



Client Alerts

Texas Business Court System: A Comprehensive Overview

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The Texas Business Court is designed to streamline complex business disputes and aims to create a consistent body of business law through written opinions, strengthening Texas's position as a business-friendly jurisdiction.

Legal Framework

The Texas Business Court operates under Chapter 25A of the Texas Government Code, with specific rules of practice in the Texas Rules of Civil Procedure. The Court's creation and structure were established through two key pieces of legislation: House Bill 19, which created the Business Court itself, and Senate Bill 1045, which established the Fifteenth Court of Appeals.

Court Structure, Organization, and Judges

The Business Court system is organized into eleven geographical divisions that align with existing Administrative Judicial Regions. However, only five divisions are operational. These initial divisions are located in Dallas (First Division), Austin (Third Division), San Antonio (Fourth Division), Fort Worth (Eighth Division), and Houston (Eleventh Division). Each division has been assigned two judges: Andrea Bouressa and William Whitehill in Dallas, Melissa Andrews and Patrick Sweeten in Austin, Marialyn Barnard and Stacy Sharp in San Antonio, Jerry Bullard and Brian Stagner in Fort Worth, and Sofia Adrogué and Grant Dorfman in Houston. The remaining six divisions face potential abolishment in 2026 unless reauthorized by the Legislature and funded through appropriations.

The selection and qualifications of Business Court judges follow strict guidelines: (1) Judges must be at least 35 years old, (2) U.S. citizens, (3) have resided in their division's county for at least five years, and (4) Texas-licensed attorneys with a minimum of 10 years of experience in either complex civil business litigation or business transaction law or experience serving as a Texas civil court judge. The Governor appoints judges with Senate consent for two-year terms, and they may be reappointed for subsequent terms.

Jurisdiction

The Business Court's jurisdiction is concurrent with Texas district courts and encompasses four main categories of cases: (1) actions exceeding \$5 million involving derivative proceedings, corporate governance matters, securities law claims, actions between organizations and their management, fiduciary duty claims, veil-piercing actions, and matters arising from the Texas Business Organizations Code, (2) cases involving publicly traded companies that include any of the aforementioned claims, regardless of the amount in controversy, (3) cases exceeding \$10 million that arise from qualified, commercial transactions where parties agreed to Business Court jurisdiction (excluding insurance contracts), or violations of the Texas Finance Code or Business & Commerce Code by organizations (excluding banks, credit unions, and savings and loans associations), and (4) actions seeking injunctive or declaratory relief based on claims within its jurisdiction.

The Court also maintains supplemental jurisdiction over related claims, except those for medical malpractice, legal malpractice, or bodily injury/death claims. Notably, the Court explicitly excludes jurisdiction over governmental entity actions, property liens, certain Business and Commerce Code claims (including non-compete agreements and antitrust

matters), various statutory claims (including those under the Estates, Family, Insurance, and Property Codes), farm product claims, consumer transactions, and insurance policy obligations.

Filing Requirements and Procedures

Filing a case in the Business Court requires careful attention to procedural requirements. Initial filings must include pleadings that establish jurisdiction and venue, accompanied by a \$2,500 filing fee—significantly higher than the \$350 fee in district court. All filings must comply with Section 10.001 of Texas Civil Practice & Remedies Code.

For removals, cases must originate in a county within an operating division. If all parties agree, removal can occur at any time during the case's pendency. Without agreement, parties must file within 30 days of discovering jurisdictional facts. Removal requires a \$2,500 filing fee and doesn't waive venue defects or constitute an appearance for jurisdictional purposes. Remand motions must be filed within 30 days of the removal notice, or within 30 days of appearance for parties served after removal. The Business Court may initiate remand on its own with 10-day notice, though there is no provision for costs award on remand.

Venue

Trial location depends on whether the case was initially filed or removed, contractual venue agreements, and party and judge agreement. All jury procedures follow local district court protocols. Parties should carefully specify venue in operational divisions and consider including jurisdictional fact stipulations, supplemental jurisdiction consent, jury trial waivers, and fallback venue provisions.

Written Opinions and Precedent

The Business Court's approach to written opinions represents a significant development in Texas business law. Judges must issue written opinions for dispositive rulings when requested by parties and for issues important to state jurisprudence and maintain discretion to issue written opinions for other orders. While decisions aren't binding between divisions, they carry persuasive weight. Initially, the Court will be guided by Texas Supreme Court precedent and may reference federal law and Delaware business law for guidance.

Practical Considerations and Corporate Governance

The Business Court offers several strategic advantages, including specialized judges with business law expertise, potentially faster resolution through focused dockets, and the development of precedential guidance through written opinions. Companies may amend their charters or bylaws to designate the Business Court as their forum of choice and specify exclusive venue for covered claims. However, practitioners should be mindful of potential challenges, including the impact of two-year judicial terms on case continuity, higher filing fees, limited geographical availability during the initial phase, and the uncertainty inherent in a new court's interpretation of various laws.

The Fifteenth Court of Appeals

The newly created Fifteenth Court of Appeals holds exclusive jurisdiction over Business Court appeals and operates with statewide jurisdiction, as upheld by the Texas Supreme Court. The initial judges—Hon. Scott Brister, Hon. Scott Field, and Hon. April Farris—will serve until statewide elections begin in 2026. The Fifteenth Court of Appeals follows standard appellate procedures.

The Fifteenth Court of Appeals made its debut on October 30, 2024. In its inaugural session, held in the Court of Criminal Appeals courtroom due to lacking a permanent location, the Court heard three significant cases. These included a dispute

over the release of Department of Public Safety records related to the 2022 Uvalde school shooting, consolidated cases involving Google's attempt to obtain pretrial information in a biometric data lawsuit brought by the Texas Attorney General, and an appeal concerning a Crowley ISD teacher's termination over use of force with a student. The first session, which was livestreamed and drew numerous spectators, showcased the Fifteenth Court of Appeal's broad authority over cases involving the state and appeals from the Texas Business Court, representing a significant milestone in the state's judicial system

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