

# TEXAS BUSINESS & COMMERCIAL QUARTERLY

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★ MYRA A. MCDANIEL ★ SECRETARY OF STATE ★

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## THE GREAT SEAL OF TEXAS

Article IV Section 19 of the Texas Constitution designates the Secretary of State as the keeper of the Seal of the State, commonly referred to as the Great Seal of Texas. Under recently enacted legislation, the Secretary of State is not only the keeper of the Seal but is also collecting fees from persons selling products bearing the Great Seal of Texas.

Laws banning the commercial use of the Great Seal of Texas have been in the Texas statutes for over thirty years. Recent changes made by the last session of the Texas Legislature to section 17.08 of the Texas Business and Commerce Code (which became effective September 1, 1985) make it possible for a manufacturer to lawfully sell products containing the Great Seal of Texas if licensed by the Secretary of State. Any person who is not a state public official, under the express direction of a state public official, or conducting official state business must have a license.

Compliance with section 17.08 of the Texas Business and Commerce Code and the regulations of the Secretary of State, requires a prospective licensee to submit an application with the Secretary of State's office. An application fee of thirty-five dollars (\$35.00) is also required. A complete application must include a specific description of the intended usage of the Great Seal of Texas and be accompanied by a precise description of the actual product to bear the Great Seal of Texas. When an application is approved, the licensee is required to pay a licensing fee of two hundred fifty dollars (\$250.00) and to execute a licensing agreement. A royalty fee of three percent (3%) of the gross receipts in excess of five thousand dollar (\$5,000) received from the sale of the licensed products must be paid, on a quarterly basis, to the Secretary of State. Products are exempt from the royalty fee requirement when a royalty is paid to the Texas Sesquicentennial Commission.

The manufacturer of a product bearing the Great Seal of Texas has the responsibility for obtaining the necessary license and for the payment of all required fees. Vendors or resellers are exempt from the licensing and fee requirements when the manufacturer of the product has obtained the required Great Seal of Texas license and the vendor or reseller, prior to resale, obtains from the manufacturer a certification of the manufacturer's license. A vendor or reseller who fails to obtain, maintain, or make readily available for inspection the certifications of the manufacturer's license is responsible for obtaining the necessary license and for the payment of all required fees.

State government agencies and officials who use the Great Seal of Texas in an official capacity have no application or fee requirement. However, state agencies and officials are encouraged to submit their intended uses and renditions of the Great Seal of Texas to the Secretary of State.

For further information about licensing, please contact Hyattye Simmons at P.O. Box 12697, Austin, Texas 78711 or (512) 463-5701.

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APPLICATION FOR PERMISSION TO EMPLOY THE GREAT SEAL OF TEXAS  
FOR A PRIVATE/COMMERCIAL PURPOSE

BE IT KNOWN that the applicant in compliance with the obligations and requirements of the Vernon's Annotated Business & Commerce Code §17.08, hereby makes application for permission to employ the Great Seal of Texas for a private or commercial purpose.

(PLEASE TYPE)

1. Applicant: \_\_\_\_\_  
(Last), (First), (M.I.)

2. Name of Business of Corporation: \_\_\_\_\_

3. Applicant's Residence Address: \_\_\_\_\_

4. Business/Corporate Address: \_\_\_\_\_

5. If applicant is a corporation, place of incorporation: \_\_\_\_\_

5a. If applicant is operating under an assumed name, please state the assumed name:  
\_\_\_\_\_  
\_\_\_\_\_

6. Residential telephone: ( ) \_\_\_\_\_

7. Business telephone: ( ) \_\_\_\_\_

8. Description of goods or items to be used in connection with the Great Seal of Texas (PLEASE BE SPECIFIC ATTACH DRAWINGS AS PER INSTRUCTIONS).  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(PLEASE USE ADDITIONAL SHEET IF NECESSARY)

9. Mode or manner in which the Seal is to be used: (e.g. on labels, goods, specific items of manufacture; PLEASE BE SPECIFIC).  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(PLEASE USE ADDITIONAL SHEET IF NECESSARY).

10. Previous date, if any, the Great Seal of Texas was first used by the applicant:  
a. Outside of Texas: \_\_\_\_\_  
b. In Texas: \_\_\_\_\_

11. Applicant is to be the sole user of the license. This does not suffice for other uses or products unstipulated within the confines of this application, nor does this license envision the possibility of subsidiary or intercorporate utilization.

12. Usage by a subsidiary must be separately applied for and appropriately documented.

\_\_\_\_\_  
Company or Applicant's Name

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

STATE OF § \_\_\_\_\_

COUNTY OF § \_\_\_\_\_

SUBSCRIBED AND SWORN before me by \_\_\_\_\_ of \_\_\_\_\_  
this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

\_\_\_\_\_  
Notary Public Signature

\_\_\_\_\_  
For the State of

\_\_\_\_\_  
(Printed Name of Notary)

(Seal)

\_\_\_\_\_  
My Commission Expires:

## SECRETARY OF STATE BAROMETERS

Business and commercial data accumulated by the Office of the Secretary of State include total transactions, net additions to the business stock, and corporate charters granted by standard metropolitan statistical areas. The third quarter data reported in our continuing series are discussed in the following sections.

### Total Transactions

The number of total transactions recorded by the Statutory Filings Division of the Office of the Secretary of State decreased during the third quarter of 1985, (Table 1). Transaction volume was 56,865, a decrease of 5,817 from the second quarter and 1,319 lower than the same quarter one year ago.

When compared with the transactions recorded during the second quarter of 1985, the data in Table 1 reveal both slower entry and exit rates. These entry and exit rates are demonstrated by the following date:

- Filings for new corporate charters decreased by 6% to 10,213 new charters.
- Filings for new certificates of authority decreased by 13% to 826 certificates.
- Filings for new limited partnerships decreased by 5% to 1,124 new partnerships filed.
- Dissolutions decreased by 46% to 1,344 dissolutions filed.
- Withdrawals decreased by 43% to 176 withdrawals recorded.
- Terminations increased by 6% to 106 terminations recorded.

The data in Table 5, however, also continue to reflect the stability in the Texas business structure noted in the April through June period as evidenced by the decrease in the change of registered agent and office of 14% to 5,325 and the decrease in reinstatements of 36% to 1,100.

When compared with the third quarter of 1984, the data in Table 1 show a 4% decrease in new charters granted, an 8% decrease in new certificates of authority, and a 5% decrease in new limited partnerships. Two exit rates are lower than those recorded in the same quarters of last year, withdrawals (22% lower) and dissolutions (19% lower). Terminations, however, were 34% higher.

Table 1  
Total Transactions

Type of Transaction	1985 Third Quarter	1985 Second Quarter	Change from 2nd Quarter 1985 to 3rd Quarter 1985	1984 Third Quarter	Change from 3rd Quarter 1984 to 3rd Quarter 1985
TOTAL	56,865	62,682	-5,817	58,184	-1319
Articles of Incorporation	10,213	10,881	-668	10,670	-457
Articles of Incorporation (non-profit)	1,119	1,163	-44	1,143	-24
Professional Corporations	210	202	8	214	-4
Professional Associations	146	98	48	155	-9
Certificates of Authority	826	949	-123	890	-64
Limited Partnerships	1,124	1,181	-57	1,218	-94
Limited Partnership Amendments	1,207	1,296	-89	1,045	162
Limited Partnership Cancellations	81	158	-77	116	-35
Trust Companies	1	2	-1	2	-1
Trust Companies Amendment	8	10	-2	8	0
Articles of Amendment (profit)	4,673	5,913	-1,240	5,500	-827
Articles of Amendment (non-profit)	834	511	323	770	64
Articles of Amendment (professional corporation)	94	74	20	93	1
Articles of Amendment (professional association)	261	989	-728	226	35
Amended Certificates of Authority	392	615	-223	432	-40
Articles of Correction	131	128	3	139	-8
Name Reservations	2,483	2,661	-178	2,631	-148
Name Registration	75	79	-4	79	-4
Dissolutions	1,344	2,493	-1,149	1,663	-319
Withdrawals	176	311	-135	225	-49
Terminations	106	100	6	79	27
Information Letters	2,536	2,730	-194	2,533	3
Articles of Merger	188	222	-34	192	-4
Change of Registered Agent and Office	5,325	6,214	-889	4,438	887
Reinstatements	1,100	1,709	-609	1,460	-360
No Pay Forfeitures	40	37	3	45	-5
Forfeitures	620	434	186	224	396
Certifications	19,888	19,673	215	20,233	-345
Assumed Names	1,664	1,859	-195	1,761	-97

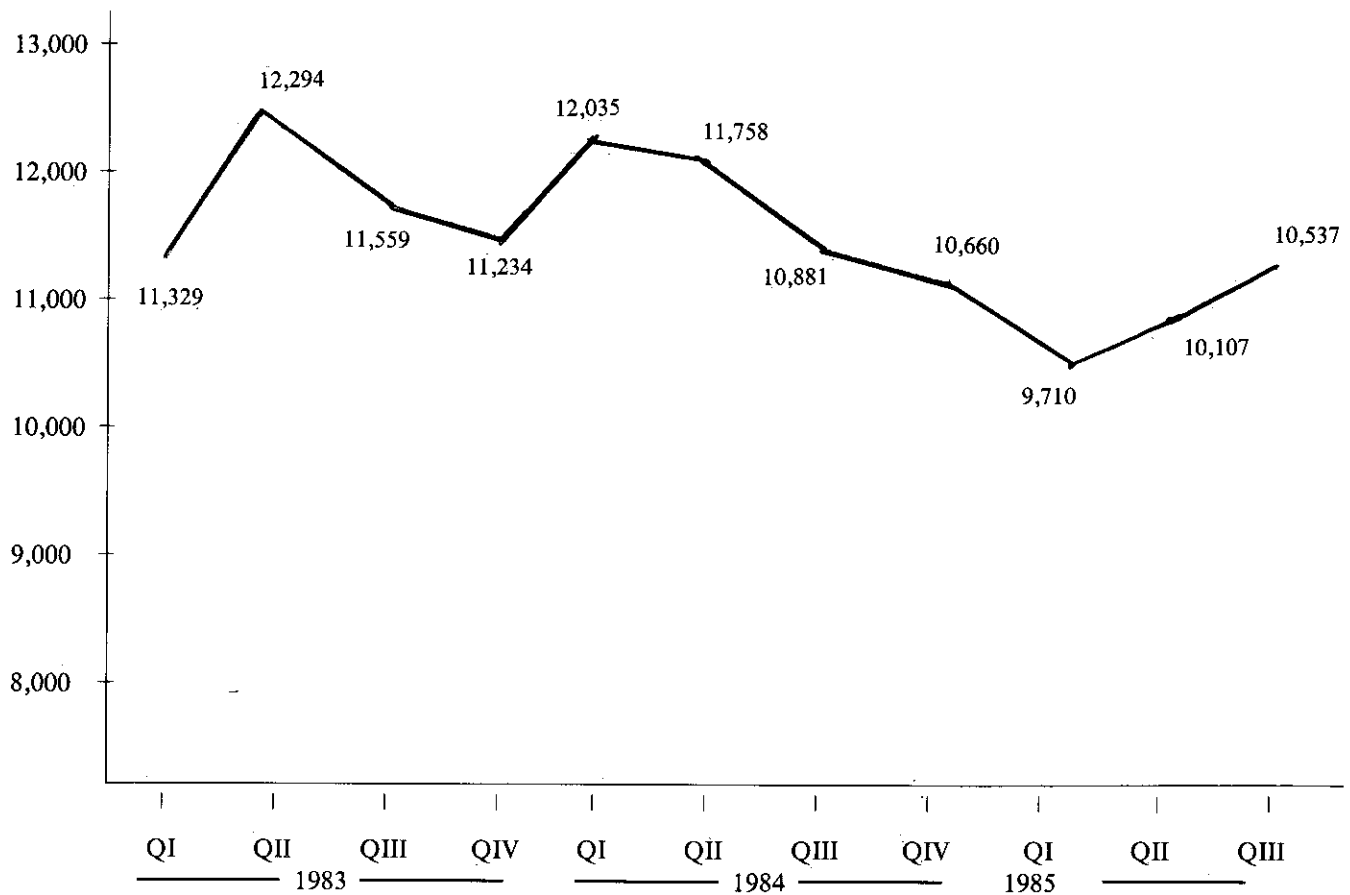
Source: Secretary of State, Statutory Filings Division, Corporations Section (December 1985)

## Net Additions to the Business Stock

The quarterly net additions to the business stock for 1983 through the third quarter of 1985 are shown in Figure 1. These data suggest that, while the slower growth in the Texas business community which began in the second quarter of last year-continued through the most recent quarter, a modest increase in the growth rate has occurred during the past six months. The 10,537 additions to the business stock in the July through September period represent a 4% increase over those recorded in the April through June period, but these net additions still are the third lowest recorded since the series began in 1981. If the net addition rate recorded during the first nine months of 1985 continues, Texas should expect some 40,000 net additions to the business stock this year.

The business stock includes all existing corporations, limited partnerships, and certificates of authority recorded by the Office of the Secretary of State. The net additions to the business stock equal the sum of new corporate charters, new limited partnerships, and new certificates of authority minus the sum of voluntary dissolutions, withdrawals, and terminations.

Figure 1  
Net Additions to the Business Stock by Quarter  
1983 1985



Source: Secretary of State, Statutory Filings Division, Corporations Section (December 1985)

## New Business Incorporations in SMSA areas

The absolute numbers of new charters granted in each of the Texas Standard Metropolitan Statistical Areas for the first nine months of 1985 are shown in Table 2. These data show 9,314 new charters granted in Texas metropolitan areas from July through September, about 91% of all new charters granted. The 9,314 new charters granted in the third quarter represent a 4% decrease from charters granted both in the second quarter of this year and in the third quarter of last year.

The data in Table 2 show that the four largest metropolitan areas experienced decreases: Austin and Dallas-Fort Worth, 4% each; Houston and San Antonio, 6% each. Of the ten metropolitan areas which experienced increases, three are along the Mexican border: Brownsville-Harlingen-San Benito, 2%, El Paso, 34%; and Laredo, 20%. Corpus Christi and Galveston-Texas City with 4% and 13% increases, respectively, were the metropolitan areas in the Gulf Coast region which noted increases in new charters granted. Other SMSAs which experienced increases were Longview-Marshall (18%) and Tyler (2%) in the northeast region, Killeen-Temple (12%) in the I-35 corridor, Lubbock (44%), and Odessa (22%).

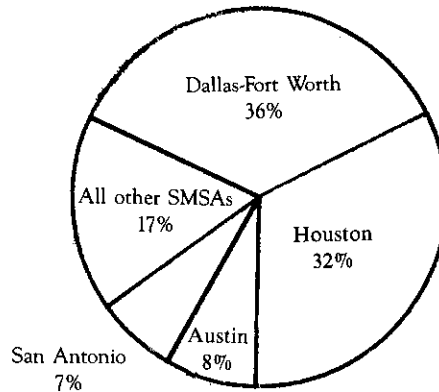
Although increases in the new charters granted in the third quarter were confined to smaller SMSAs, Texas four largest metropolitan areas accounted for 82% of new charters granted in SMSAs. Dallas-Fort Worth with 3,368 new charters accounted for 36.2%; Houston with 2,948 new charters, 31.7%; Austin with 703 new charters, 7.6%, and San Antonio with 613 new charters, 6.6%. The breakdown of new business incorporations by metropolitan area for the July through September period is shown in Figure 2.

Table 2  
Corporate Charters Granted, 26 Texas SMSAs  
January - September 1985

Standard Metropolitan Statistical Area	1985 1st Qtr.	1985 2nd Qtr.	1985 July	1985 August	1985 September	1985 3rd Qtr	1985 TOTAL
Abilene	58	81	15	19	24	58	197
Amarillo	72	75	19	24	29	72	219
Austin	566	730	237	244	222	703	1999
Beaumont-Port Arthur-Orange	113	124	51	28	18	97	334
Brownsville-Harlingen-San Benito	78	84	35	33	19	87	249
Bryan-College Station	52	59	17	13	15	45	156
Corpus Christi	209	154	59	50	51	160	523
Dallas-Ft. Worth	2882	3509	1081	1144	1143	3368	9759
El Paso	173	164	77	84	58	219	556
Galveston-Texas City	62	71	27	32	21	80	213
Houston	2751	3123	991	1037	920	2948	8822
Killeen-Temple	34	49	19	18	18	55	138
Laredo	29	49	23	21	15	59	137
Longview-Marshall	75	64	20	33	22	75	214
Lubbock	78	79	45	29	40	114	271
McAllen-Pharr-Edinburg	77	97	29	30	30	89	263
Midland	70	75	27	24	22	73	218
Odessa	48	72	25	34	29	88	208
San Angelo	22	34	9	12	12	33	89
San Antonio	555	649	195	229	189	613	1817
Sherman-Denison	26	42	13	13	9	35	103
Texarkana	19	18	9	5	5	19	56
Tyler	66	83	33	32	20	85	234
Victoria	35	30	5	11	9	25	90
Waco	64	102	27	17	28	72	238
Wichita Falls	35	48	17	12	13	42	125
Totals	8,249	9,665	3,105	3,228	2,981	9,314	27,228

Source: Secretary of State, Statutory Filings Division, Corporations Section (December, 1985)

Figure 2  
**Breakdown of New Business Incorporations  
 by SMSA, July - September, 1985**



Source: Secretary of State, Statutory Filings Division, Corporations Section, December, 1985

## VOTER REGISTRATION INFORMATION

If you would like to display postage-paid voter registration applications at your place of business, the Secretary of State's Office will be happy to provide you with a supply of applications and display boxes at no cost to you.

Your customers or clients will appreciate this public service. A customer may take one of the applications, fill it out, and drop it in any mailbox in order to become registered to vote.

Please contact the Elections Division toll-free at 1-800-252-VOTE to arrange to receive applications and display boxes.

## TELEPHONE NUMBERS

The following is a list of the new telephone numbers for the Statutory Filings Division:

### STATUTORY FILINGS DIVISION:

Corporations Section	
Corporation & Name Availability Information	463-5555
Certifying (Copies & Certificates)	463-5578
Certifying - Billing	463-5579
Corporation Assumed Names & Limited Partnerships	463-5582
Trademarks	463-5576
New Corporation Filings	463-5583
Corp. Dissolution, Mergers & Reinstatements	463-5581
Corporation Amendments	463-5580
Legal Staff	463-5586
Receptionist	463-5585
Statutory Documents Section	463-5654
Notaries Public	463-5705
Business Opportunties	463-5559
UCC Section	462-1155

If you need to call an area not listed above, you may request the number from the state operator by dialing 512/463-4630.

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