

Corporate Officers Held Individually Liable for Violation of Environmental Regulation

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The Texas Supreme Court ruled that a corporate officer can be held liable for violating an environmental regulation if the regulation applies to a “person” and if he or she personally participated in the conduct. The defendant, the only member of the LLC that owned the property, failed to maintain and monitor a groundwater remediation system and violated the compliance plan associated with the property. Should this decision be adopted by other jurisdictions, it could have an effect on real estate transactions regarding contaminated property, as well as an effect on corporations and their officers. This decision, while in Texas state court, could signal an expansion of other state and Federal agencies that seek to hold corporate officers or members of an LLC personally liable for failure to comply with environmental regulations and compliance provisions.