

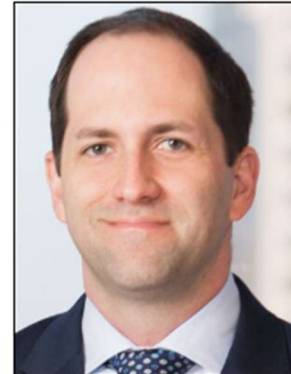
The Biz Court Digest: Texas, One Year In

By **Chris Bankler** (October 29, 2025)

While Delaware's Court of Chancery tends to get all the headlines, the rest of the U.S. boasts a robust collection of localized business courts, where corporate disputes are regularly decided. This Law360 Expert Analysis series surveys business courts around the country, focusing on what makes them unique.

When the Texas Legislature enacted H.B. 19 in 2023, it did more than create a new court — it attempted to reimagine how business disputes are resolved in America's fastest-growing economy. The Texas Business Court was born from a recognition that commercial litigation in the state had become both fragmented and often unpredictable.

This court was designed to fix that problem, offering speed, consistency and expertise for complex business cases while staying true to Texas' core legal values: contractual freedom and the right to a jury trial.



Chris Bankler

The first 12 months of the Texas Business Court experiment have vindicated the Legislature's prediction that a specialized docket would accelerate commercial disputes, deliver doctrinal clarity and reinforce Texas' policy of deference to private ordering. What was still speculative when the Texas Business Court opened its doors is now measurable: Pleadings are being tested early, derivative claims are being cabined to those with statutory standing, and contract terms once treated as aspirational are being enforced with rigor.

In short, the inaugural year has produced an unmistakable theme: Contractual freedom, long championed by the Texas Business Organizations Code, is now fortified by a judiciary expressly designed to respect it.

Now, a year after the court's first decision, it's clear that Texas didn't just copy Delaware. It built something uniquely its own. The Texas Business Court combines specialization with constitutional accountability, creating a model that looks forward without losing touch with the state's democratic and statutory roots.

A Court Built for the Modern Texas Economy

The Texas Business Court's founding reflected a pragmatic truth: Texas has become one of the nation's dominant business centers, and its legal infrastructure needed to catch up. With more Fortune 500 headquarters than almost any other state and billions in private equity capital flowing through, Texas businesses demanded a forum that could handle complex corporate and commercial disputes efficiently and consistently.

The Legislature and the Texas Business Law Foundation spent years designing a court that could meet that demand.

H.B. 19 established Chapter 25A of the Texas Government Code, authorizing a business

court with statewide jurisdiction over significant commercial matters — entity governance, mergers, securities and high-value contract disputes. The companion statute, S.B. 1045, created the Fifteenth Court of Appeals as its specialized appellate counterpart.

Together, they form a vertically integrated system: a trial court built for complex commercial cases and an appellate court dedicated to developing coherent statewide precedent.

In truth, the project was a carefully balanced compromise, crafted to serve both the business community's demand for expertise and the public's expectation of transparency and accountability.

The Structure of a Specialized Business Court

The Texas Business Court is divided into 11 regional divisions, five of which are currently active in Dallas, Austin, Houston, San Antonio and Fort Worth. Each division has two judges appointed by the governor with Texas State Senate confirmation, selected for their experience in complex commercial litigation, corporate law or business governance.

Unlike Delaware's Court of Chancery, whose chancellors serve 12-year terms, Texas judges serve two-year renewable appointments, allowing the governor and Legislature to adjust the bench as the system matures.

Recent legislative refinements have strengthened this structure. H.B. 16, passed this year, expanded the court's reach to include Bastrop County — home to major technology and energy companies like Starlink and The Boring Co. — and clarified the jurisdictional limits of the Fifteenth Court of Appeals. Two additional appellate justices are scheduled to join that court in 2027 and 2028, ensuring that its capacity grows along with its caseload.

In short, the Texas Business Court now covers nearly every major commercial corridor in Texas, from the Permian Basin to the Gulf Coast to the Dallas-Fort Worth metroplex. Its design represents both ambition and restraint: a statewide commercial court still firmly anchored within the Texas Constitution.

Procedural Innovation and Professional Expectations

From the beginning, the business court sought to modernize not only what it hears but how it functions. Its Local Rules, finalized in early 2025, read like a blend of federal and Delaware procedure adapted to Texas' practical sensibilities.

Every case requires a case information sheet detailing jurisdictional grounds, followed by an early scheduling order that sets the trial date — within 12 months for bench trials and 18 months for jury cases. Word limits, exhibit bookmarking and letter-style discovery motions streamline practice and reduce delay.

The result is a court that moves quickly but carefully. Litigants accustomed to sprawling discovery and endless continuances have found a forum that prizes efficiency.

Judges are expected to issue written opinions — an explicit statutory requirement — to build a regimented body of business law. That, more than anything, distinguishes the Texas Business Court from traditional Texas trial courts.

Texas Values: Preserving the Jury Trial

Perhaps the most distinctive feature of the Texas Business Court — and one that surprises observers from Delaware or New York — is its preservation of the right to a jury trial.

Section 25A.015 of the Texas Government Code guarantees this right "when required by the Constitution," and the Local Rules provide detailed guidance on how jury trials will be conducted. The result is a hybrid system: complex pretrial and motion practice before specialized judges, but factual disputes ultimately decided by Texas citizens.

This balance is deeply cultural. Texas has always valued jury service as a cornerstone of civic life. By maintaining jury trials, the Texas Business Court ensures that even the most sophisticated corporate cases remain grounded in the values of fairness and public participation.

Fiduciary Duties in Texas: Texas Business Law and the Freedom to Contract

If the court's design reflects legislative foresight, its early opinions show judicial craftsmanship. Among them, none better captures the Texas Business Court's philosophy than the March 10 decision in *Primexx Energy Opportunity Fund LP v. Primexx Energy Corp.*

The case involved a dispute between energy investors over the governance of a limited liability company that held West Texas oil and gas assets. A minority member accused the managing member of breaching fiduciary duties by diverting opportunities and manipulating internal valuations. The defense pointed to the company agreement, which expressly eliminated fiduciary duties except for acts of fraud, bad faith or willful misconduct.

The Texas Business Court sided with the defendants, dismissing the fiduciary duty claims under Rule 91a. The court's opinion was both careful and unapologetically textual.

It began with the observation that Texas law treats fiduciary duties in LLCs as defaults, not mandates. The Legislature, it explained, had deliberately empowered businesspeople to define their own standards of conduct through private contract. The company agreement here was explicit: No member or manager owed any duty, fiduciary or otherwise, beyond those written in the document.

What set the *Primexx* opinion apart was its tone — judicial restraint coupled with analytical precision. Rather than invoking broad equitable principles, the court grounded its reasoning in the parties' language and legislative design. It cited the modern trend, reflected in the Texas Supreme Court's 2014 decision in *Ritchie v. Rupe* and 2020 ruling in *Energy Transfer Partners v. Enterprise Products*, of respecting sophisticated parties' right to chart their own obligations.

The Texas Business Court also rejected the plaintiff's attempt to revive an informal fiduciary duty, holding that such relationships must arise from preexisting personal trust, not post hoc claims of reliance in a business deal.

The *Primexx* decision does not abolish accountability — it refines it. Fraud, willful misconduct and statutory violations remain actionable. But the business court made clear that courts will not impose duties that the parties chose to exclude.

Another early Texas Business Court opinion, *Tall v. Vanderhoef*, reinforced the same principles articulated in *Primexx*.

The case involved a falling-out among members of an LLC whose operating agreement expressly disclaimed fiduciary duties. One member alleged that the manager had diverted opportunities and failed to act with loyalty. The Eleventh Division of the Business Court rejected those claims on April 21, holding that the parties' agreement — and not default common-law concepts — governed the scope of any duties owed.

The court's reasoning was crisp and direct: When sophisticated parties form an LLC, they have the statutory right to define or eliminate fiduciary obligations, and courts will not rewrite their bargain.

The Tall opinion observed that the Texas Business Organizations Code explicitly authorizes this private ordering, and that the parties' agreement here "left no residual duties to imply." It also rejected the argument that an informal fiduciary relationship could arise from personal trust developed during the business venture, emphasizing that such relationships must predate and exist apart from the contractual setting.

Like Primexx, Tall reflects the business court's emerging interpretive style — formal, textual and pragmatic. The court resisted the temptation to transform business disappointment into tortlike liability, instead channeling disputes through the parties' written words. For practitioners, the message is consistent and unmistakable: In Texas, the operating agreement is the constitution of the enterprise.

These early cases together illustrate the Texas Business Court's steady judicial temperament. Rather than seeking to make new law, its judges are clarifying the law Texas already chose — a system grounded in freedom of contract, statutory fidelity and respect for sophisticated parties' autonomy.

Comparison to Delaware and Other Business Courts

The natural question is how Texas' new court stacks up against Delaware's Court of Chancery, the nation's long-standing benchmark for corporate adjudication. The short answer: Texas has built a system that borrows Delaware's efficiency but rejects its exclusivity.

Delaware's system works because it is small, insular and highly specialized. Texas, by contrast, is vast and decentralized. Its system had to accommodate regional diversity, local juries and constitutional safeguards. The result is a hybrid model — expert yet participatory, efficient yet public.

Legislative Refinements and Institutional Momentum

The Texas Business Court is not static. The Legislature continues to fine-tune its structure through incremental reforms.

H.B. 16 expanded its territorial jurisdiction and clarified appellate boundaries. The Office of Court Administration now reports annually to the Legislature on caseload data, creating a feedback loop for continuous improvement. Bar associations across the state — most recently the Houston Bar Association's "Inaugural Year" symposium — are devoting programs to educating practitioners about the new system.

What's emerging is a sense of institutional confidence. Judges, lawyers and legislators are aligned in viewing the Texas Business Court as a long-term fixture, not a pilot project. And

the Fifteenth Court of Appeals, with its growing docket of business appeals, is beginning to shape uniform doctrine for issues like contractual indemnity, derivative standing and officer exculpation.

The Road Ahead

The Texas Business Court's early success reflects both vision and discipline. It has given corporate litigants a forum that values clarity over rhetoric, and substance over sentiment. Its judges are building a body of law that is pragmatic, textual and consistent with the Legislature's design.

As the court enters its second year, the challenge will be scale. More filings are expected as parties amend contracts to select the business court as their forum of choice. The addition of new appellate justices will bring greater uniformity. And with each new written opinion, Texas will continue to define a distinctly modern version of commercial justice — one rooted in freedom of contract, but administered through professional rigor and constitutional transparency.

In an era when many states struggle to balance efficiency with accountability, the Texas Business Court stands out as a model of both.

Chris Bankler is a partner at Jackson Walker LLP.

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