



THE TEXAS STATE CHAMBER

## 89<sup>th</sup> Legislative Session Policy Priorities

The Texas Association of Business (TAB) supports initiatives that encourage economic growth and protect the pro-Texas, pro-jobs philosophy. Our purpose is to champion the best business climate in the world, unleashing the power of free enterprise to enhance lives for generations.

### Economic Development

The Texas Association of Business is committed to advancing policies that maintain and enhance Texas as a global economic powerhouse and the best state for business. Recognizing that the state's economic success is rooted in a combination of good tax, workforce, infrastructure, regulatory, and economic incentive policies, TAB advocates for a holistic approach to economic development. Each of our priorities plays a critical role in attracting and retaining jobs, investments, businesses, and company headquarters to our state. In the face of rising competition from other states and nations, TAB emphasizes the importance of state and local policies that incentivize job expansion and business relocation efforts. As the 8th largest economy in the world, Texas is uniquely positioned to attract talent and businesses globally. Through property tax reform, all-of-the-above-and-below energy expansion policies, affordable housing, workforce development, and strategic economic development initiatives, TAB aims to ensure that Texas continues to lead the nation and compete on the global stage

### TAB's Economic Development priorities include:

#### Economic Development Tools

- Support Governor Abbott's exceptional item requests to sufficiently fund programs administered through the Economic Development & Tourism division to keep all tools in the toolbox, including replenishing the Texas Enterprise Fund.
- Support the implementation of Governor Abbott's new Texas Statewide Economic Development Plan, including supporting target industry and workforce initiatives to ensure our state remains a global economic powerhouse while maintaining and improving quality of life for all Texans.
- Support government tax policies and incentive programs that are effective in increasing investment to create new jobs and expand economic activity.
- Support specific exemptions, like those for manufacturing use, construction and electricity use, as well as reasonable abatements, enterprise funds, the Texas Moving Image Incentive Program and reinvestment zones.

- Support making childcare more affordable and accessible for working families by encouraging workforce participation through cost-sharing arrangements like the Tri-Share model.

### **Gaming**

- TAB supports legislation that gives Texans the opportunity to vote for the creation of destination resorts with gaming in the state.
- TAB opposes efforts to add restrictions to fantasy sports in Texas.

### **Global Collaboration**

- Expand Texas' global presence by establishing State of Texas foreign offices in strategic locations, thereby attracting increased foreign direct investment and promoting Texas businesses abroad.
- Support existing State of Texas foreign offices in Mexico and Taiwan.
- Encourage domestic and foreign start-ups to scale up in Texas.

### **Incentive Modernization**

- Support local and state economic development incentives to attract new and expand existing, large capital-intensive projects in Texas, including advanced technology, bioscience manufacturing, semiconductor manufacturing, and energy-related projects that benefit state and local economies.
- Support and sufficiently fund all current local and state incentive programs administered through the Governor's Texas Economic Development & Tourism (EDT) division and other state incentive and job training programs such as, but not limited to, the Texas Enterprise Fund.
- Support efforts to modernize systems across government agencies to reduce administrative burdens, increase efficiency, promote innovation, enhance transparency, and provide cost savings to businesses and taxpayers, including through programs like JETI and other economic development incentives.

### **Infrastructure Resiliency**

- Establish sustainable funding for broadband thereby securing connectivity to improve online access to government services, telework, telemedicine, and rural economic development.

### **Innovation**

- Support and encourage private industry to create a more productive and innovative economy in high-growth sectors. Texas' success will be dependent on our ability to create and cultivate innovation-intensive companies, greater research, and commercialization capacities, more abundant sources of domestic capital, successful and skills-focused education and workforce development efforts and deeper and more resilient Texas-based supply chain capabilities.
- Explore mechanisms within existing Texas investments to support Texas-based venture capital for Texas-based small, high growth companies (start-ups), including but not limited to a small business credit initiative.
- Enhance the state's identification of transformative research opportunities to help Texas' competitiveness in becoming a global technology leader:

- Public equity matching incentive for attracting core semiconductor design, prototyping, and packaging and/or for core research assets/improvements – broaden language
- Review and extend the R&D tax credit to remain a global technology leader in transformative research. Support changes that are more efficient, less costly administratively, and streamline bureaucratic processes. If beneficial, improve alignment with federal R&D credit to maximize utilization and effectiveness.
- Support state offices including the Texas Space Commission and Texas Semiconductor Innovation Consortium to ensure Texas remains a leader in these fields and continues attracting businesses and employees in this space.
- Support the exploration of a Texas dual-use fund to expand innovation opportunities that will benefit both public and private interests.
- Support the development of policy for Advanced Air Mobility (AAM) efforts in Texas.

### **Responsible Regulatory Environment**

- Ensure Texas maintains a low regulatory burden to maintain its competitive, business-friendly environment.
- Support efforts that encourage responsible state rulemaking implementation and ensure final rules comply with legislative intent.

### **Taxpayer Solutions**

- Support policies that reduce tax burdens for entrepreneurs and employers, develop a skilled workforce, and retain and improve Texas sound regulatory climate and support efforts to modernize systems across government agencies to reduce administrative burdens, increase efficiency, promote innovation, enhance transparency, and provide cost savings to businesses and taxpayers.
- Retain and improve tax exemptions for employers to encourage job creation; maintain energy, manufacturing, supply chain reliability; reduce dependence on other nations and states; and help support increased economic opportunity and productivity throughout our state.

## **Education & Workforce Development**

Texas is a beacon of prosperity to the nation and the world. Businesses move here because they are confident in the strength of our workforce. To continue to grow the talent advantage Texas offers businesses, TAB is committed to advocating for data-driven policies and programs that help to ensure every student from grades K-12 and throughout adulthood is prepared to earn a self-sufficient wage with no remediation and minimal debt.

### **TAB's education & workforce priorities include:**

#### **K-12 Education**

##### ***Building the Foundation for the Future***

- Support data-driven efforts to improve student outcomes to better prepare students for the jobs of the future. Support investments in strategies that will improve student outcomes and help ensure our future workforce can power the state's economy.
- Ensure evaluation tools, including annual state assessments, remain intact to accurately measure student's and school's academic progress. Ensure parents have access to timely and actionable academic progress data and access to resources, such as tutoring and interventions, that can help close learning gaps.
- Ensure the A-F school accountability ratings system remains intact and accurately evaluates school district performance, through outcomes-based metrics that are easily comparable across districts. Improve the alignment of the state's K-12 accountability system to the state's long-term workforce needs, with a focus on rewarding those rigorous pathways that involve postsecondary credential attainment and collegiate readiness without remediation.
- Support efforts to ensure that all students are reading and doing math on grade level especially by 3rd grade) including HQIM, teacher supports, and parent notifications.
- Support the recommendations from the Teacher Vacancy Task Force that strengthen the teaching profession with an emphasis on the recruitment and retention of a high-quality teaching workforce.
- Improve educator preparation programs to align with research-based best practices.
- Increase access to educational options that address students' unique interests, needs and strengths, including high-quality virtual education, competency-based education models to accelerate student learning, and dual language programs.
- Facilitate and foster partnerships between employers, high schools and community and technical colleges to expand access to work-based learning, apprenticeships, and career exploration, without sacrificing academic standards or a student's ability to pursue postsecondary education.
- Expand access to programs and courses that support increased credential and postsecondary attainment including advanced coursework, career and technical education (CTE), dual credit, micro credentials, and access to credentials of value that align with regionally based high-wage, high-demand occupations.
- Ensure Advanced placement (AP) and International Baccalaureate (IB) programs have a sustainable funding model to meet growing demand for rigorous coursework in Texas high schools.

- Expand existing reforms to secure state funding that reimburses school districts for administering college readiness assessments, thereby increasing access for more students statewide, particularly in rural areas.

## **Postsecondary and Workforce Education**

### *Addressing Barriers to Employment*

- Sustain Texas' investment in outcomes-based funding for public community colleges:(HB 8 - 88R) Work to ensure community colleges' incentive structures are aligned with regionally based employer needs and lead to self-sufficient wage jobs. Support implementation and legislative enhancements that may further these efforts such as:
  - Allow community colleges to receive state funding for students who transfer to 4-year university including Texas private universities
- Continue to support and promote the Tri-Agency Workforce Initiative and advocate for improved data sharing between agencies and the public. Partner with the three agencies to help ensure the business community is informed and will engage in the Tri-Agency effort.
- Ensure that resources and pathways for reskilling and upskilling are available for adult learners and incumbent workers, including via expanded access to career-aligned short-term and micro-credentials of value.
- Support efforts to improve the process by which an employer can partner with providers to offer new certificates, micro credentials, or other credentials of value to meet employers' emerging hiring needs, including second chance employees. Improve access to high quality postsecondary opportunities for incarcerated Texans – from credentials of value to Master's degree programs.
- Support initiatives to eliminate barriers for employers seeking to employ individuals with developmental disabilities and expand opportunities to foster the integration of this population within the workforce.
- Support and monitor workforce education and training programs that lead to credential attainment creating pathways to employment in high-demand occupations, such as with the TRUE (Texas Reskilling and Upskilling Through Education) Initiative (SB 1102 - 87R) or the Texas Workforce of the Future Fund (HB 1755 - 88R), grant programs such as the JET (Jobs & Education for Texans) program, and other similar opportunities.
- Support strategies that make re-entry to civilian employment more straightforward for veterans, including integration of military spouses, with licensing reform needed to smooth employment paths for success.
- Promote expanding adult charter schools that provide competency-based educational models and concurrent industry-based certifications, with stable funding through workforce and adult education funding streams.
- Support measures to develop effective long-term solutions for increasing access to affordable high-quality childcare and before and after-school programming.
- Support measures to increase access to “missing middle” housing by reducing unnecessary regulations and permitting restrictions and allowing property owners to use their private property for its highest and best use.

## **Employer Relations**

TAB supports employers' rights to foster a thriving economic environment, preserve workplace flexibility, and promote job growth. By protecting an employers' ability to manage their businesses effectively, TAB ensures that companies can adapt to changing markets, attract and retain talent, and drive innovation. Supporting these rights helps sustain Texas' reputation as a pro-business state, enabling economic success and opportunity for employers and employees alike.

### **TAB's employer relations priorities include:**

#### **Support policies that uphold and enhance an employers' ability to freely engage in contractual arrangements with their employees.**

- Oppose any efforts to modify applicable law upholding an employer's right to establish a mandatory arbitration program applicable to at-will employees.
- Oppose efforts dictating how private employers interview, hire, and pay candidates for employment, structure their application, and/or offers of employment.
- Oppose legislation that would erode employment-at-will as a right for all Texas employers and employees.
- Oppose any unnecessary or excessive restrictions on non-compete agreements already regulated under the Texas Business & Commerce Code § 15.50.
- Support the current version of the Texas Human Rights Act and protect employers from changes that could create additional litigation including the utilization of administrative remedies to protect the rights of all involved parties while decreasing the load on the court system.
- Support efforts to keep Texas as a right-to-work state and oppose agency shop legislation.

#### **Preserve employers' ability to implement policies and choose benefits tailored to the specific needs of their workforce.**

- Oppose attempts to restrict the rights of employers to conduct random and/or universal drug testing of employees.
- Support efforts to maintain employers' prerogative to control the workplace, thereby creating a safe, satisfying, and harmonious work environment.
- Advocate for empowering employers to seek injunctions on behalf of employees to address workplace harassment effectively while ensuring this measure does not introduce additional liabilities for employers.
- Oppose any expansion of collective bargaining rights in the public sector, as the existing framework successfully balances employee participation and maintains the continuity of essential public services.
- Oppose the expansion of existing legislation permitting the storage of legally owned firearms in company-maintained parking lots.

- Oppose initiatives requiring private employers or allowing public employees to subsidize or endorse labor unions or similar organizations through payroll collection of dues and contributions.
- Oppose initiatives such as “predictive scheduling” laws that would limit the rights of employers to set work schedules and modify them as they see fit.
- Support initiatives to amend Chapter 61 of the Labor Code to permit wage deductions for any item legally allowable under the FSLA without requiring specific written authorization. Additionally, support implementing a cap on the amount of wages that can be claimed under this statute.
- Support efforts to limit municipal laws and regulations affecting employment practices of private employers.
- Support reforms to wage and hour laws that give employers and employees greater flexibility in managing hours works within a pay period before overtime pay is required.
- Support increased flexibility to classify workers as exempt from overtime or as independent contractors.
- Strongly uphold and maintain the current law on pay equity to ensure fair and consistent compensation practices.

**Support measures that reduce the burden on employers and limit the potential for excessive litigation within the unemployment insurance program.**

- Support transferring control of federally mandated programs such as Unemployment Insurance (UI) to the states to reduce employers’ tax burdens and enhance local oversight of workforce-related initiatives.
- Cap UI benefits to 20 weeks when the state’s average unemployment rate for the previous calendar year falls below five percent.
- Oppose efforts to modify the Family and Medical Leave of Absence (FMLA) including any initiatives to require employers to pay for FMLA leave with UI taxes.
- Support legislation that allows the Texas Workforce Commission (TWC) to hire outside contractors on a pay-for-performance basis to assist in unemployment fraud detection and remedies.
- Support legislation to allow employers to apply a portion of their unemployment insurance taxes toward the cost of training workers for their businesses.
- Revise the Texas Unemployment Compensation Act (TUCA) definitions of “able and available” to meet the revised federal standards statute.
- Amend TUCA to grant reimbursing employers with relief from liability for benefits paid when an employee’s resignation is not for good cause related to the job or when claims are determined to be void and/or fraudulent.
- Support measures that increase the flexibility of the voluntary contribution provisions under the Labor Code §) 204.048 including the ability for employers to pre-pay additional contributions to guard against potential future tax increases from unanticipated chargebacks.

- Support legislation that ensures employers are exempt from unemployment benefit claims associated with severance agreement payments provided to departing employees.
- Oppose legislation that expands eligibility for unemployment insurance benefits without including provisions to protect employers' accounts from chargebacks.
- Support the removal of any legal obstacles in the collection of benefit overpayments to increase UI program integrity.
- Support fundamental reforms to the unemployment insurance system by replacing federally controlled programs with individual Unemployment Savings Accounts (USAs). These accounts would empower employees by providing funds for unemployment, job training, or as a supplement to retirement income when needed.



## **Energy & Natural Resources**

Texas is the #1 energy provider in the US. Energy is central to every issue — economic development, supply chain, national security, transportation, infrastructure, and more. TAB leads efforts to create both economic and sustainable policies that allow businesses to thrive in a free enterprise market while preserving the environment, positioning Texas as a leader in clean energy and maintaining low power prices.

### **TAB's energy & natural resources priorities include:**

#### **Energy Markets**

- Encourage healthy economic growth in Texas by promoting the production and adequate supply of all forms of energy at competitive prices.
- Advocate for the protection of the Texas energy-only market to keep costs low.
- Ensure that there is adequate state-wide transmission capacity to account for increased electrification and datacenters, opposing plans or components that allow the state to disproportionately treat businesses differently than residential customers.
- Support the implementation of proven, market-ready, and cost-effective new technologies that encourage greater energy efficiency and meet the state's growing energy demands.
- Promote an "all-of-the-above-and-below" energy strategy that is balanced and cost-effective to ensure a more reliable and consistent electric grid, including support for traditional oil and gas, solar, wind, nuclear, carbon capture, geothermal, hydrogen, and battery storage.
- Support the nuclear energy industry, including the development of SMRs and the exploration of nuclear waste recycling opportunities.
- Establish state-wide policy and tax strategies necessary to attract and facilitate the utilization of hydrogen, battery storage, carbon capture, sustainable aviation fuel, geothermal energy, and nuclear, including small modular reactors (SMRs), among others.
- Support continued PUC jurisdiction over electric transmission service rates in Texas, consistent with SB 1938, enacted by the 86th Legislature.
- Prioritize funding for state regulatory agencies critical to supporting Texas' infrastructure and economy, including pipelines, refineries, and renewable facilities.
- Ensure that agencies like the Public Utility Commission of Texas (PUCT), the Texas Commission on Environmental Quality (TCEQ), and the Texas Railroad Commission (RRC) receive adequate funding to run effective regulatory programs.
- Support voluntary, economy-wide, free-market solutions for energy conservation and demand response that reduce costs, maximize energy infrastructure investment, and promote competitive economic development.
- Oppose discriminatory permitting, citing, or proposals that unfairly target specific energy resources. Such policies would undermine Texas' leadership as an 'all-of-the-above-and-below' energy producer, increase red tape, reduce investor confidence, and violate private property rights when Texas needs more energy to meet rising demand.

- Support legislative proposals that effectively mitigate the risk of wildfire ignition by electric infrastructure and help limit expected increases in electric company insurance premiums which are ultimately borne by customers. Oppose legislative proposals that favor a specific technology or vendor or present an undue burden on electricity providers and their customers.
- Support industry-driven initiatives that address the state's growing critical infrastructure needs, including dedicated water supply, electricity, and other essential services.
- Support the growth of the data center industry by promoting a positive regulatory and tax environment.

### **Natural Resources**

- Support the Texas Railroad Commission's application for primacy over Class VI injection wells for carbon capture and storage to streamline permitting, ensure regulatory certainty, and maintain Texas' competitive edge in energy innovation and development.
- Support efforts to position Texas as a leader in Carbon Capture and Sequestration (CCS), ensuring clarity in the statute of ownership of subsurface storage space and protecting CCS projects from frivolous litigation.
- Support statewide strategies to provide an adequate and cost-effective supply of water resources, including the exploration of a dedicated source of funding for water infrastructure.
- Support state statutory and regulatory flexibility to create more robust water markets, desalination, produced water recycling, and other innovative technologies required for an enhanced water supply in all parts of the state necessary to meet its growing population and industrial needs.
- Support funding for the RRC's efforts to plug orphaned wells in Texas.

### **Environmental Stability**

- Encourage a balanced approach to developing and conserving the state's natural resources.
- Oppose efforts to expand local governments' authority to implement environmental regulatory programs that conflict with statewide regulation by the RRC, TCEQ, or other state agencies.
- Support a required transition period and procedure for municipalities changing from an open market to an exclusive franchise market to ensure municipal solid waste services are available at a reasonable cost. This period and procedure should provide notice to affected customers, recovery of private sector investments required to service the open market, and ensure no service interruptions.
- Support the strict and uniform application of state law and regulations in the permitting processes of state environmental and natural resource agencies.
- Oppose efforts that would create or expand opportunities to delay or obstruct the permitting process. Permitting should be solely determined on the basis that a permit satisfies all statutory and regulatory requirements. When a permit application is heard by State Office of Administrative Hearings (SOAH), the referring agency's statutory and regulatory rules should govern the hearing. The referring agency should maintain its duty and authority to accept, deny or modify the decision from SOAH.

## Federal Support

- Ensure that Texas receives its fair share of federal resources, promoting economic development, reducing air pollution, and advancing clean energy in Texas.
- Advocate for reasonable regulatory frameworks opposing broad, or unnecessary, laws that could stifle energy production.
- Ensure that Texas will push back against federal mandates that harm the energy businesses, e.g., the recent federal pause on new LNG exports.
- Promote nationwide and international use of energy generated within Texas.
- Advocate for the protection of Texas-specific federal incentives to stimulate the growth of innovation and the energy industry in Texas.

## **Healthcare Priorities**

The Texas Association of Business (TAB) champions healthcare policies that create a thriving business environment and promote a healthier Texas. TAB prioritizes reducing unnecessary costs, expanding healthcare options for employers and employees, and improving access to quality care statewide. By driving innovation, ensuring transparency, and maintaining regulatory balance, we empower businesses to deliver meaningful healthcare benefits and build a robust, efficient healthcare system for all Texans.

### **TAB's healthcare priorities include:**

#### **Protecting employers and employees from legislation that increases health care costs**

- Preserve employer, employee, and health plan benefits of ERISA by opposing any attempt to erode the federal preemption of state law relating to health benefit plans.
- Oppose statutory & regulatory mandates that increase the long-term cost of health care to employers.
- Support measures that would increase the efficiency and cost-effectiveness of health care.
- Support legislation to improve the administration of health care services and lower administrative burdens for employers.
- Support legislation to require a state agency to conduct a cost-benefit analysis of the impacts of any proposed healthcare mandates on public and private employers before it can be adopted by the legislature.

#### **Expanding the choices available for employers to purchase health insurance**

- Support “Consumer Choice of Benefit” health plans in the state-regulated market to give employers an additional, low-cost option when purchasing health benefits for their employees. Consumer Choice of Benefit plans include insurance products that eliminate all contract, benefit, and regulatory mandates that exceed federal requirements.
- Support measures to provide stability in the individual state-regulated and group health insurance marketplace and provide appropriate coverage options that are affordable and accessible to employers and enrollees.
- Support small businesses in expanding access to affordable health coverage by promoting the adoption of Individual Coverage Health Reimbursement Arrangements (ICHRA) and cooperative arrangements, enabling employers to offer flexible, federal and state tax-advantaged healthcare benefits tailored to their employees' needs.

#### **Improving access to the healthcare delivery system**

- Support expanding the use of telemedicine to reduce costs and increase access to medically necessary care.
- Support removing barriers to top of license practice for Advanced Practice Registered Nurses (APRNs), Physician Assistants (PAs), and Pharmacists to reduce healthcare system inefficiencies and boost healthcare outcomes.

- Increase the number of health care providers available to Texans without sacrificing quality of care by removing regulatory barriers to qualified providers moving to the state.
- Support efforts to give all workers, consumers, and employers convenient access to tests and vaccines through multiple types of health facilities and practitioners.
- Support innovative value-based care models that improve health outcomes and reduce cost throughout the health care system.

### **Support access to cost-effective, high-quality Medicaid & CHIP programs to improve population health and reduce social barriers to care**

- Continue supporting Medicaid managed care delivery throughout the state and ensure MCOs continue to fulfill access and service obligations to enrollees.
- Ensure HHSC is equipped with sufficient resources and processes to support Medicaid managed care delivery in Texas.
- Support policies that improve outreach to families eligible for but not enrolled in Medicaid & CHIP, including strategies that smoothly transition children and new mothers who are no longer eligible for Medicaid & CHIP to other types of coverage.
- Support outreach and coverage for women on Medicaid for 12 months post-delivery to improve the health outcomes of mothers and babies.
- Support policies that keep rural hospitals open and promote access to Labor & Delivery services. These services are necessary to maintain economic vibrancy throughout Texas by making smaller towns and rural areas more attractive to younger Texans and employers.
- Support policies that improve the behavioral health continuum of care by adding services to Medicaid and CHIP including intensive outpatient programs and partial hospitalization programs.
- Support legislation that will reduce the number of uninsured Texans by decreasing the cost of state-regulated health insurance while maintaining meaningful coverage.

### **Support systemwide strategies to improve the value of health care**

- Adequately fund the Texas All-Payer Claims Database to allow public access at reasonable cost and to maximize the value of the data to ensure transparency and accountability for decision-makers tasked with improving the state's population health.
- Empower employees and consumers with information regarding the cost and quality of healthcare services.
- Support efforts to promote competition and increase transparency of healthcare price and quality data.
- Support policies to eliminate waste, fraud, and abuse of healthcare dollars.
- Protect the ability of health insurers and health benefit plans to negotiate contracts with health care providers without government interference.
- Oppose the expansion of non-economic damages in medical liability litigation to prevent needless increases in medical cost and litigation.
- Support policies to improve the state's medical bill dispute process to reduce the number of "surprise bills" and efficiently decide fair and reasonable payments.

## **Small Business Priorities**

TAB is committed to making sure businesses of all sizes have access to economic tools that allow them to succeed. Small businesses are an important part of the economy providing opportunities in their communities and in hard-to-reach markets across the state, supporting job growth and fueling the Texas economy. Texas is home to 3 million small businesses that employ nearly half of all working Texans.

### **TAB's Small Business Priorities include:**

- Support measures that reduce the tax burden for small businesses and introduce incentives to stimulate economic development, supporting businesses of all sizes and expanding opportunity across all communities.
- Support government tax policies and incentive programs that are effective in increasing investment to create new jobs and expand economic activity.
- Explore mechanisms within existing Texas investments to support Texas-based venture capital for Texas based small, high growth companies (start-ups), including but not limited to a small business credit initiative.
- Retain and improve tax exemptions for employers to encourage job creation; maintain energy, manufacturing, supply chain reliability; reduce dependence on other nations and states; and help support increased economic opportunity and productivity throughout the state.
- Maintain franchise tax relief for small businesses.
- Support solutions that allow small business access to affordable, stable health insurance for them and their employees.
- Oppose statutory & regulatory mandates that increase the long-term cost of healthcare to employers.
- Support legislation to improve the administration of health care services and lower administrative burden for employers.
- Support “Consumer Choice of Benefit” health plans in the state-regulated market to give employers an additional, low-cost option when purchasing health benefits for their employees. Consumer Choice of Benefit plans include insurance products that eliminate all contract, benefit, and regulatory mandates that exceed federal requirements.
- Support measures to provide stability to the individual state-regulated and group health insurance marketplace and provide appropriate coverage options that are affordable and accessible to employers and enrollees.
- Support small businesses in expanding access to affordable health coverage by promoting the adoption of Individual Coverage Health Reimbursement Arrangements (ICHRA) and cooperative agreements, enabling employers to offer flexible, federal and state tax-advantaged healthcare benefits tailored to their employees’ needs.
- Support policies that cultivate a skilled workforce and maintain Texas’ favorable regulatory environment, and modernize government systems to streamline processes, improve efficiency, and save costs for businesses and taxpayers.

- Ensure Texas maintains a low regulatory burden in order to maintain its competitive, business-friendly environment.
- Support efforts to modernize systems across government agencies to reduce administrative burdens, increase efficiency, promote innovation, enhance transparency, and provide cost savings to businesses and taxpayers, including through programs like JETI and other economic development initiatives.
- Oppose unfunded government mandates that shift the cost of financing programs to either the private sector or other levels of government.

## **Tax Policy**

TAB supports policies that reduce tax burdens for entrepreneurs and employers, develop a skilled workforce, and retain and improve Texas' sound regulatory climate.

### **TAB's tax policy priorities include:**

#### **Modernization and Efficiency**

- Support efforts to modernize systems across government agencies to reduce administrative burdens, increase efficiency, promote innovation, enhance transparency, and provide cost savings to businesses and taxpayers.

#### **Tax Exemptions**

- Retain and improve tax exemptions for employers to encourage job creation; keep Texas competitive; maintain energy, manufacturing, and supply chain reliability; reduce dependence on other nations and states; and help support increased economic opportunity and productivity throughout our state, including the creation of an employer-provided childcare tax credit.

#### **Research & Development Tax Credits**

- Review and extend the R&D tax credits to remain a global technology leader in transformative research. Support changes that are more efficient, less costly administratively, and streamline bureaucratic processes. If beneficial, improve alignment with federal R&D credit to maximize utilization and effectiveness.

#### **Federal Funding**

- Support state policies and programs that maximize the receipt and use of federal matching and other funds for state purposes.

#### **Balanced Tax Policy**

- Support property tax reforms, like tax compression, to equitably distribute the burden of business sector taxes among all businesses, including service and manufacturing. Oppose appraisal caps on all real property, which creates an unequal distribution of taxes over time. Oppose any plan that splits the property tax rolls either by rate or by making one a statewide tax. Oppose any tax plan or component that allows the state to treat businesses differently from homeowners.

#### **Inventory Tax**

- Support elimination or reduction of local inventory taxes.

#### **Small Business Tax Relief**

- Maintain franchise tax relief for small businesses.



## **Broadband**

- TAB supports tax policy encouraging investment and efforts to increase access to modern communications infrastructure.

## **Mandates**

- Oppose unfunded government mandates that shift the cost of financing programs to either the private sector or other levels of government.

## **New Regulatory Taxes**

- Oppose any new taxes to pay for additional regulatory programs. Oppose the imposition of any new fees to recover the cost of regulatory programs unless the program can be shown to clearly address a critical public need. Fees should only be assessed to recover the actual costs imposed on government by the activities of the regulated entities. The fees must reasonably allocate the costs between members of a regulated industry, and they must be adjusted periodically to actually match agency budgets and legislative appropriations.

## **Fund balances**

- Oppose any effort to reduce the budget of a fee-funded regulatory program for the purpose of redirecting the fee revenues to another purpose. Support efforts to reduce unobligated fund balances in regulatory fee funds by reducing fees to match expenditures and to eliminate overpayments by affected businesses and industries. Support legislative efforts to more clearly identify the source of funds for regulatory programs and fees that unfairly recover more than the costs of the programs that they pay for.

## **Tech and Innovation**

Technology is at the core of every Texas business regardless of size, sector, or region. TAB supports policies that build innovative, sustainable, technology and cybersecurity policies to ensure all Texas employers can succeed. Additionally, TAB advocates for policies that create an environment in Texas where companies can invest, innovate, and operate confidently within a competitive and predictable regulatory framework. According to the 2022 TAB [economic impact study](#), the tech sector significantly bolstered our state's economy, contributing \$469.75 billion- equivalent to 19.6% of total GDP.

**TAB's Tech & Innovation (*Tech Means Business*) policy priorities include:**

### **Artificial Intelligence, Machine Learning, Emerging Technologies**

When considering statewide legislation and the use of artificial intelligence and machine learning, TAB supports:

- Avoiding blanket prohibitions on artificial intelligence, machine learning, or other forms of automated decision-making. Reserve any restrictions only for specific, identified use-cases that present a clearly demonstrated risk of unacceptable harm, and narrowly tailor those requirements to the harms identified.
- Ensuring consistency and interoperability with existing regulatory structures by leveraging the National Institute of Standards and Technology (NIST) AI and machine learning benchmarks, standards, and policy development as a key resource for Texas innovators and policymakers.
  - promoting innovation, transparency, and economic opportunity while enforcing current existing anti-discrimination laws.
  - distinctions recognized between developers, deployers, AI, automated decision making, and end users
  - the burden being on the creator of content and not the business, platform, or method used to transmit, share, or broadcast that content.

### **Infrastructure**

- Support industry-driven initiatives that address the state's growing critical infrastructure needs, including dedicated water supply, electricity, use of small modular reactors, and other essential services.
- Support the growth of the data center industry by promoting a positive regulatory and tax environment.
- Promote an "all-of-the-above-and-below" energy strategy that is balanced and cost-effective to ensure a more reliable and consistent electric grid, including support for traditional oil and gas, solar, wind, nuclear, carbon capture, geothermal, hydrogen, and battery storage.

## **Investment in Advanced Technology**

- Support measures and programs that leverage our ranking as a top state for advanced technology and semiconductor R&D and manufacturing. Tech Companies are at the forefront of investing in R&D technology and infrastructure across a wide range of fields, from AI and robotics to healthcare.

## **Access to Capital**

- Support encouraging investment opportunities and access to capital, especially for smaller technology enterprises.

## **Talent Pipeline & Workforce**

- Support an all-of-the-above approach to workforce development that aligns with high demand tech jobs.
- Support programs that increase access to STEM and computer science instruction for students of all ages, including ensuring Texas supports the development of highly qualified STEM and computer science teachers.
- Support measures to increase access to attainable housing by reducing unnecessary regulations and permitting restrictions and allowing property owners to use their private property for its highest and best use.

## **Broadband**

- TAB supports policies that increase access to high-speed broadband by removing barriers to deployment, promoting collaborative efforts with experienced providers to leverage public resources, and encouraging broadband adoption through digital education — to improve online access to government services, telework, telemedicine and rural economic development.
- TAB supports tax policy encouraging investment and efforts to increase access to modern communications infrastructure.

## **Cybersecurity & IT Modernization**

- TAB supports continuing to modernize state agency IT to help combat cyber risks, allow all citizens to access more state information and services online, and improve the state's IT disaster recovery and telework regulatory framework.

## Tort Reform

TAB is committed to protecting Texas' reputation as the model for lawsuit reform.

### **TAB's tort reform priorities include:**

- Oppose legislation that creates new private rights of action that employees can use to sue their employers. TAB will oppose legislation that encourages lawyers to pursue economically unproductive litigation against Texas businesses.
- Support limiting the proliferation of 'nuclear verdicts' that result in unsustainable increases in the number and size of such verdicts in Texas; including amending the 2021 reforms enacted through HB 19 to ensure they effectively reduce commercial vehicle insurance costs by preventing meritless lawsuits.
- Protect past legislative reforms enacted to curb rising medical malpractice insurance costs and ensure access to care for all Texans. Protect the current cap on noneconomic damage in malpractice cases.
- Support measures that limit the ability of individuals and entities to use public nuisance lawsuits to implement policy changes through court decisions.
- Support business court judges receiving compensation on par with trial court judges. Furthermore, TAB supports broadening the jurisdiction of business courts to encompass a wide range of business-to-business disputes, thereby fostering a fair, efficient judicial system and promoting a pro-growth economy for businesses.
- Vigorously support First Amendment rights, including the early dismissal of lawsuits that impinge upon those rights. At the same time, TAB will work to prevent abuse of the Texas Citizens Protection Act when used simply as a method to delay meritorious lawsuits.
- Support initiatives to streamline the process for removing fraudulent Uniform Commercial Code (UCC) filings from public records. We advocate for granting the Secretary of State the authority to directly remove fraudulent filings. This proposed measure would safeguard businesses from the financial burden and time-consuming nature of civil litigation.

## **Transportation & Infrastructure**

Texas is a major transportation corridor for world trade. TAB will advocate for transportation and infrastructure improvements on behalf of ports, railways, airports, and the integration of emerging technologies and intramodality to facilitate more efficient goods movement.

### **TAB's transportation & infrastructure priorities include:**

#### **Ports**

- Support opportunities available to the Legislature or state agencies to facilitate ongoing efforts to improve the maintenance and modernization of commercial waterways and ports.
- Advocate for federal and statewide funding to enhance and expand port infrastructure to increase capacity for imports and exports across the state while lowering air emissions.
- Encourage the Legislature and regulatory entities to continue to prioritize port access and port improvements.
- Encourage port efficiency by advocating for greater cooperation between US Army Corps of Engineers and cooperating agencies to expedite permitting.

#### **Airports**

- Encourage utilizing funding for airport improvements across the state to increase and enhance traffic coming to and from Texas.
- Support the need for upgraded airport facilities with a focus on fueling infrastructure.
- Oppose “Not in my backyard” (NIMBYism) in necessary airport growth.

#### **Rail**

- Advocate for policies that support efficient cross-border traffic and trade.
- Oppose additional mandates on rail operations so rail companies can maintain flexible operations.
- Support increased funding to enhance local rail grade crossing separations, which are essential for improving safety and reducing traffic congestion across Texas.

#### **Auto/Highway**

- Support all modes of transportation in the implementation of new infrastructure.
- Support hydrogen fueling and electric vehicle charging for heavy-duty freight trucking and medium-duty distribution vehicles needed to maximize supply chain efficiencies and reduce air emissions.

#### **Emerging Technologies**

- Support legislative and infrastructural support to facilitate the safe and efficient integration of autonomous vehicles in Texas.
- Support the development of regulations and infrastructure necessary for the expansion of Advanced Air Mobility in Texas.

## **Funding**

- Ensure that Texas continues to maximize its allocation from the Infrastructure Investment and Jobs Act (IIJA) (e.g., broadband, ports, rail, and highway infrastructure) and that it is used to promote economic development and advance transportation capabilities in Texas.
- Support public-private partnerships to expedite project delivery to address the demand of the growing Texas population and to reduce supply chain efficiency.
- Advocate for financial resources from federal, state, and private sector investments to fund critical Texas Port of Entry projects, enhancing the flow of goods and reducing congestion.

## **Other**

- Support policies that enhance transportation infrastructure at the border, including improvements to roadways, ports of entry, and operational efficiency to reduce trade delays and facilitate smoother cross-border traffic and goods movement.
- Advocate to enhance penalties against cargo and organized retail theft impacting Texas businesses and consumers.

## **Workers' Compensation Priorities**

Through a series of legislative reforms, the Texas workers' compensation system has become the model for the country. TAB supports policies that protect and maintain the integrity of the Texas workers' compensation system and meet the legislative goals of providing adequate and timely benefits to injured employees at a reasonable cost to Texas employers. TAB also supports non subscription in Texas as a way for employers to effectively manage care for their injured employees.

### **TAB's workers' compensation and no subscription priorities include:**

- Support Air Emergency Services by supporting a state solution that provides predictable and reasonable prices for air ambulance services and ensures appropriate use.
- Oppose legislation that would increase attorney involvement in workers' compensation.
- Oppose any attempts to reverse the Ruttiger decision and oppose efforts to remove caps on exemplary damages for employer liability claims.
- Oppose legislation that would breach the exclusive remedy provision of the Texas Workers' Compensation Act by expanding eligibility to bring a civil action for negligence or gross negligence against an employer for a workplace injury or death.
- Support legislation encouraging zero tolerance for alcohol and illegal drug use on the job. Support efforts to strengthen the intoxication defense.
- Oppose legislation that would raise impairment benefit amounts or lower the threshold for supplemental income benefits. Ensure that any changes to income/indemnity benefits are based on reliable data and do not negatively affect return-to-work initiatives.
- Oppose efforts to mandate workers' compensation coverage.
- Oppose legislation that would expand coverage to include mental trauma resulting from a series of events over the lifetime of a career rather than a single traumatic event.
- Oppose legislation that would impose new requirements on nonsubscribers to workers' compensation or negatively affect non subscription plans.
- Oppose efforts to allow physician dispensing of prescription drugs.
- Oppose legislation that would expand presumptions in workers' compensation.
- Support legislation to limit damages and restrict the scope of action filed by a terminated employee for workers' compensation retaliatory discharge.
- Oppose legislation that attempts to reintroduce lump sum settlements, including medical lifetime benefits, into the Texas workers' compensation system.
- Support and preserve the current regulatory structure that prevents lawsuits against employers and property owners who provide workers' compensation insurance.
- Oppose legislation that would diminish the subrogation rights of employers and insurers in recouping money paid to claimants for third-party actions.
- Support efforts to expand the use of telemedicine/telehealth services in workers' compensation.
- Support legislation to specify that the defense of "no compensable injury" cannot be waived, regardless of any time constraints.