

New Business Organizations Code brings new traps, state fees, and opportunities

The new Texas Business Organizations Code (TBOC) altered many aspects of business law effective January 1. Lawyer's Aid Service stands ready to assist with TBOC-updated filings and Company Outfits.

New filing fees

Dozens of state fee changes now apply to all business entities both existing and new (see table).

Selected filing fee changes

	2005	2006
Form a PA	\$225	\$775
Form an LLC	\$225	\$325
Register an out-of-state LLC	\$525	\$775
Amend an LLC	\$125	\$175
Merge an LP or LLC	\$225	\$325
Convert an entity	rises by \$300-\$875	
All other LLC filing fees	match corporate fees	

Amounts include \$25 state expedite fee. For more details on state filing fee changes, see LawyersAidService.com.

The rest of the new Code automatically applies to entities formed or registered starting in 2006, to LLPs starting at their 2006 renewal of registration, and to all others in 2010 or when they file to opt in early.*

January amnesty offered for out-of-state firms to register in Texas

With few exceptions, business organizations formed in Nevada, Delaware, or elsewhere in the world that have been doing business (even

just owning real estate) in Texas without ever registering now have a one-time chance to register without penalty. Substantial penalties may be avoided for each calendar year or part year of past activity in Texas. Any unpaid franchise or sales tax will still be due.

The amnesty ends on the 30th day after Jan. 1.

Lawyer's Aid can help with amnesty filings and numerous other business filings.*

The Code revamps the language of business entity law

The TBOC's lexicon of about 80 terms, simpler and more consistent, requires some getting used to. For example, "Articles of Incorporation" are now called a "Certificate of Formation." "Articles of Dissolution" have become a "Certificate of Termination."*

Fortunately, using one or more outdated terms generally will not cause the state to reject a filing.

Pitfalls and potholes

- If an out-of-state business entity changes its name or purpose and fails to amend, its registration can now be revoked.

- LPs that fail to maintain a registered agent will be terminated.

- Foreign business entities that are

more than 90 days late in registering must pay up to \$750.

- The TBOC clarifies that non-Texas REITs, foreign business trusts, and US and non-US LPs currently active in Texas are among the entities required to register.

- Any merger or conversion that results in a new domestic entity requires an additional formation fee for the entity.*

TBOC-optimized company outfits and filing documents

Lawyer's Aid Service provides a slate of filing documents and Deluxe Company Outfits for LLCs, corporations, PCs, PLLCs, and non-profits that are updated and TBOC-ready.

Client Interview Checklists, available at LawyersAidService.com, are a convenient way to form a new business, order your outfit, or arrange professional registered-agent service.

* Visit LawyersAidService.com for more about the TBOC changes, terms, and fees.

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