

The Legal Strategist

S. BARRETT P.C.

WWW.SBARRETLAW.COM

SECOND QUARTER 2023

TEXAS ESOTERIC FACTS

Texas has joined more than two dozen other U.S. states in creating a court system to handle certain business disputes. Companies with cases in the new Texas Business Court will appear before appointed judges with expertise in corporate and complex litigation matters. Proponents envision more predictable and efficient resolution of business litigation.

The Feature Topic is a cursory review.

If you would like more information on this, or any other topic previously covered in my newsletter, which can be viewed on [The Legal Strategist](#) tab of my web site, please contact my office at 713.526.1883.

Scott Barrett

- Texas has more species of birds than any other state, which includes screech owls and hummingbirds.
- Texas has more cattle than any other state in the country.

FEATURE TOPIC: TEXAS BUSINESS COURTS

On May 12, 2023, the Texas Senate passed House Bill 19. Once signed by Governor Greg Abbott, Texas will create a new specialized court that will alter how high-stakes business disputes are resolved.

The court will be created effective January 1, 2025, and will adjudicate derivative actions and business disputes involving \$10 million or more. Plaintiffs would have the right to file suit directly in the business court, while defendants would have the right to remove a case to the business court, similar to removal procedures in federal court. The business court would also have supplemental jurisdiction over "all matters arising out of or related to" business disputes, except for claims against government entities, personal injury claims, Deceptive Trade Practices Act, or DTPA, claims; and claims under the Family Code, Estates Code, and Title 9 of the Property Code, which the business court could hear only by agreement of the parties.

The business court will first be established in major metropolitan areas and will consist of judges appointed by the governor and confirmed by the Senate to two-year terms. Each judge must have at least 10 years' experience in complex commercial litigation or business transactions, either as a practitioner or civil court judge. Unlike other entry-level courts in Texas, the business court judges will be required to issue written opinions, which is designed to help give the parties more certainty in the litigation process.

According to its supporters, which include Governor Abbott, the law is intended to vault Texas's judiciary system onto the same legal footing as other specialized, business-centered state legal systems, such as Delaware and New York. Texas litigants will be well served to understand how to invoke or avoid the business court's jurisdiction.

More to come

If you would like more information on this or any other topic covered in *The Legal Strategist*, please contact [Scott Barrett](#) to set up a consultation.