

1-1 By: Landgraf, et al. (Senate Sponsor - Hughes) H.B. No. 40
1-2 (In the Senate - Received from the House May 14, 2025;
1-3 May 15, 2025, read first time and referred to Committee on
1-4 Jurisprudence; May 25, 2025, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 4, Nays 0;
1-6 May 25, 2025, sent to printer.)

1-7 COMMITTEE VOTE

| | Yea | Nay | Absent | PNV |
|------|-----|-----|--------|-----|
| 1-8 | | | | |
| 1-9 | X | | | |
| 1-10 | X | | | |
| 1-11 | | | X | |
| 1-12 | X | | | |
| 1-13 | X | | | |

1-14 COMMITTEE SUBSTITUTE FOR H.B. No. 40 By: Johnson

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to the business court.

1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-19 SECTION 1. Section 11.101(e), Civil Practice and Remedies
1-20 Code, is amended to read as follows:

1-21 (e) A prefiling order entered under Subsection (a) by a
1-22 district court, a ~~or~~ statutory county court, or the business
1-23 court applies to each court in this state.

1-24 SECTION 2. Section 15.003(c), Civil Practice and Remedies
1-25 Code, is amended to read as follows:

1-26 (c) An interlocutory appeal permitted by Subsection (b)
1-27 must be taken to the court of appeals district in which the trial
1-28 court is located under the procedures established for interlocutory
1-29 appeals, except that an interlocutory appeal from the business
1-30 court must be taken to the Fifteenth Court of Appeals. The appeal
1-31 may be taken by a party that is affected by the trial court's
1-32 determination under Subsection (a). The court of appeals shall:

1-33 (1) determine whether the trial court's order is
1-34 proper based on an independent determination from the record and
1-35 not under either an abuse of discretion or substantial evidence
1-36 standard; and

1-37 (2) render judgment not later than the 120th day after
1-38 the date the appeal is perfected.

1-39 SECTION 3. Section 19.003(a), Civil Practice and Remedies
1-40 Code, is amended to read as follows:

1-41 (a) To supply a record that has been lost, destroyed, or
1-42 removed:

1-43 (1) a person interested in an instrument or in a
1-44 judgment, order, or decree of the district court may file an
1-45 application with the district clerk of the county in which the
1-46 record was lost or destroyed or from which the record was removed;
1-47 ~~or~~

1-48 (2) a person interested in a judgment, order, or
1-49 decree of a county court may file an application with the clerk of
1-50 the court to which the record belonged; or

1-51 (3) a person interested in a judgment, order, or
1-52 decree of the business court may file an application with the clerk
1-53 of the business court.

1-54 SECTION 4. Section 20.001(a), Civil Practice and Remedies
1-55 Code, is amended to read as follows:

1-56 (a) A deposition on written questions of a witness who is
1-57 alleged to reside or to be in this state may be taken by:

1-58 (1) a clerk of a district court;

1-59 (2) a judge or clerk of a county court; ~~or~~

1-60 (3) a judge or clerk of the business court; or

2-1 (4) a notary public of this state.

2-2 SECTION 5. Section 30.014(a), Civil Practice and Remedies
 2-3 Code, is amended to read as follows:

2-4 (a) In a civil action, including a probate or guardianship
 2-5 proceeding, filed in a district court, a county court, a statutory
 2-6 county court, a ~~or~~ statutory probate court, or the business
 2-7 court, each party or the party's attorney shall include in its
 2-8 initial pleading:

2-9 (1) the last three numbers of the party's driver's
 2-10 license number, if the party has been issued a driver's license; and

2-11 (2) the last three numbers of the party's social
 2-12 security number, if the party has been issued a social security
 2-13 number.

2-14 SECTION 6. Section 30.015(a), Civil Practice and Remedies
 2-15 Code, is amended to read as follows:

2-16 (a) In a civil action filed in a district court, a county
 2-17 court, a statutory county court, a ~~or~~ statutory probate court, or
 2-18 the business court, each party or the party's attorney must provide
 2-19 the clerk of the court with written notice of the party's name and
 2-20 current residence or business address.

2-21 SECTION 7. Section 30.016(a), Civil Practice and Remedies
 2-22 Code, is amended to read as follows:

2-23 (a) In this section, "tertiary recusal motion" means a third
 2-24 or subsequent motion for recusal or disqualification filed against
 2-25 a district court, ~~or~~ statutory county court, or business court
 2-26 judge by the same party in a case.

2-27 SECTION 8. Sections 30.017(a) and (c), Civil Practice and
 2-28 Remedies Code, are amended to read as follows:

2-29 (a) A claim against a district court, statutory probate
 2-30 court, ~~or~~ statutory county court, or business court judge that is
 2-31 added to a case pending in the court to which the judge was elected
 2-32 or appointed:

2-33 (1) must be made under oath;

2-34 (2) may not be based solely on the rulings in the
 2-35 pending case but must plead specific facts supporting each element
 2-36 of the claim in addition to the rulings in the pending case; and

2-37 (3) is automatically severed from the case.

2-38 (c) The presiding judge of the administrative region, ~~or~~
 2-39 the presiding judge of the statutory probate courts, or the
 2-40 administrative presiding judge of the business court shall assign
 2-41 the severed claim to a different judge. The judge shall dismiss the
 2-42 claim if the claim does not satisfy the requirements of Subsection
 2-43 (a)(1) or (2).

2-44 SECTION 9. Section 51.014(a), Civil Practice and Remedies
 2-45 Code, is amended to read as follows:

2-46 (a) A person may appeal from an interlocutory order of a
 2-47 district court, a county court at law, a statutory probate court, a
 2-48 ~~or~~ county court, or the business court that:

2-49 (1) appoints a receiver or trustee;

2-50 (2) overrules a motion to vacate an order that
 2-51 appoints a receiver or trustee;

2-52 (3) certifies or refuses to certify a class in a suit
 2-53 brought under Rule 42 of the Texas Rules of Civil Procedure;

2-54 (4) grants or refuses a temporary injunction or grants
 2-55 or overrules a motion to dissolve a temporary injunction as
 2-56 provided by Chapter 65;

2-57 (5) denies a motion for summary judgment that is based
 2-58 on an assertion of immunity by an individual who is an officer or
 2-59 employee of the state or a political subdivision of the state;

2-60 (6) denies a motion for summary judgment that is based
 2-61 in whole or in part upon a claim against or defense by a member of
 2-62 the electronic or print media, acting in such capacity, or a person
 2-63 whose communication appears in or is published by the electronic or
 2-64 print media, arising under the free speech or free press clause of
 2-65 the First Amendment to the United States Constitution, or Article
 2-66 I, Section 8, of the Texas Constitution, or Chapter 73;

2-67 (7) grants or denies the special appearance of a
 2-68 defendant under Rule 120a, Texas Rules of Civil Procedure, except
 2-69 in a suit brought under the Family Code;

3-1 (8) grants or denies a plea to the jurisdiction by a
3-2 governmental unit as that term is defined in Section 101.001;
3-3 (9) denies all or part of the relief sought by a motion
3-4 under Section 74.351(b), except that an appeal may not be taken from
3-5 an order granting an extension under Section 74.351;
3-6 (10) grants relief sought by a motion under Section
3-7 74.351(1);
3-8 (11) denies a motion to dismiss filed under Section
3-9 90.007;
3-10 (12) denies a motion to dismiss filed under Section
3-11 27.003;
3-12 (13) denies a motion for summary judgment filed by an
3-13 electric utility regarding liability in a suit subject to Section
3-14 75.0022;
3-15 (14) denies a motion filed by a municipality with a
3-16 population of 500,000 or more in an action filed under Section
3-17 54.012(6) or 214.0012, Local Government Code;
3-18 (15) makes a preliminary determination on a claim
3-19 under Section 74.353;
3-20 (16) overrules an objection filed under Section
3-21 148.003(d) or denies all or part of the relief sought by a motion
3-22 under Section 148.003(f); or
3-23 (17) grants or denies a motion for summary judgment
3-24 filed by a contractor based on Section 97.002.
3-25 SECTION 10. Section 51.016, Civil Practice and Remedies
3-26 Code, is amended to read as follows:
3-27 Sec. 51.016. APPEAL ARISING UNDER FEDERAL ARBITRATION ACT.
3-28 In a matter subject to the Federal Arbitration Act (9 U.S.C. Section
3-29 1 et seq.), a person may take an appeal or writ of error to the court
3-30 of appeals from the judgment or interlocutory order of a district
3-31 court, a county court at law, a [ex] county court, or the business
3-32 court under the same circumstances that an appeal from a federal
3-33 district court's order or decision would be permitted by 9 U.S.C.
3-34 Section 16.
3-35 SECTION 11. Section 61.021, Civil Practice and Remedies
3-36 Code, is amended to read as follows:
3-37 Sec. 61.021. WHO MAY ISSUE. The judge or clerk of a
3-38 district court, a [ex] county court, or the business court or a
3-39 justice of the peace may issue a writ of original attachment
3-40 returnable to the [his] court of issuance.
3-41 SECTION 12. Section 63.002, Civil Practice and Remedies
3-42 Code, is amended to read as follows:
3-43 Sec. 63.002. WHO MAY ISSUE. The clerk of a district court,
3-44 a [ex] county court, or the business court or a justice of the peace
3-45 may issue a writ of garnishment returnable to the clerk's [his]
3-46 court.
3-47 SECTION 13. Section 64.091(b), Civil Practice and Remedies
3-48 Code, is amended to read as follows:
3-49 (b) In the following actions, a district court or the
3-50 business court may appoint a receiver for the mineral interest or
3-51 leasehold interest under a mineral lease owned by a nonresident or
3-52 absent defendant:
3-53 (1) an action that is brought by a person claiming or
3-54 owning an undivided mineral interest in land in this state or an
3-55 undivided leasehold interest under a mineral lease of land in this
3-56 state and that has one or more defendants who have, claim, or own an
3-57 undivided mineral interest in the same property; or
3-58 (2) an action that is brought by a person claiming or
3-59 owning an undivided leasehold interest under a mineral lease of
3-60 land in this state and that has one or more defendants who have,
3-61 claim, or own an undivided leasehold interest under a mineral lease
3-62 of the same property.
3-63 SECTION 14. Sections 64.092(a) and (c), Civil Practice and
3-64 Remedies Code, are amended to read as follows:
3-65 (a) On the application of a person who has a vested,
3-66 contingent, or possible interest in land or an estate subject to a
3-67 contingent future interest, a district court or the business court
3-68 division of the county in which all or part of the land is located
3-69 may appoint a receiver for the land or estate, pending the

4-1 occurrence of the contingency and the vesting of the future
 4-2 interest, if:

4-3 (1) the land or estate is susceptible to drainage of
 4-4 oil, gas, or other minerals;

4-5 (2) lease of the land for oil, gas, or mineral
 4-6 development and the safe and proper investment of the proceeds will
 4-7 inure to the benefit and advantage of the persons entitled to the
 4-8 proceeds; or

4-9 (3) lease of the land for the production of oil, gas,
 4-10 or other minerals is necessary for the conservation, preservation,
 4-11 or protection of the land or estate or of a present, contingent, or
 4-12 future interest in the land or estate.

4-13 (c) On the application of a person who has a vested,
 4-14 contingent, or possible interest in land or an estate that is under
 4-15 an oil, gas, or mineral lease and is subject to a contingent future
 4-16 interest, a district court or the business court division of the
 4-17 county in which all or part of the land is located may appoint a
 4-18 receiver for the contingent future interests, pending the
 4-19 occurrence of the contingency and the vesting of the future
 4-20 interest, if:

4-21 (1) the lease fails to provide for pooling or contains
 4-22 pooling provisions that are ineffective as to the contingent future
 4-23 interest covered by the lease; and

4-24 (2) the pooling of the contingent future interest:

4-25 (A) is necessary to protect correlative rights;

4-26 (B) is necessary to prevent the physical or
 4-27 economic waste of oil, gas, or other minerals;

4-28 (C) will inure to the benefit and advantage of
 4-29 the persons entitled to the future interest; or

4-30 (D) is necessary for the conservation,
 4-31 preservation, or protection of the land or estate or of a present,
 4-32 contingent, or future interest in the land or estate.

4-33 SECTION 15. Section 64.093(a), Civil Practice and Remedies
 4-34 Code, is amended to read as follows:

4-35 (a) A district court or the business court may appoint a
 4-36 receiver for the royalty interest owned by a nonresident or absent
 4-37 defendant in an action that:

4-38 (1) is brought by a person claiming or owning an
 4-39 undivided mineral interest in land in this state or an undivided
 4-40 leasehold interest under a mineral lease of land in the state; and

4-41 (2) has one or more defendants who have, claim, or own
 4-42 an undivided royalty interest in that property.

4-43 SECTION 16. Section 65.022, Civil Practice and Remedies
 4-44 Code, is amended by adding Subsection (e) to read as follows:

4-45 (e) A business court judge may grant a writ returnable to
 4-46 another business court judge if that judge cannot be reached by the
 4-47 ordinary and available means of travel and communication in
 4-48 sufficient time to implement the purpose sought for the writ. In
 4-49 seeking a writ under this subsection, the applicant or attorney for
 4-50 the applicant shall attach to the application an affidavit that
 4-51 fully states the facts of the inaccessibility and the efforts made
 4-52 to reach and communicate with the other business court judge. The
 4-53 business court judge to whom the application is made shall refuse to
 4-54 hear the application unless the judge determines the applicant made
 4-55 fair and reasonable efforts to reach and communicate with the other
 4-56 business court judge. The injunction may be dissolved on a showing
 4-57 the applicant did not first make reasonable efforts to procure a
 4-58 hearing on the application before the other business court judge.

4-59 SECTION 17. Section 65.023(a), Civil Practice and Remedies
 4-60 Code, is amended to read as follows:

4-61 (a) Except as provided by Subsection (b), a writ of
 4-62 injunction against a party who is a resident of this state shall be
 4-63 tried in a district or county court in the county in which the party
 4-64 is domiciled, or in the business court division of the county in
 4-65 which the party is domiciled. If the writ is granted against more
 4-66 than one party, it may be tried in the proper court of a ~~the~~ county
 4-67 in which an enjoined party ~~either party~~ is domiciled.

4-68 SECTION 18. Section 65.045(c), Civil Practice and Remedies
 4-69 Code, is amended to read as follows:

5-1 (c) The business court, district courts, and statutory
 5-2 county courts [~~in a county~~] may not adopt local rules in conflict
 5-3 with this subchapter.

5-4 SECTION 19. Section 151.001, Civil Practice and Remedies
 5-5 Code, is amended to read as follows:

5-6 Sec. 151.001. REFERRAL BY AGREEMENT. On agreement of the
 5-7 parties, in civil or family law matters pending in a district court,
 5-8 a statutory probate court, a [~~or~~] statutory county court, or the
 5-9 business court, the judge in whose court the case is pending may
 5-10 order referral of the case as provided by this chapter and shall
 5-11 stay proceedings in the judge's court pending the outcome of the
 5-12 trial. Any or all of the issues in the cases, whether an issue of
 5-13 fact or law, may be referred.

5-14 SECTION 20. Section 151.003, Civil Practice and Remedies
 5-15 Code, is amended to read as follows:

5-16 Sec. 151.003. QUALIFICATIONS OF JUDGE. The special judge
 5-17 must be a retired or former district court, statutory county court,
 5-18 statutory probate court, business court, or appellate court judge
 5-19 who:

5-20 (1) has served as a judge for at least four years in a
 5-21 district court, a statutory county court, a statutory probate
 5-22 court, the business court, an [~~or~~] appellate court, or a
 5-23 combination of the preceding courts;

5-24 (2) has developed substantial experience in the
 5-25 judge's area of specialty;

5-26 (3) has not been removed from office or resigned while
 5-27 under investigation for discipline or removal; and

5-28 (4) annually demonstrates completion in the past
 5-29 calendar year of at least five days of continuing legal education in
 5-30 courses approved by the state bar or the supreme court.

5-31 SECTION 21. Section 151.011, Civil Practice and Remedies
 5-32 Code, is amended to read as follows:

5-33 Sec. 151.011. SPECIAL JUDGE'S VERDICT. The special judge's
 5-34 verdict must comply with the requirements for a verdict by the
 5-35 referring court, including any applicable requirements for the
 5-36 issuance of a written opinion. The verdict stands as a verdict of
 5-37 the referring judge's court. Unless otherwise specified in an
 5-38 order of referral, the special judge shall submit the verdict not
 5-39 later than the 60th day after the day the trial adjourns.

5-40 SECTION 22. Section 151.012, Civil Practice and Remedies
 5-41 Code, is amended to read as follows:

5-42 Sec. 151.012. NEW TRIAL. If the special judge does not
 5-43 submit the verdict and any applicable written opinion within the
 5-44 time period provided by Section 151.011, the court may grant a new
 5-45 trial if:

5-46 (1) a party files a motion requesting the new trial;

5-47 (2) notice is given to all parties stating the time and
 5-48 place that a hearing will be held on the motion; and

5-49 (3) the hearing is held.

5-50 SECTION 23. Section 151.013, Civil Practice and Remedies
 5-51 Code, is amended to read as follows:

5-52 Sec. 151.013. RIGHT TO APPEAL. The right to appeal is
 5-53 preserved. An appeal is from the order of the referring judge's
 5-54 court as provided by applicable law, including the Texas Rules of
 5-55 Civil Procedure and the Texas Rules of Appellate Procedure.

5-56 SECTION 24. Section 154.001(1), Civil Practice and Remedies
 5-57 Code, is amended to read as follows:

5-58 (1) "Court" includes an appellate court, a district
 5-59 court, the business court, a constitutional county court, a
 5-60 statutory county court, a family law court, a probate court, a
 5-61 municipal court, or a justice of the peace court.

5-62 SECTION 25. Section 171.002, Civil Practice and Remedies
 5-63 Code, is amended by adding Subsection (d) to read as follows:

5-64 (d) This chapter does not confer on the business court any
 5-65 new or additional jurisdiction.

5-66 SECTION 26. Sections 171.086(a) and (b), Civil Practice and
 5-67 Remedies Code, are amended to read as follows:

5-68 (a) Before arbitration proceedings begin, in support of
 5-69 arbitration a party may file an application for a court order,

6-1 including an order to:

6-2 (1) invoke the jurisdiction of the court over the
6-3 adverse party and to effect that jurisdiction by service of process
6-4 on the party before arbitration proceedings begin;

6-5 (2) invoke the jurisdiction of the court over an
6-6 ancillary proceeding in rem, including by attachment, garnishment,
6-7 or sequestration, in the manner and subject to the conditions under
6-8 which the proceeding may be instituted and conducted ancillary to a
6-9 civil action in a district court or the business court, as
6-10 applicable;

6-11 (3) restrain or enjoin:

6-12 (A) the destruction of all or an essential part
6-13 of the subject matter of the controversy; or

6-14 (B) the destruction or alteration of books,
6-15 records, documents, or other evidence needed for the arbitration;

6-16 (4) obtain from the court in its discretion an order
6-17 for a deposition for discovery, perpetuation of testimony, or
6-18 evidence needed before the arbitration proceedings begin;

6-19 (5) appoint one or more arbitrators so that an
6-20 arbitration under the agreement to arbitrate may proceed; or

6-21 (6) obtain other relief, which the court can grant in
6-22 its discretion, needed to permit the arbitration to be conducted in
6-23 an orderly manner and to prevent improper interference or delay of
6-24 the arbitration.

6-25 (b) During the period an arbitration is pending before the
6-26 arbitrators or at or after the conclusion of the arbitration, a
6-27 party may file an application for a court order, including an order:

6-28 (1) that was referred to or that would serve a purpose
6-29 referred to in Subsection (a);

6-30 (2) to require compliance by an adverse party or any
6-31 witness with an order made under this chapter by the arbitrators
6-32 during the arbitration;

6-33 (3) to require the issuance and service under court
6-34 order, rather than under the arbitrators' order, of a subpoena,
6-35 notice, or other court process:

6-36 (A) in support of the arbitration; or

6-37 (B) in an ancillary proceeding in rem, including
6-38 by attachment, garnishment, or sequestration, in the manner of and
6-39 subject to the conditions under which the proceeding may be
6-40 conducted ancillary to a civil action in a district court or the
6-41 business court, as applicable;

6-42 (4) to require security for the satisfaction of a
6-43 court judgment that may be later entered under an award;

6-44 (5) to support the enforcement of a court order
6-45 entered under this chapter; or

6-46 (6) to obtain relief under Section 171.087, 171.088,
6-47 171.089, or 171.091.

6-48 SECTION 27. Section 171.093, Civil Practice and Remedies
6-49 Code, is amended to read as follows:

6-50 Sec. 171.093. HEARING; NOTICE. The court shall hear each
6-51 initial and subsequent application under this subchapter in the
6-52 manner and with the notice required by law or court rule for making
6-53 and hearing a motion filed in a pending civil action in a district
6-54 court or the business court, as applicable.

6-55 SECTION 28. Section 171.094(b), Civil Practice and Remedies
6-56 Code, is amended to read as follows:

6-57 (b) To the extent applicable, the process and service and
6-58 the return of service must be in the form and include the substance
6-59 required for process and service on a defendant in a civil action in
6-60 a district court or the business court, as applicable.

6-61 SECTION 29. Section 171.095(a), Civil Practice and Remedies
6-62 Code, is amended to read as follows:

6-63 (a) After an initial application has been made, notice to an
6-64 adverse party for each subsequent application shall be made in the
6-65 same manner as is required for a motion filed in a pending civil
6-66 action in a district court or the business court, as applicable.
6-67 This subsection applies only if:

6-68 (1) jurisdiction over the adverse party has been
6-69 established by service of process on the party or in rem for the

7-1 initial application; and

7-2 (2) the subsequent application relates to:

7-3 (A) the same arbitration or a prospective
7-4 arbitration under the same agreement to arbitrate; and

7-5 (B) the same controversy or controversies.

7-6 SECTION 30. Section 171.096, Civil Practice and Remedies
7-7 Code, is amended by amending Subsections (a), (b), and (c) and
7-8 adding Subsection (e) to read as follows:

7-9 (a) Except as otherwise provided by this section, a party
7-10 must file the initial application:

7-11 (1) in the county in which an adverse party resides or
7-12 has a place of business or in the business court; or

7-13 (2) if an adverse party does not have a residence or
7-14 place of business in this state, in any county or in the business
7-15 court.

7-16 (b) If the agreement to arbitrate provides that the hearing
7-17 before the arbitrators is to be held in a county in this state, a
7-18 party must file the initial application with the clerk of the court
7-19 of that county or with the clerk of the business court.

7-20 (c) If a hearing before the arbitrators has been held, a
7-21 party must file the initial application with the clerk of the court
7-22 of the county in which the hearing was held or with the clerk of the
7-23 business court.

7-24 (e) An initial application filed in the business court must
7-25 plead facts to establish venue in a county in a division of the
7-26 business court as provided by Subsection (a)(1) or (2), (b), or (c),
7-27 as applicable.

7-28 SECTION 31. Sections 171.097(a) and (b), Civil Practice and
7-29 Remedies Code, are amended to read as follows:

7-30 (a) On application of a party adverse to the party who filed
7-31 the initial application, a court that has jurisdiction but that is
7-32 not a court [~~located in a county other than as~~] described by Section
7-33 171.096 shall transfer the application to a court [~~of a county~~]
7-34 described by that section.

7-35 (b) The court shall transfer the application by an order
7-36 comparable to an order sustaining a plea of privilege to be sued in
7-37 a civil action in a district court or a division of the business
7-38 court of a county other than the county in which an action is filed.

7-39 SECTION 32. Section 171.098(b), Civil Practice and Remedies
7-40 Code, is amended to read as follows:

7-41 (b) The appeal shall be taken to the applicable court of
7-42 appeals in the manner and to the same extent as an appeal from an
7-43 order or judgment in a civil action.

7-44 SECTION 33. Section 172.001, Civil Practice and Remedies
7-45 Code, is amended by adding Subsection (e) to read as follows:

7-46 (e) This chapter does not confer on the business court any
7-47 new or additional jurisdiction.

7-48 SECTION 34. Sections 172.054(a), (b), and (d), Civil
7-49 Practice and Remedies Code, are amended to read as follows:

7-50 (a) On request of a party, the district court or division of
7-51 the business court of the county in which the place of arbitration
7-52 is located shall appoint each arbitrator if:

7-53 (1) an agreement is not made under Section 172.053(a)
7-54 in an arbitration with a sole arbitrator and the parties fail to
7-55 agree on the arbitrator; or

7-56 (2) the appointment procedure in Section 172.053(b)
7-57 applies and:

7-58 (A) a party fails to appoint an arbitrator not
7-59 later than the 30th day after the date of receipt of a request to do
7-60 so from the other party; or

7-61 (B) the two appointed arbitrators fail to agree
7-62 on the third arbitrator not later than the 30th day after the date
7-63 of their appointment.

7-64 (b) On request of a party, the district court or division of
7-65 the business court of the county in which the place of arbitration
7-66 is located may take necessary measures if under an appointment
7-67 procedure agreed to by each party:

7-68 (1) a party fails to act as required under that
7-69 procedure;

8-1 (2) the parties or two appointed arbitrators fail to
8-2 reach an agreement expected of them under that procedure; or

8-3 (3) a third party, including an institution, fails to
8-4 perform a function assigned to the party under that procedure.

8-5 (d) A decision of the [~~district~~] court under this section is
8-6 final and not subject to appeal.

8-7 SECTION 35. Section 172.055, Civil Practice and Remedies
8-8 Code, is amended to read as follows:

8-9 Sec. 172.055. FACTORS CONSIDERED. In appointing an
8-10 arbitrator, the [~~district~~] court shall consider:

8-11 (1) each qualification required of the arbitrator by
8-12 the arbitration agreement;

8-13 (2) any consideration making more likely the
8-14 appointment of an independent and impartial arbitrator; and

8-15 (3) in the case of a sole or third arbitrator, the
8-16 advisability of appointing an arbitrator of a nationality other
8-17 than that of any party.

8-18 SECTION 36. Section 172.060(a), Civil Practice and Remedies
8-19 Code, is amended to read as follows:

8-20 (a) If a challenge under Sections 172.059(b) and (c) is
8-21 unsuccessful, the challenging party, not later than the 30th day
8-22 after the date the party receives notice of the decision rejecting
8-23 the challenge, may request the district court or the division of the
8-24 business court of the county in which the place of arbitration is
8-25 located to decide the challenge.

8-26 SECTION 37. Section 172.061(b), Civil Practice and Remedies
8-27 Code, is amended to read as follows:

8-28 (b) If there is a controversy concerning the termination of
8-29 the arbitrator's mandate under Subsection (a), a party may request
8-30 the district court or the division of the business court of the
8-31 county in which the place of arbitration is located to decide the
8-32 termination. The decision of the court is not subject to appeal.

8-33 SECTION 38. Section 172.082(f), Civil Practice and Remedies
8-34 Code, is amended to read as follows:

8-35 (f) If the arbitration tribunal rules as a preliminary
8-36 question that it has jurisdiction, a party waives objection to the
8-37 ruling unless the party, not later than the 30th day after the date
8-38 the party receives notice of that ruling, requests the district
8-39 court or division of the business court of the county in which the
8-40 place of arbitration is located to decide the matter. The decision
8-41 of the court is not subject to appeal.

8-42 SECTION 39. Section 172.172, Civil Practice and Remedies
8-43 Code, is amended to read as follows:

8-44 Sec. 172.172. ASSISTANCE IN TAKING EVIDENCE. The
8-45 arbitration tribunal or a party with the approval of the tribunal
8-46 may request assistance from a district court or the business court
8-47 in taking evidence, and the court may provide the assistance
8-48 according to its rules on taking evidence. The tribunal or a party
8-49 shall select the [~~district~~] court in the manner provided by Section
8-50 171.096.

8-51 SECTION 40. Sections 172.173(a) and (b), Civil Practice and
8-52 Remedies Code, are amended to read as follows:

8-53 (a) If the parties to two or more arbitration agreements
8-54 agree, in the respective arbitration agreements or otherwise, to
8-55 consolidate the arbitrations arising out of the agreements, a
8-56 district court or the business court, on application by a party with
8-57 the consent of each other party to the agreements, may:

8-58 (1) order the arbitrations consolidated on terms the
8-59 court considers just and necessary;

8-60 (2) if all the parties cannot agree on a tribunal for
8-61 the consolidated arbitration, appoint an arbitration tribunal as
8-62 provided by Section 172.055; and

8-63 (3) if all the parties cannot agree on any other matter
8-64 necessary to conduct the consolidated arbitration, make any other
8-65 order the court considers necessary.

8-66 (b) The arbitration tribunal or the party shall select the
8-67 [~~district~~] court in the manner provided by Section 171.096.

8-68 SECTION 41. Section 172.175(a), Civil Practice and Remedies
8-69 Code, is amended to read as follows:

9-1 (a) A party to an arbitration agreement may request an
9-2 interim measure of protection from a district court or the business
9-3 court before or during an arbitration. The party shall select the
9-4 court in the manner described by Section 171.096.

9-5 SECTION 42. Section 21.010(a), Government Code, is amended
9-6 to read as follows:

9-7 (a) A justice or judge, as applicable, of the supreme court,
9-8 the court of criminal appeals, a court of appeals, a district court,
9-9 the business court, a county court, a county court at law, or a
9-10 statutory probate court may not, on the date the person takes office
9-11 as a justice or judge or while serving as a justice or judge, have a
9-12 significant interest in a business entity that owns, manages, or
9-13 operates:

9-14 (1) a community residential facility described by
9-15 Section 508.119;

9-16 (2) a correctional or rehabilitation facility subject
9-17 to Chapter 244, Local Government Code; or

9-18 (3) any other facility intended to accomplish a
9-19 purpose or provide a service described by Section 508.119(a) to a
9-20 person convicted of a misdemeanor or felony or found to have engaged
9-21 in delinquent conduct who is housed in the facility:

9-22 (A) while serving a sentence of confinement
9-23 following conviction of an offense or an adjudication of delinquent
9-24 conduct; or

9-25 (B) as a condition of community supervision,
9-26 probation, parole, or mandatory supervision.

9-27 SECTION 43. Section 25A.001(14), Government Code, is
9-28 amended to read as follows:

9-29 (14) "Qualified transaction" means a transaction, or
9-30 series of related transactions other than a transaction involving a
9-31 loan or an advance of money or credit by a bank, credit union, or
9-32 savings and loan institution, under which a party:

9-33 (A) pays or receives, or is obligated to pay or is
9-34 entitled to receive, consideration with an aggregate value of at
9-35 least \$5 [~~\$10~~] million; or

9-36 (B) lends, advances, borrows, receives, is
9-37 obligated to lend or advance, or is entitled to borrow or receive
9-38 money or credit with an aggregate value of at least \$5 [~~\$10~~]
9-39 million.

9-40 SECTION 44. Sections 25A.003(d), (g), (h), (i), (k), (l),
9-41 and (m), Government Code, are amended to read as follows:

9-42 (d) The Second Business Court Division is composed of the
9-43 counties composing the Second Administrative Judicial Region under
9-44 Section 74.042(c), excluding Montgomery County, subject to funding
9-45 through legislative appropriations. The division is abolished on
9-46 September 1, 2030, [~~2026~~] unless reauthorized by the legislature
9-47 and funded through additional legislative appropriations.

9-48 (g) The Fifth Business Court Division is composed of the
9-49 counties composing the Fifth Administrative Judicial Region under
9-50 Section 74.042(f), subject to funding through legislative
9-51 appropriations. The division is abolished on September 1, 2030,
9-52 [~~2026~~] unless reauthorized by the legislature and funded through
9-53 additional legislative appropriations.

9-54 (h) The Sixth Business Court Division is composed of the
9-55 counties composing the Sixth Administrative Judicial Region under
9-56 Section 74.042(g), subject to funding through legislative
9-57 appropriations. The division is abolished on September 1, 2030,
9-58 [~~2026~~] unless reauthorized by the legislature and funded through
9-59 additional legislative appropriations.

9-60 (i) The Seventh Business Court Division is composed of the
9-61 counties composing the Seventh Administrative Judicial Region
9-62 under Section 74.042(h), subject to funding through legislative
9-63 appropriations. The division is abolished on September 1, 2030,
9-64 [~~2026~~] unless reauthorized by the legislature and funded through
9-65 additional legislative appropriations.

9-66 (k) The Ninth Business Court Division is composed of the
9-67 counties composing the Ninth Administrative Judicial Region under
9-68 Section 74.042(j), subject to funding through legislative
9-69 appropriations. The division is abolished on September 1, 2030,

10-1 [2026,] unless reauthorized by the legislature and funded through
 10-2 additional legislative appropriations.

10-3 (l) The Tenth Business Court Division is composed of the
 10-4 counties composing the Tenth Administrative Judicial Region under
 10-5 Section 74.042(k), subject to funding through legislative
 10-6 appropriations. The division is abolished on September 1, 2030,
 10-7 [2026,] unless reauthorized by the legislature and funded through
 10-8 additional legislative appropriations.

10-9 (m) The Eleventh Business Court Division is composed of the
 10-10 counties composing the Eleventh Administrative Judicial Region
 10-11 under Section 74.042(l) and Montgomery County.

10-12 SECTION 45. Section 25A.004, Government Code, is amended by
 10-13 amending Subsections (a), (b), (d), (f), (g), and (h) and adding
 10-14 Subsections (d-1) and (i) to read as follows:

10-15 (a) Subject to Subsections (b), (c), (d), (d-1), (e), and
 10-16 (f), the business court has the powers provided to district courts
 10-17 by Chapter 24, including the power to:

10-18 (1) issue writs of injunction, mandamus,
 10-19 sequestration, attachment, garnishment, and supersedeas; and

10-20 (2) grant any relief that may be granted by a district
 10-21 court.

10-22 (b) Subject to Subsection (c), the business court has civil
 10-23 jurisdiction concurrent with district courts in the following
 10-24 actions, including actions in which a district court has exclusive
 10-25 jurisdiction, in which the amount in controversy exceeds \$5
 10-26 million, excluding interest, statutory damages, exemplary damages,
 10-27 penalties, attorney's fees, and court costs:

10-28 (1) a derivative proceeding;

10-29 (2) an action regarding the governance, governing
 10-30 documents, or internal affairs of an organization;

10-31 (3) an action in which a claim under a state or federal
 10-32 securities or trade regulation law is asserted against:

10-33 (A) an organization;

10-34 (B) a controlling person or managerial official
 10-35 of an organization for an act or omission by the organization or by
 10-36 the person in the person's capacity as a controlling person or
 10-37 managerial official;

10-38 (C) an underwriter of securities issued by the
 10-39 organization; or

10-40 (D) the auditor of an organization;

10-41 (4) an action by an organization, or an owner of an
 10-42 organization, if the action:

10-43 (A) is brought against an owner, controlling
 10-44 person, or managerial official of the organization; and

10-45 (B) alleges an act or omission by the person in
 10-46 the person's capacity as an owner, controlling person, or
 10-47 managerial official of the organization;

10-48 (5) an action alleging that an owner, controlling
 10-49 person, or managerial official breached a duty owed to an
 10-50 organization or an owner of an organization by reason of the
 10-51 person's status as an owner, controlling person, or managerial
 10-52 official, including the breach of a duty of loyalty or good faith;

10-53 (6) an action seeking to hold an owner or governing
 10-54 person of an organization liable for an obligation of the
 10-55 organization, other than on account of a written contract signed by
 10-56 the person to be held liable in a capacity other than as an owner or
 10-57 governing person; and

10-58 (7) an action arising out of the Business
 10-59 Organizations Code.

10-60 (d) The business court has civil jurisdiction concurrent
 10-61 with district courts in the following actions in which the amount in
 10-62 controversy exceeds \$5 [~~\$10~~] million, excluding interest,
 10-63 statutory damages, exemplary damages, penalties, attorney's fees,
 10-64 and court costs:

10-65 (1) an action arising out of a qualified transaction;

10-66 (2) an action arising [~~that arises~~] out of a business,
 10-67 commercial, or investment contract or [~~commercial~~] transaction in
 10-68 which the parties to the contract or transaction agreed in the
 10-69 contract or a subsequent agreement that the business court has

11-1 jurisdiction of the action, except an action that arises out of an
 11-2 insurance contract; ~~and~~

11-3 (3) subject to Subsection (g), an action arising ~~[that~~
 11-4 ~~arises]~~ out of a violation of the Finance Code or Business &
 11-5 Commerce Code by an organization or an officer or governing person
 11-6 acting on behalf of an organization other than a bank, credit union,
 11-7 or savings and loan association;

11-8 (4) an action arising out of or relating to the
 11-9 ownership, use, licensing, lease, installation, or performance of
 11-10 intellectual property, including:

11-11 (A) computer software, software applications,
 11-12 information technology and systems, data and data security,
 11-13 pharmaceuticals, biotechnology products, and bioscience
 11-14 technologies; and

11-15 (B) a trade secret, as that term is defined in
 11-16 Section 134A.002, Civil Practice and Remedies Code; and

11-17 (5) an action arising out of Chapter 134A, Civil
 11-18 Practice and Remedies Code.

11-19 (d-1) The business court has civil jurisdiction concurrent
 11-20 with district courts in an action to enforce an arbitration
 11-21 agreement, appoint an arbitrator, or review an arbitral award, or
 11-22 in other judicial actions authorized by an arbitration agreement,
 11-23 Chapter 171 or 172, Civil Practice and Remedies Code, or the Federal
 11-24 Arbitration Act (9 U.S.C. Sections 1 through 16), if a claim
 11-25 included in the controversy in arbitration is described by
 11-26 Subsection (b) or (d).

11-27 (f) Except as provided by Subsection (h), in an action in
 11-28 which the business court has jurisdiction under Subsection (b),
 11-29 (c), (d), or (e), the court has supplemental jurisdiction over any
 11-30 other claim so related to the action [a case or controversy within
 11-31 the court's jurisdiction] that the claim forms part of the same case
 11-32 or controversy. A claim within the business court's supplemental
 11-33 jurisdiction may proceed in the business court only on the
 11-34 agreement of all parties to the claim and a judge of the division of
 11-35 the court before which the action is pending. If the parties
 11-36 involved in a claim within the business court's supplemental
 11-37 jurisdiction do not agree on the claim proceeding in the business
 11-38 court, the claim may proceed in a court of original jurisdiction
 11-39 concurrently with any related claims proceeding in the business
 11-40 court.

11-41 (g) Unless the claim falls within the business court's
 11-42 supplemental jurisdiction, the business court does not have
 11-43 jurisdiction of:

11-44 (1) a claim in a civil action:

11-45 (A) brought by or against a governmental entity;
 11-46 or

11-47 (B) seeking to foreclose on a lien on real or
 11-48 personal property an individual owns at the time the action is
 11-49 filed;

11-50 (2) a claim arising out of:

11-51 (A) Subchapter E, Chapter 15, and Chapter 17,
 11-52 Business & Commerce Code;

11-53 (B) the Estates Code;

11-54 (C) the Family Code;

11-55 (D) the Insurance Code; or

11-56 (E) Chapter 53 and Title 9, Property Code;

11-57 (3) a claim arising out of the production or sale of a
 11-58 farm product, as that term is defined by Section 9.102, Business &
 11-59 Commerce Code; or

11-60 (4) ~~[a claim related to a consumer transaction, as~~
 11-61 ~~that term is defined by Section 601.001, Business & Commerce Code,~~
 11-62 ~~to which a consumer in this state is a party, arising out of a~~
 11-63 ~~violation of federal or state law, or~~

11-64 ~~[(5)]~~ a claim related to the duties and obligations
 11-65 under an insurance policy.

11-66 (h) The business court does not have jurisdiction of the
 11-67 following claims regardless of whether the claim is otherwise
 11-68 within the court's supplemental jurisdiction under Subsection (f):

11-69 (1) a claim arising under Chapter 74, Civil Practice

12-1 and Remedies Code;

12-2 (2) a claim in which a party seeks recovery of monetary
12-3 damages for bodily injury or death; ~~[or]~~

12-4 (3) a claim of legal malpractice; or

12-5 (4) a claim related to a consumer transaction, as that
12-6 term is defined by Section 601.001, Business & Commerce Code, to
12-7 which a consumer in this state is a party, arising out of a
12-8 violation of federal or state law.

12-9 (i) The amount in controversy for jurisdictional purposes
12-10 under Subsection (b) or (d) is the total amount of all joined
12-11 parties' claims.

12-12 SECTION 46. Chapter 25A, Government Code, is amended by
12-13 adding Section 25A.0041 to read as follows:

12-14 Sec. 25A.0041. RULES RELATED TO JURISDICTIONAL
12-15 DETERMINATION. (a) The supreme court by rule shall establish
12-16 procedures for the prompt, efficient, and final determination of
12-17 business court jurisdiction on the filing of an action in the
12-18 business court. In adopting rules under this section, the supreme
12-19 court must consider:

12-20 (1) the business court's purpose of efficiently
12-21 addressing complex business litigation in a manner comparable to or
12-22 more effective than the business and commercial courts operating in
12-23 other states;

12-24 (2) the commonalities of law and procedure existing
12-25 between the business court and district courts as trial courts
12-26 functioning under the Texas Constitution and within the judicial
12-27 branch of this state;

12-28 (3) the limited potential for the movement of an
12-29 action between a district court and the business court as it relates
12-30 to issues of fundamental fairness or the preservation of
12-31 constitutionally or statutorily protected rights of the parties;
12-32 and

12-33 (4) the need for guidance on evolving usage of the
12-34 business court and the Fifteenth Court of Appeals over time by
12-35 business litigants and their counsel as the courts develop a body of
12-36 precedent and practice.

12-37 (b) In adopting rules under this section, the supreme court
12-38 may:

12-39 (1) provide for jurisdictional determinations based
12-40 on pleadings or summary proceedings;

12-41 (2) establish appropriate standards of proof;

12-42 (3) establish limited periods during which issues or
12-43 rights must be asserted, considered agreed to, or waived;

12-44 (4) establish procedures for the review of
12-45 jurisdictional determinations by the business court by another
12-46 judge or panel of judges, including a regional presiding judge or
12-47 the administrative presiding judge of the business court;

12-48 (5) allow, require, or prohibit interlocutory
12-49 appeals;

12-50 (6) provide for accelerated appeals; or

12-51 (7) provide for any other procedures necessary for the
12-52 prompt, efficient, and final determination of business court
12-53 jurisdiction.

12-54 SECTION 47. Sections 25A.006(a) and (f), Government Code,
12-55 are amended to read as follows:

12-56 (a) An action within the jurisdiction of the business court
12-57 may be filed in the business court. The party filing the action
12-58 must plead facts to establish venue in a county in a division of the
12-59 business court, and the business court shall assign the action to
12-60 that division. Venue may be established as provided by:

12-61 (1) law;

12-62 (2) a party's governing documents in an action
12-63 described by Section 25A.004(b)(2), (4), (5), or (7); or

12-64 (3) [~~if~~] a written contract, if the contract
12-65 specifies a county as venue for the action[~~, as provided by the~~
12-66 contract].

12-67 (f) A party may file an agreed notice of removal at any time
12-68 during the pendency of the action. If all parties to the action
12-69 have not agreed to remove the action, the notice of removal must be

13-1 filed:

13-2 (1) not later than the 30th day after the later of:
 13-3 (A) the date the party requesting removal of the
 13-4 action was served with process in accordance with rules adopted by
 13-5 the supreme court; or

13-6 (B) the date the party requesting removal of the
 13-7 action discovered, or reasonably should have discovered, facts
 13-8 establishing the business court's jurisdiction over the action; or

13-9 (2) if an application for temporary injunction is
 13-10 pending on the date the party requesting removal of the action
 13-11 discovered, or reasonably should have discovered, facts
 13-12 establishing the business court's jurisdiction over the action, not
 13-13 later than the 30th day after the date the application is granted,
 13-14 denied, or denied as a matter of law.

13-15 SECTION 48. Section 25A.007(a), Government Code, is amended
 13-16 to read as follows:

13-17 (a) Notwithstanding any other law, and except [~~as provided~~
 13-18 ~~by Subsection (b) and~~] in instances when the supreme court has
 13-19 concurrent or exclusive jurisdiction, the Fifteenth Court of
 13-20 Appeals has exclusive jurisdiction over an appeal from an order or
 13-21 judgment of the business court or an original proceeding related to
 13-22 an action or order of the business court.

13-23 SECTION 49. Section 25A.009, Government Code, is amended by
 13-24 adding Subsections (a-1) and (d-1) and amending Subsection (d) to
 13-25 read as follows:

13-26 (a-1) A judge appointed to the business court may begin
 13-27 state employment and receive compensation for service as a judge
 13-28 for not more than 30 days before the beginning of the judge's term
 13-29 to allow time for training, organization of staff and chambers, and
 13-30 study of business court precedent, procedure, and pending cases.

13-31 (d) Not later than September 15 of each even-numbered year
 13-32 [the seventh day after the first day of a term], the business court
 13-33 judges by majority vote shall select a judge of the court to serve
 13-34 as administrative presiding judge and a judge serving a different
 13-35 division of the court to serve as administrative presiding judge
 13-36 pro tempore for a term of two years [for the duration of the term].
 13-37 If a vacancy occurs in the position of administrative presiding
 13-38 judge, the administrative presiding judge pro tempore shall serve
 13-39 as administrative presiding judge and the [remaining] business
 13-40 court judges by majority vote shall select a judge of the court to
 13-41 serve as successor administrative presiding judge pro tempore for
 13-42 the remainder of the unexpired term as soon as practicable.

13-43 (d-1) The administrative presiding judge pro tempore shall
 13-44 act as administrative presiding judge in any matter in which the
 13-45 administrative presiding judge:

13-46 (1) has delegated the judge's official duties to the
 13-47 administrative presiding judge pro tempore; or

13-48 (2) is unable to perform the judge's official duties.

13-49 SECTION 50. Chapter 25A, Government Code, is amended by
 13-50 adding Section 25A.00111 to read as follows:

13-51 Sec. 25A.00111. JUDGE'S EXPENSES; OFFICIAL DUTIES. (a) A
 13-52 business court judge engaged in the discharge of official duties in
 13-53 a location other than the county in which the judge maintains
 13-54 chambers is entitled to travel expenses as provided by Chapter 660.

13-55 (b) A business court judge is entitled to receive from this
 13-56 state the actual and necessary postage, telephone, and
 13-57 telecommunications expenses incurred in the discharge of the
 13-58 judge's official duties.

13-59 (c) The official duties of a business court judge include:

13-60 (1) presenting educational information regarding the
 13-61 business court to legal and business groups; and

13-62 (2) attending educational meetings in this state and
 13-63 other states of the United States relating to business law,
 13-64 business litigation, and the function of the business court.

13-65 SECTION 51. Section 25A.012, Government Code, is amended by
 13-66 adding Subsections (c) and (d) to read as follows:

13-67 (c) If a business court judge determines on the judge's own
 13-68 motion the judge should not hear a case pending in the judge's court
 13-69 because the judge is disqualified or subject to recusal, the judge

14-1 shall:

14-2 (1) enter a recusal order;

14-3 (2) request the administrative presiding judge of the
 14-4 business court to assign another judge of the business court to hear
 14-5 the case; and

14-6 (3) take no further action in the case except for good
 14-7 cause as stated in the order in which the action is taken.

14-8 (d) The administrative presiding judge is not required to
 14-9 assign a case described by Subsection (c) to a different division of
 14-10 the business court.

14-11 SECTION 52. Chapter 25A, Government Code, is amended by
 14-12 adding Section 25A.0135 to read as follows:

14-13 Sec. 25A.0135. EXEMPTION FROM CERTAIN JUDICIAL TRAINING
 14-14 REQUIREMENTS. A judge of the business court is exempt from the
 14-15 judicial training requirements under Chapter 22 that are not
 14-16 germane to the jurisdiction of the business court, including the
 14-17 training requirements of Sections 22.012 and 22.110.

14-18 SECTION 53. Section 25A.014, Government Code, is amended by
 14-19 amending Subsection (a) and adding Subsection (c) to read as
 14-20 follows:

14-21 (a) An active, [A] retired, or former judge or justice who
 14-22 has the qualifications prescribed by Section 25A.008 may be
 14-23 assigned as a visiting judge of a division of the business court by
 14-24 the chief justice of the supreme court. A visiting judge of a
 14-25 division of the business court is subject to objection,
 14-26 disqualification, or recusal under Chapter 74 in the same manner as
 14-27 a [retired or former] judge or justice is subject to objection,
 14-28 disqualification, or recusal if appointed as a visiting district
 14-29 judge.

14-30 (c) The chief justice of the supreme court may assign an
 14-31 active judge of the business court to serve as a visiting judge of a
 14-32 district court, a constitutional county court, or a statutory
 14-33 county court located in the division served by the judge of the
 14-34 business court. The judge of the business court serving as a
 14-35 visiting judge is subject to objection, disqualification, or
 14-36 recusal under Chapter 74 in the same manner as an active judge or
 14-37 justice or an active district court judge is subject to objection,
 14-38 disqualification, or recusal if appointed as a visiting judge.

14-39 SECTION 54. Sections 25A.017(c), (d), and (h), Government
 14-40 Code, are amended to read as follows:

14-41 (c) Each business court judge shall maintain chambers in the
 14-42 county with the largest population within the geographic boundaries
 14-43 of the division to which the judge is appointed, or in a county
 14-44 adjacent to that county and within the geographic boundaries of the
 14-45 division, as the judge selects, [within the geographic boundaries
 14-46 of the division to which the judge is appointed] in facilities
 14-47 provided by this state. The chief justice of the supreme court may
 14-48 approve the location of a business court judge's chambers in a
 14-49 county other than a county described by this subsection that is
 14-50 within the geographic boundaries of the division. For purposes of
 14-51 this section, the Office of Court Administration of the Texas
 14-52 Judicial System may contract for the use of facilities with a public
 14-53 or private party [county].

14-54 (d) Subject to Section 25A.015, a business court judge may
 14-55 hold court at any courtroom within the geographic boundaries of the
 14-56 division to which the judge is appointed as the court determines
 14-57 necessary or convenient for a particular civil action. A [To the
 14-58 extent practicable, a] county [using existing courtrooms and
 14-59 facilities] shall accommodate the business court in the conduct of
 14-60 the court's hearings and other proceedings in courtrooms and
 14-61 facilities equivalent to those provided to district courts. A
 14-62 county is entitled to reimbursement from this state in an amount
 14-63 equal to the market rate for those facilities in the county as
 14-64 calculated by the Texas Facilities Commission for this purpose. A
 14-65 county shall consider the reasonably anticipated requirements of
 14-66 the business court in the planning for and implementation of
 14-67 additions and improvements to the county's courtrooms and
 14-68 facilities only if the business court is currently operational in
 14-69 that county.

15-1 (h) In a county in which a division of the business court
 15-2 sits or a judge of the business court maintains chambers, the
 15-3 business court or Office of Court Administration of the Texas
 15-4 Judicial System may require [7] the sheriff, sheriff's deputy, or
 15-5 other licensed peace officer employed by the state or local
 15-6 governmental entity, including the Department of Public Safety, to
 15-7 [shall in person or by deputy] attend the business court and provide
 15-8 security for the business court's judges [as required by the
 15-9 court]. The officers providing such services are [sheriff or
 15-10 deputy is] entitled to reimbursement from this state for the cost of
 15-11 attending the business court and providing security for the
 15-12 business court's judges.

15-13 SECTION 55. Section 25A.0171(e), Government Code, is
 15-14 amended to read as follows:

15-15 (e) Not later than December 1 of each year, the Office of
 15-16 Court Administration of the Texas Judicial System shall submit to
 15-17 the legislature a report on the case activity of [number and types
 15-18 of cases heard by] the business court in the preceding year that
 15-19 includes:

15-20 (1) a summary of the caseload of each business court
 15-21 judge in the preceding year;

15-22 (2) a summary of the extent to which business court
 15-23 judges have been assigned to hear cases in other divisions to
 15-24 equalize caseloads;

15-25 (3) a projection of the expected caseloads of the
 15-26 business court judges for the following two years; and

15-27 (4) recommendations regarding action by the
 15-28 legislature, the governor, the chief justice of the supreme court,
 15-29 or the business court to ensure the business court meets existing
 15-30 and projected demand for the business court's services in the
 15-31 following two years.

15-32 SECTION 56. Section 37.001(a), Government Code, is amended
 15-33 to read as follows:

15-34 (a) This chapter applies to a court in this state, other
 15-35 than the business court, created by the Texas Constitution, by
 15-36 statute, or as authorized by statute that is located in a county
 15-37 with a population of 25,000 or more.

15-38 SECTION 57. Section 39.001, Government Code, is amended to
 15-39 read as follows:

15-40 Sec. 39.001. APPLICABILITY. This chapter applies to a
 15-41 person elected to or holding any of the following judicial offices:

15-42 (1) chief justice or justice of the supreme court;
 15-43 (2) presiding judge or judge of the court of criminal
 15-44 appeals;

15-45 (3) chief justice or justice of a court of appeals;
 15-46 (4) district judge, including a criminal district
 15-47 judge; ~~and~~

15-48 (5) business court judge; and
 15-49 (6) judge of a statutory county court.

15-50 SECTION 58. Section 71.011, Government Code, is amended to
 15-51 read as follows:

15-52 Sec. 71.011. NUMBER AND CLASSES OF MEMBERS. The Texas
 15-53 Judicial Council is an agency of the state composed of 17 [16] ex
 15-54 officio and six appointive members.

15-55 SECTION 59. Section 71.012, Government Code, is amended to
 15-56 read as follows:

15-57 Sec. 71.012. EX OFFICIO MEMBERS. The ex officio members
 15-58 are:

15-59 (1) the chief justice of the supreme court;
 15-60 (2) the presiding judge of the court of criminal
 15-61 appeals;

15-62 (3) two members of the senate, appointed by the
 15-63 lieutenant governor;

15-64 (4) the chair of the House Judicial Affairs Committee;

15-65 (5) one member of the house of representatives,
 15-66 appointed by the speaker of the house;

15-67 (6) two justices of the courts of appeals designated
 15-68 by the chief justice of the supreme court;

15-69 (7) two district judges designated by the chief

16-1 justice of the supreme court;

16-2 (8) two judges of county courts, statutory county
16-3 courts, or statutory probate courts designated by the chief justice
16-4 of the supreme court;

16-5 (9) two justices of the peace designated by the chief
16-6 justice of the supreme court; ~~and~~

16-7 (10) two municipal court judges designated by the
16-8 chief justice of the supreme court; and

16-9 (11) the administrative presiding judge of the
16-10 business court.

16-11 SECTION 60. Section 71.013, Government Code, is amended by
16-12 amending Subsection (b) and adding Subsection (g) to read as
16-13 follows:

16-14 (b) Except as provided by Subsections ~~[Subsection]~~ (a) and
16-15 (g), all members of the judiciary appointed to the council serve
16-16 staggered terms of four years with the term of one member from each
16-17 judicial group expiring on February 1 of each odd-numbered year.

16-18 (g) The administrative presiding judge of the business
16-19 court is an ex officio member of the council while the judge holds
16-20 the office of administrative presiding judge of the business court.

16-21 SECTION 61. Section 74.003(b), Government Code, is amended
16-22 to read as follows:

16-23 (b) The chief justice of the supreme court may assign a
16-24 qualified former or retired justice or judge of the supreme court,
16-25 of the court of criminal appeals, or of a court of appeals to a court
16-26 of appeals for active service regardless of whether a vacancy
16-27 exists in the court to which the justice or judge is assigned. To be
16-28 eligible for assignment under this subsection, a former or retired
16-29 justice or judge must:

16-30 (1) have served as an active justice or judge for at
16-31 least 96 months in a district court, a statutory probate court, a
16-32 statutory county court, an ~~[or]~~ appellate court, or the business
16-33 court, with at least 48 of those months in an appellate court;

16-34 (2) not have been removed from office;

16-35 (3) certify under oath to the chief justice of the
16-36 supreme court, on a form prescribed by the chief justice, that:

16-37 (A) the justice or judge has never been publicly
16-38 reprimanded or censured by the State Commission on Judicial
16-39 Conduct; and

16-40 (B) the justice or judge:

16-41 (i) did not resign or retire from office
16-42 after the State Commission on Judicial Conduct notified the justice
16-43 or judge of the commencement of a full investigation into an
16-44 allegation or appearance of misconduct or disability of the justice
16-45 or judge as provided in Section 33.022 and before the final
16-46 disposition of that investigation; or

16-47 (ii) if the justice or judge did resign from
16-48 office under circumstances described by Subparagraph (i), the
16-49 justice or judge was not publicly reprimanded or censured as a
16-50 result of the investigation;

16-51 (4) annually demonstrate that the justice or judge has
16-52 completed in the past state fiscal year the educational
16-53 requirements for active appellate court justices or judges; and

16-54 (5) certify to the chief justice of the supreme court a
16-55 willingness not to appear and plead as an attorney in any court in
16-56 this state for a period of two years.

16-57 SECTION 62. Section 74.041(5), Government Code, is amended
16-58 to read as follows:

16-59 (5) "Former judge" means a person who has served as an
16-60 active judge in a district court, a statutory probate court, a
16-61 statutory county court, an ~~[or]~~ appellate court, or the business
16-62 court, but who is not a retired judge.

16-63 SECTION 63. Section 74.045(a), Government Code, is amended
16-64 to read as follows:

16-65 (a) A presiding judge must be at the time of appointment:

16-66 (1) a regularly elected or retired district judge;

16-67 (2) a serving or retired business court judge;

16-68 (3) a former judge with at least 12 years of service as
16-69 a district judge or business court judge; or

17-1 (4) [~~3~~] a retired appellate judge with judicial
 17-2 experience on a district court.

17-3 SECTION 64. Section 74.055(c), Government Code, is amended
 17-4 to read as follows:

17-5 (c) To be eligible to be named on the list, a retired or
 17-6 former judge must:

17-7 (1) have served as an active judge for at least 96
 17-8 months in a district court, a statutory probate court, a statutory
 17-9 county court, an [~~or~~] appellate court, or the business court;

17-10 (2) have developed substantial experience in the
 17-11 judge's area of specialty;

17-12 (3) not have been removed from office;

17-13 (4) certify under oath to the presiding judge, on a
 17-14 form prescribed by the state board of regional judges, that:

17-15 (A) the judge has never been publicly reprimanded
 17-16 or censured by the State Commission on Judicial Conduct; and

17-17 (B) the judge:

17-18 (i) did not resign or retire from office
 17-19 after the State Commission on Judicial Conduct notified the judge
 17-20 of the commencement of a full investigation into an allegation or
 17-21 appearance of misconduct or disability of the judge as provided in
 17-22 Section 33.022 and before the final disposition of that
 17-23 investigation; or

17-24 (ii) if the judge did resign from office
 17-25 under circumstances described by Subparagraph (i), was not publicly
 17-26 reprimanded or censured as a result of the investigation;

17-27 (5) annually demonstrate that the judge has completed
 17-28 in the past state fiscal year the educational requirements for
 17-29 active district, business, statutory probate, and statutory county
 17-30 court judges; and

17-31 (6) certify to the presiding judge a willingness not
 17-32 to appear and plead as an attorney in any court in this state for a
 17-33 period of two years.

17-34 SECTION 65. Section 74.141, Government Code, is amended to
 17-35 read as follows:

17-36 Sec. 74.141. DEFENSE OF JUDGES. The attorney general shall
 17-37 defend a state district judge, a business court judge, a presiding
 17-38 judge of an administrative region, the presiding judge of the
 17-39 statutory probate courts, a visiting judge assigned to hear a
 17-40 guardianship or probate matter by the presiding judge of the
 17-41 statutory probate courts, or an active, retired, or former judge
 17-42 assigned under this chapter in any action or suit in any court in
 17-43 which the judge is a defendant because of the judge's office or
 17-44 capacity as judge if the judge requests the attorney general's
 17-45 assistance in the defense of the suit.

17-46 SECTION 66. Section 74.162, Government Code, is amended to
 17-47 read as follows:

17-48 Sec. 74.162. TRANSFER OF CASES BY PANEL. Subject to Section
 17-49 74.1625 and notwithstanding any other law, the judicial panel on
 17-50 multidistrict litigation may transfer civil actions involving one
 17-51 or more common questions of fact pending in the same or different
 17-52 constitutional courts, county courts at law, probate courts, [~~or~~]
 17-53 district courts, or the business court to any district court or to
 17-54 the business court if the business court has jurisdiction for
 17-55 consolidated or coordinated pretrial proceedings, including
 17-56 summary judgment or other dispositive motions, but not for trial on
 17-57 the merits. A transfer may be made by the judicial panel on
 17-58 multidistrict litigation on its determination that the transfer
 17-59 will:

17-60 (1) be for the convenience of the parties and
 17-61 witnesses; and

17-62 (2) promote the just and efficient conduct of the
 17-63 actions.

17-64 SECTION 67. Section 411.171(4-b), Government Code, is
 17-65 amended to read as follows:

17-66 (4-b) "State judge" means:

17-67 (A) the judge of an appellate court, a district
 17-68 court, the business court, or a county court at law of this state;

17-69 (B) an associate judge appointed under Chapter

18-1 201, Family Code; or
18-2 (C) a justice of the peace.

18-3 SECTION 68. Section 659.012, Government Code, is amended by
18-4 adding Subsections (a-1) and (d-1) to read as follows:

18-5 (a-1) In addition to the annual base salary from the state
18-6 prescribed by Subsection (a), a judge of a division of the business
18-7 court is entitled to an annual salary supplement from the state in
18-8 an amount equal to the difference between the judge's annual base
18-9 salary from the state and the maximum combined base salary from all
18-10 state and county sources paid to a district judge under Subsection
18-11 (a).

18-12 (d-1) Notwithstanding any other provision of this section
18-13 or other law, a judge of a division of the business court who serves
18-14 as administrative presiding judge under Section 25A.009 is entitled
18-15 to an annual base salary from the state in the amount provided under
18-16 Subsection (a) or (b) and an additional annual amount equal to the
18-17 amount provided under Subsection (d) to a local administrative
18-18 district judge for a number of district courts equal to the total
18-19 number of business court judges.

18-20 SECTION 69. The following provisions of the Government Code
18-21 are repealed:

- 18-22 (1) Section 25A.003(n);
- 18-23 (2) Section 25A.007(b); and
- 18-24 (3) Section 25A.014(b).

18-25 SECTION 70. Section 6(b), Chapter 380 (H.B. 19), Acts of the
18-26 88th Legislature, Regular Session, 2023, is repealed.

18-27 SECTION 71. The changes in law made by this Act apply only
18-28 to civil actions commenced on or after September 1, 2024.

18-29 SECTION 72. This Act takes effect immediately if it
18-30 receives a vote of two-thirds of all the members elected to each
18-31 house, as provided by Section 39, Article III, Texas Constitution.
18-32 If this Act does not receive the vote necessary for immediate
18-33 effect, this Act takes effect September 1, 2025.

18-34 * * * * *