminated under Subsection (c) may apply to the
secretary of state for reinstatement of limited liability
partnership status not later than the third anniversary of the
effective date of the termination. The application must be filed in
accordance with Chapter 4 and contain:

(1) the name of the partnership;

(2) the effective date of the termination; and

(3) a statement that the circumstances giving rise to
the termination will be corrected by filing an annual report and
paying the filing fee for each year that an annual report was not
filed, including the annual report and filing fee due that year.

(f) An application for reinstatement must be accompanied by
a tax clearance letter from the comptroller stating that the
limited liability partnership has satisfied all of its franchise
tax liabilities under Chapter 171, Tax Code.

(g) All annual reports and fees to be filed and paid as
required by this section must be filed and paid concurrently with
the filing of an application for reinstatement of limited liability
partnership status.

(h) A reinstatement under Subsection (e) that is approved by
the secretary of state relates back to the effective date of the
termination and takes effect as of that date, and the partnership's
status as a limited liability partnership continues in effect as if
the termination of its registration had never occurred.

SECTION 6. Section 153.051(a), Business Organizations
Code, is amended to read as follows:

(a) A general partner shall file a certificate of amendment
reflecting the occurrence of one or more of the following events not
later than the 30th day after the date on which the event occurred:

(1) the admission of a new general partner;
(2) the withdrawal of a general partner;
(3) a change in the name of the limited partnership; or
(4) except as provided by Sections [Section] 5.202 and
5.203, a change in:

(A) the address of the registered office; or
(B) the name or address of the registered agent
of the limited partnership.

SECTION 7. Subchapter C, Chapter 154, Business
Organizations Code, is amended by adding Section 154.204 to read as
follows:

Sec. 154.204. IRREVOCABLE POWER OF ATTORNEY. (a) This
section applies only to:

(1) a power of attorney with respect to matters
relating to the organization, internal affairs, or termination of a partnership; or

(2) a power of attorney granted by:

(A) a person as a partner of or a transferee or assignee of a partnership interest in a partnership; or

(B) a person seeking to become a partner of or a transferee or assignee of a partnership interest in a partnership.

(b) A power of attorney is irrevocable for all purposes if the power of attorney:

(1) is coupled with an interest sufficient in law to support an irrevocable power; and

(2) states that it is irrevocable.

(c) Unless otherwise provided in the power of attorney, an irrevocable power of attorney created under this section is not affected by the subsequent death, disability, incapacity, winding up, dissolution, termination of existence, or bankruptcy of, or any other event concerning, the principal.

(d) A power of attorney granted to the partnership, a partner of the partnership, or any of their respective officers, directors, managers, members, partners, trustees, employees, or agents is conclusively presumed to be coupled with an interest sufficient in law to support an irrevocable power.

SECTION 8. Effective January 1, 2016, Section 402.001(c), Business Organizations Code, is amended to read as follows:

(c) Notwithstanding Subsections (a) and (b), after the effective date of this code, Sections 152.802 and 152.803, instead of prior law, govern a renewal of registration or other filing
with the secretary of state made on behalf of a domestic limited
liability partnership registered under prior law.

SECTION 9. Section 101.351, Business Organizations Code, is
repealed.

SECTION 10. Effective January 1, 2016, Section 152.802(g),
Business Organizations Code, is repealed.

SECTION 11. Except as otherwise provided by this Act, this
Act takes effect September 1, 2015.

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President of the SenateAAAAAAAAAAAAASpeaker of the House
I hereby certify that S.B. ANo.A859 passed the Senate on
AprilA9,A2015, by the following vote: AAYeasA31, NaysA0.

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Secretary of the Senate
I hereby certify that S.B. ANo.A859 passed the House on
AprilA30,A2015, by the following vote: AAYeasA138, NaysA1, one
present not voting.

______________________________
Chief Clerk of the House

Approved:

______________________________
Date

______________________________
Governor