

Texas Business Court Issues Local Rules

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This week, the new Texas Business Court issued its local rules, which apply to all divisions of the court. Significantly, the local rules establish a process for agreeing to supplemental jurisdiction and a prerequisite for filing discovery motions, among other rules.

First, the local rules cover how to agree—or object—to the Business Court’s supplemental jurisdiction. Under the governing statute, the Business Court has jurisdiction over certain types of actions, plus supplemental jurisdiction over related claims that form part of the same case or controversy, *but only if* all the parties and judge agree to such supplemental jurisdiction. ¹ Thus, absent agreement, related claims may be tried separately in the Business Court and the district court.

The local rules add a significant procedure on top of the statute: A party is *deemed to agree* to the Business Court’s supplemental jurisdiction over any claim, *unless* that party moves to sever or otherwise objects within 30 days. The 30-day deadline begins running on the later of (1) that party’s appearance in the Business Court, or (2) the filing of the first pleading or removal notice containing fair notice of the claim.

The local rules also establish a discovery-motion prerequisite. Before filing a discovery-related motion, a party must file a letter summarizing the dispute and explaining attempts made to resolve or narrow the dispute. A response letter is permitted. Afterward, the Business Court may schedule a telephone conference with counsel, order a discovery motion to be filed, provide further instruction, or issue an order if the court determines that no further briefing is necessary.

Other issues covered by the local rules include the following:

- Prerequisites to requesting emergency relief;
- Scheduling order forms and timing;
- Case information sheets;
- Corporate disclosure obligations; and
- Motion word limits, formatting, hearing requests and accompanying certificates of conference.

The local rules can be found on [the Business Court’s website](#).

[1] Tex. Gov’t Code § 25A.004.