Business Setup 101: Registration & Structuring for Success





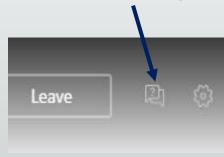
ICEBREAKER

Please like one of these statements, in the <u>Featured Feed</u>:

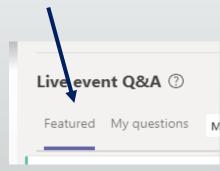
I am thinking about starting a business or have recently (within 2 years) started a business.

I started a business more than 2 years ago.

Live Q&A Feed (upper right of screen):



"Featured" Feed Tab:





WELCOME!



Larry McManus

Director, Business Development

Texas Economic Development & Tourism

Office of the Governor



ICEBREAKER

Please like one of these statements, in the <u>Featured Feed</u>:

I want to handle business registration on my own.

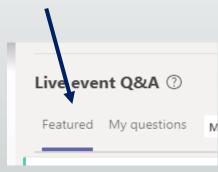
OR

I would rather hire a professional to register my business.

Live Q&A Feed (upper right of screen):



"Featured" Feed Tab:





PANELISTS



David Eskew

Staff Attorney

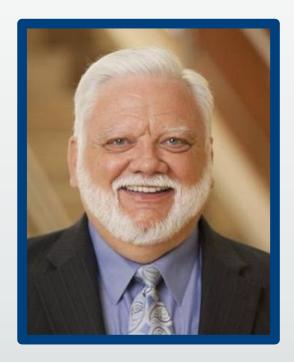
Texas Secretary of State's Office



Miranda Howard
Senior Manager – Vital Records

Tarrant County Clork's

Tarrant County Clerk's Office



Joe Harper

Executive Director

Texas State Small Business Development Center (SBDC)



FREQUENTLY ASKED QUESTIONS

What business structures are typically available in Texas to prospective business owners? What are some characteristics of each business form?



FREQUENTLY ASKED QUESTIONS

Can you walk us through the filing process with the Secretary of State, including the available submission options? What are the filing fees associated with each type of business entity filing?

David Eskew



What are some common filing mistakes you see? How does the Secretary of State's office help submitters avoid mistakes?





Can you give me a short explanation of what a DBA is and When I would need one? How do I check if the name I want to file under is available?





How should I prepare and what information do I need to file a DBA? Does my DBA form need to be notarized?





FREQUENTLY ASKED QUESTIONS

What does it cost to file a DBA in Texas? How long is it valid for?





PLEASE ASK QUESTIONS...

LIVE Q&A NOW OPEN

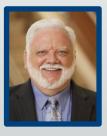
- The live Q&A feed is now open...
- Watch the "Featured" or "Published" live Q&A feed
- Check if your question has already been asked
- "Like" the questions you would like answered
- Questions with the most "likes" will be prioritized

Unfortunately, we may not get to all questions...



LIVE Q&A NOW OPEN

Can you speak about the support that SBDCs give new entrepreneurs as they progress through the business registration process?



Joe Harper



LIVE Q&A NOW OPEN

What are the most common challenges you see new business owners face when trying to register their business? And how does the SBDC help overcome these challenges?



Joe Harper



LIVE Q&A NOW OPEN

If someone in the audience today is thinking of starting a business, what's the first step they should take with the SBDC?



Joe Harper







SMALL BUSINESS RESOURCE PORTAL



gov.texas.gov/business-portal

- Provides links to <u>key</u> resources for small businesses and start-ups
 - Local, state and federal resources
 - Business advice & growth assistance
 - Funding sources, customized resources
- Just answer 5 simple questions to customize your results
- Email them to yourself or print



SMALL BUSINESS ASSISTANCE TEAM











ADDITIONAL RESOURCES

Website

gov.texas.gov/smallbusiness

Events Calendar gov.texas.gov/events

Governor's Small Business Resource Portal

gov.texas.gov/business-portal













PANELIST CONTACT INFORMATION

David Eskew

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Miranda Howard

Vital Records phone line: (817) 884-1550

Email: WM-CountyClerk@tarrantcountytx.gov

Joe Harper

- 1. Go to: americassbdc.org
- 2. Click on the "Find Your SBDC" on the Top Bar
- 3. Enter your Zip Code and it will list nearby SBDCs



THANK YOU FOR ATTENDING!



Texas Business Law Primer: Selected Statutes

- Business Organizations Code (BOC)
 - Domestic (Texas) entity formation and internal affairs
 - Foreign (non-Texas) entity registration
- Business and Commerce Code (B&CC), Chapter 71
 - Conducting business under an assumed name ("doing business as" or "d/b/a") and filing an Assumed Name Certificate
- Tax Code, Chapter 171
 - Annual franchise tax reporting and reporting requirements; administered by the Texas Comptroller of Public Accounts

Agency-adopted administrative rules can be an additional source of authority, located in Texas Administrative Code (TAC)



Texas Business Law Primer: Common Terminology

Domestic Entity: formed under the laws of Texas

Foreign Entity: formed under the laws of a jurisdiction of than Texas

Legal (Entity) Name: for an entity, the name as shown in its Certificate of Formation or comparable formation document

Assumed Name: for an entity, a name other than its legal (entity) name; common referred to as a "doing business as" or "d/b/a"

Filing Entity: created only by filing a Certificate of Formation with the Texas Secretary of State (SOS); example: limited liability company (LLC)

Nonfiling Entity: no filing requirement to create; example: general partnership

Principal Business Structures in Texas

- Sole Proprietorship
- General Partnership
- Limited Partnership (LP)
- For-Profit Corporation
- Nonprofit Corporation
- Limited Liability Company (LLC)
- Cooperative Association
- Professional Association (PA)
- Professional Corporation (PC)
- Professional Limited Liability Company (PLLC)



Characteristics of Certain Texas Business Forms

	Sole Proprietorship	General Partnership	Limited Partnership (LP)	For-Profit Corporation	Limited Liability Company (LLC)
Formation	No filing requirement	No filing requirement	Certificate of Formation must be filed with SOS		
Owner	Proprietor (1)	General Partner (<u>></u> 2)	General Partner (≥1) & Limited Partner (≥1)	Shareholder (≥1)	Member (<u>></u> 1)
Management	Proprietor	Each General Partner	Each General Partner	Board of Directors (≥1)	Member-Managed (≥1) or Manager-Managed (≥1)
Limited Liability	No	No*	General Partner: No* Limited Partner: Yes	Yes	
Assumed Name	County-level filing	County-level filing	State-level filing with SOS		
Internal Governing Document	None	Partnership Agreement	Partnership Agreement	Bylaws	Company Agreement
Duration	Ends at death of proprietor	Perpetual (possibly)	Perpetual, unless formation document states otherwise		

^{*:} Additional state-level filing with SOS available to limit general partner personal liability.

Lifecycle of a Business Entity Filing Submission

After delivery of document and filing fee to SOS, processing each submission consists of the following steps:

- "Batch": high-level information (e.g., submitter name and address, payment method, filing type, date of receipt) entered into database, assigned unique tracking number
- Review: examined for compliance with minimum statutory filing requirements specified in relevant code provisions
- Documentation: outcome of review (filed or rejected) sent to submitter
 - If filed, creates or added to entity filing history
 - If rejected, must be revised and then resubmitted for filing

Submission Methods & Handling Options

Submission (Delivery) Methods	Handling (Processing) Options	
Online	No expedite fee assessed	
SOSDirect		
 SOSUpload 		
• "Paper"	Regular (default)	
Mail	or	
In-Person	Expedite available for additional fee, must request at time of submission	





Available October 1, 2025

Tier	Time Frame	Fee*	Deadline
Same-Day	Submitter will receive outcome by close of business.	\$750 per document plus the document filing fee.	Must be received by noon.
Next-Day	Submitter will receive outcome by close of business.	\$500 per document plus the document filing fee.	Must be received by noon on the prior day.
Standard Expedited	Submission will be processed before non-expedited documents.	\$50 per document plus the document filing fee.	

^{*}Please note that the expedited fees listed above are in addition to any statutory fling fee.

Time frame is the period of review. Requesting expedited service does not guarantee a filing, as each document is reviewed for specific statutory requirements. Business days exclude weekends and national, state, and agency holidays.

Same-Day and Next-Day Eligible Filing Types:

Certificate of Conversion (All Entity Types)

Certificate of Merger (All Entity Types)

Certificate of Amendment (All Domestic Entity Types)

Restated Certificate of Formation (All Domestic Entity Types)

Certificate of Validation (Domestic Corporations)

Preclearance is highly encouraged. Additional filing types will become eligible in 2026.



Common Filing Mistakes . . .

- Incorrect type of filing
- Submission incomplete, inconsistent, or inapplicable
- Including inadvertent or confidential information
- Submitting same document by multiple submission methods
- Wrong entity
- Filing fee omitted or not sufficient



. . . And Online Resources To Help Avoid Them

- SOS-promulgated forms
 - Drafted to meet minimum statutory filing requirements
 - Majority contain detailed commentary and step-by-step instructions
 - https://www.sos.state.tx.us/corp/forms_boc.shtml
- Frequently Asked Questions (FAQs)
 - Arranged by topic; many provide statutory citations, legislative changes, and links to other agencies for additional information
 - https://www.sos.state.tx.us/corp/generalfaqs.shtml
- SOSDirect & Business Filing Tracker
 - Links on SOS homepage



Filing Fees

- As with minimum filing requirements, filing fees are primarily set by the relevant statute and may vary by entity type
- BOC-related filings: Subchapter D, Chapter 4
 - Certificates of Formation generally \$300 [e.g., section 4.152(1)]
 - Applications for Registration typically \$750 [e.g., section 4.155(1)]
- Assumed Name Certificates filed with SOS are \$25 each under section 71.155(b) of the B&CC
- Full payment of filing fee is statutory condition to filing
 - Adverse consequences may result for dishonored or returned payment



Supplemental Information



Agency Developments

- SOSPortal: new online hub for business and government filings
 - Part of ongoing modernization program intended to make systems and services more user-friendly, efficient, and secure
 - Some services currently available, Business Entity Filings component in development with anticipated rollout mid-2026
 - For updates, please visit https://www.sos.state.tx.us/modernization.shtml
- Website refresh to help customers more easily navigate services
- Rudder Building Renovation
 - Temporary relocation of lobby for in-person services starting mid-December, additional details will be available on website