



TEXAS
ASSOCIATION OF
BUSINESS



TEXAS ASSOCIATION OF BUSINESS

THE TEXAS STATE CHAMBER

89th Legislative Session Results

Representing Companies of Every Size and Industry.

PRO-BUSINESS | PRO-TEXAS

A Message from Glenn Hamer

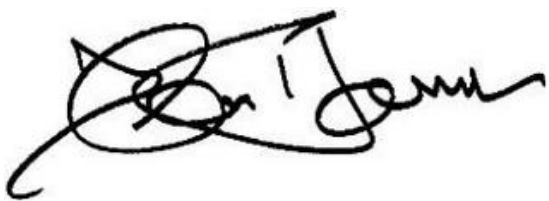
President & CEO, Texas Association of Business

The 89th Legislative Session delivered powerful wins for the Texas business community. From historic tax relief and regulatory modernization to bold investments in innovation, infrastructure, and workforce development, lawmakers responded to the needs of employers with action. Whether we led the charge, shaped the conversation, built coalitions, or made a positive impact behind the scenes, the policies outlined in this report reflect months of collaboration, engagement, and tireless advocacy—and the result is a stronger, more competitive business climate for Texas companies of every size and sector.

But just as important as what passed is what didn't. Behind the scenes, TAB worked day in and day out to stop a wave of proposals that would have increased costs, created new mandates, or undermined the freedom to operate. Our defensive work this session was as critical as our offensive efforts—and a reminder that keeping Texas the best place to do business requires constant vigilance.

I want to extend my sincere gratitude to our Chairman, Bill Jones, for his steadfast leadership throughout the session, and to the entire TAB policy team—Megan Mauro, Gabriela Perdichizzi, Faith Villarreal, and Jeff Emerick—for their unwavering dedication and tireless advocacy on behalf of our members at the Texas Capitol. Day in and day out, this team went above and beyond, navigating complex legislative challenges and ensuring that the voices of Texas businesses were heard and respected. Thank you for your hard work!

As we look ahead to the interim and the 90th Session, our work is far from over. The Texas Association of Business will continue championing forward-thinking policies, building strong coalitions, and standing up for the entrepreneurs, job creators, and innovators who power our economy. Together, we'll ensure Texas doesn't just lead the nation—we'll lead the world.



TAB

89th Legislative Recap



CARDS DROPPED



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89th RESULTS

TAB Top Business Wins



"This legislative session brought meaningful wins for the Texas business community. From targeted tax relief to smart reforms that reduce red tape and foster innovation, lawmakers delivered on key priorities that strengthen our state's economic competitiveness. These victories reflect the power of broad-based coalitions and strong engagement from business leaders across the state, working together to ensure Texas remains the best place to start and grow a business."

Glenn Hamer, TAB President & CEO

Maintaining the Best Business Climate in the Galaxy

✓ **HB 9 (Meyer / Bettencourt)** ★

Increases personal property tax (also known as inventory tax) exemption for businesses to \$125,000, up from \$2,500.

✓ **SB 2206 (Bettencourt / Geren)** ★

Extends and enhances Texas' R&D franchise tax credit, providing long-term certainty and improved incentives for companies investing in innovation. By eliminating the previous expiration date and streamlining the credit structure, this legislation strengthens Texas' position as the most competitive and business-friendly state in the nation for research-driven industries.

✓ **SB 29 (Hughes / Vasut)** ★

Establishes more legal certainty and protection for Texas business, codifies the business judgement rule, streamlines management of internal disputes, and creates clearer rules for corporate governance.

✓ **SB 2337 (Hughes / Leach)** ★

Requires disclosure and transparency for advisory proxy firms to foster a fairer and more predictable business environment, supporting more informed shareholders and strengthening investor confidence to uphold good corporate governance practices in Texas

✓ **HB 150 (Capriglione / Parker)** ★

Creates the Texas Cyber Command, to promote cybersecurity awareness, set standards and best practices, coordinate incident response, and collaborate with law enforcement and other partners to protect Texas governmental entities from cyber threats.

✓ **SB 1198 (Birdwell / Morales, E.)** ★

Designates spaceports as critical infrastructure facilities, extending existing criminal and civil liability protections to these sites, including those under construction and their associated equipment. This move strengthens Texas's commitment to the aerospace sector by protecting spaceport operations, making the state more attractive to commercial space enterprises and reinforcing its leadership in the global space economy.



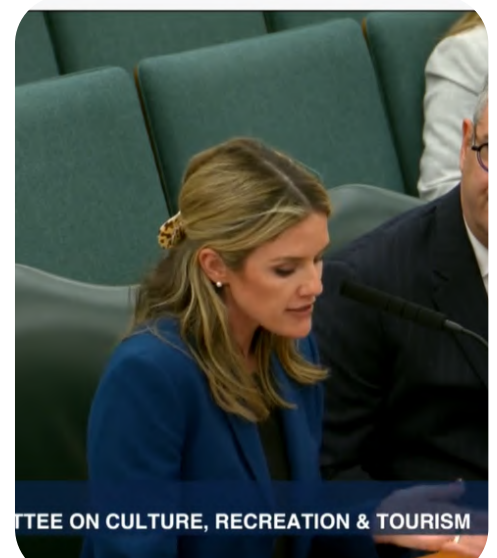
★ denotes "TAB TOP TEN"

89th RESULTS

TAB Top Business Wins

Harnessing Our Natural Resources & Securing Our Energy Future

- ✓ **SB 7 (Perry, Harris) ★**
\$2.5B immediate injection of water infrastructure funding, with an additional \$1B permanent funding every year. 50/50 split of funding for new infrastructure vs. legacy/existing repairs.
- ✓ **HB 14 (Harris, Schwertner)**
Creates the Texas Advanced Nuclear Energy Program, funded by the Texas energy fund, to provide grants of up to \$200 million per project. The grants are awarded based on megawatt capacity and include bonuses for using Texas-based manufacturing and workforce.
- ✓ **SB 6 (King / King)**
Enhances Texas's ability to manage the state's growing energy demands by granting ERCOT increased oversight of large electricity consumers, ensuring grid stability during peak periods. The bill mandates that substantial energy users contribute to infrastructure costs and disclose relevant project information, facilitating better demand forecasting and preventing overbuilding. By establishing clear guidelines for large load interconnections, SB 6 aims to support business development while maintaining system reliability and cost-effectiveness for all consumers.



Keeping Texans Healthy, Not Overregulated

- ✓ **HB 138 (Dean / Bettencourt) ★**
Creates a voluntary program at UTHealth Houston to conduct cost and public benefit analyses of proposed health insurance mandates using the Texas All Payers Claims Database (APCD), ensuring lawmakers have transparency, data-driven insights into the financial and coverage impacts of mandates before imposing new costs on employers and working families.
- ✓ **SB 1332 (Hancock / Hull)**
Delivers cost-saving flexibility for employers by allowing health plans to waive premiums when an employee becomes ineligible for coverage. This practical reform eliminates unnecessary spending and reduces administrative burdens, helping employer-provided insurance plans operate more efficiently and affordably.

★ denotes "TAB TOP TEN"

Preparing Texans for the Jobs of Today and the Careers of Tomorrow

✓ **HB 2 (Buckley / Creighton)** ★

Allocates record funding for public education of \$8.5 Billion, including pay raises for teachers and support staff, and targeted investments in special education and early childhood learning.

✓ **SB 1786 (Creighton / VanDeaver)** ★

Builds on the momentum of HB 8 (88R) by enabling more students to access high-quality dual credit opportunities, strengthens transfer pathways to include recognition of transfers to private and independent universities in Texas, and refines the definition and prioritization of credentials of value to enhance responses to labor needs.

✓ **HB 120 (Bell, K. / Schwertner)**

Further expands career training opportunities in high schools by aligning education with workforce demands, this legislation helps Texas companies grow, innovate, and remain competitive in a rapidly changing economy.

✓ **SB 2768 (Capriglione / Hinojosa, A.)**

IT Workforce Establishes a state-recognized information technology (IT) apprenticeship credential, which public junior colleges and technical institutes can offer to help address Texas' shortage of qualified IT workers

✓ **HB 1188 (Manuel / Zaffirini)**

Removes barriers to allow Texans with disabilities to connect with their intellectual and developmental disability authorities earlier in the process. Accelerating the referral process will improve long-term outcomes for students with disabilities in education, employment, and independent living.

✓ **HB 5629 (Wilson / Sparks)**

Streamlines the process for recognizing out-of-state licenses to make it easier for military service members and their spouses to work in licensed professions when relocating to Texas

✓ **HB 11 (Phelan / King)**

Increases occupational licensing reciprocity agreements with other states that have licensing standards similar to those in Texas, helping businesses fill job vacancies faster and increasing competition.



Expanding Housing Options and Strengthening Communities

- ✓ **SB 15 (Hughes / Hefner)** ★
Reduces costly and restrictive zoning barriers, allowing developers to build more housing on smaller lots, which lowers development costs, increases housing supply, and creates more opportunities for construction, real estate, and related industries to grow and thrive.
- ✓ **HB 24 (Orr / Hughes)**
Streamlines the zoning change process by exempting comprehensive zoning changes from burdensome protest requirements, making it easier and faster for businesses to develop property, expand operations, and respond to market needs without unnecessary delays.
- ✓ **SB 840 (Hughes / Hefner)**
Streamlines and standardizes municipal zoning and development regulations for mixed-use and multifamily residential projects, removing barriers and enabling the creation of more housing opportunities.

Ensuring Affordable, Quality Childcare for Workforce Stability and Growth

- ✓ **HB 117 (Schoolcraft, Campbell)**
Creates Governor's Task Force for Early Ed to address workforce and childcare needs.
- ✓ **SB 1265 (Alvarado, Harris Davila)**
Creates a free, online resource hub for employers to access childcare resources for their workforce, at no cost to the state. This will be especially beneficial for Texas' more than 3.3 million small businesses.
- ✓ **HB 3963 (Capriglione, Paxton)**
Improves cross-agency data sharing on early childhood programs, allowing policymakers to prioritize ROI while safeguarding privacy and security.
- ✓ **SB 462 (Kolkhorst, Harris Davila)**
Shores up childcare capacity for all working families by creating a priority category for childcare workers to access scholarships for their own children without waiting for months or years on a waitlist.

Enhancing Business Taxpayer Rights

- ✓ **SB 266 (Perry, Craddick)** ★
Gives businesses greater predictability in managing tax disputes by allowing businesses to bypass the SOAH process. This provides more flexible, efficient, and less burdensome options for disputing the results of a managed audit.
- ✓ **HB 1533 (Button, Bettencourt)**
Makes it easier for businesses to access vital information about their property valuations and any changes by requiring appraisal districts to maintain an up-to-date website and post completed appraisal records.

89th RESULTS

TAB Top Business Wins



TECH MEANS BUSINESS
ALL BUSINESSES ARE TECH
BUSINESSES

"TAB champions the business voice when it comes to advancing technology, innovation, and energy demand at the Texas Capitol. The Tech Means Business Coalition stands as the premier alliance for businesses, chambers, and start-ups, driving investment and shaping forward-thinking policy in Texas. Our mission is to ensure Texas remains at the forefront of tech and innovation, empowering all Texas businesses to thrive and compete on a global stage."

-Glenn Hamer, TAB President & CEO

Driving Texas Forward: Empowering Tech and Innovation for Economic Growth

✓ HB 150 (Capriglione, Parker)

Creates the Texas Cyber Command, to promote cybersecurity awareness, set standards and best practices, coordinate incident response, and collaborate with law enforcement and other partners to protect Texas governmental entities from cyber threats.

✓ HB 4751 (Capriglione, Parker)

Creates the Texas Quantum Initiative to accelerate innovation and investment in quantum computing, positioning Texas as a leader in a rapidly growing industry with the potential to revolutionize sectors like cybersecurity, finance, energy, and healthcare.

✓ SB 21 (Schwertner, Capriglione)

Creates Texas's Strategic Bitcoin Reserve for cryptocurrency investment to attract blockchain and tech sector investment, encourage collaboration between the public and private sectors, and boost the state's reputation as a forward-thinking hub for financial technology.

✓ HB 149 (Capriglione, Schwertner)

Creates guardrails while promoting innovation and maintaining a light regulatory touch.

HB 2768 (Capriglione, Hinojosa)

✓ Establishes a state-recognized information technology (IT) apprenticeship credential, which public junior colleges and technical institutes can offer to help address Texas' shortage of qualified IT workers.



In addition to major legislative wins, TAB played critical defense to protect Texas businesses from legislation that would have created significant compliance challenges and uncertainty for Texas businesses. TAB advocated for policies that protect national security while ensuring that Texas companies with legitimate international partnerships are not unfairly penalized or discouraged from engaging in global commerce.

TAB led efforts to safeguard Texas's business environment by ensuring that AI-related policies foster innovation, growth, and investment rather than stifle them. Through proactive engagement with lawmakers and stakeholders, TAB advocated for balanced regulations that protect consumers while maintaining Texas's status as a global leader in technology and economic development

89th Results - Budget Highlights

Tax Relief

- Property Tax Relief Package (SB 4/SJR 2/SB 23/SJR 85/HB 9/HJR 1): **\$10 billion** in total relief including **\$3.9 billion** to raise the residential homestead exemption to \$140,000, an additional \$60,000 exemption increase for homeowners over 65 and disabled, and an expanded \$125,000 exemption for the business personal property tax.

Economic Development & Innovation

- Texas Advanced Development Fund (HB 14): **\$350 million** to support the nuclear energy industry.
- Space Exploration & Aeronautics Research Fund: **\$300 million** for space exploration initiatives.
- Texas Semiconductor Innovation Consortium (SB 1758): **\$250 million** for domestic chip production.
- Moving Image Industry Incentive Program: **\$250 million** to grow Texas' film and media industry.
- Texas A&M Advanced Technologies: **\$167 million** for quantum computing and AI chip fabrication.
- Governor's University Research Initiative: **\$20 million** to recruit top research talent.
- Texas Strategic Bitcoin Reserve (SB 21): **\$10 million** investment in digital asset innovation.
- Texas-Israel & UK Trade Offices: **\$2.1 million** investment to expand global trade relationships.

Infrastructure & Technology

- Texas Energy Fund: **\$5 billion** to enhance grid reliability.
- Texas Water Fund (SB 7/HJR 7): **\$2.6 billion** one-time investment plus **\$1 billion** in recurring annual funding (pending voter approval) to secure Texas' water infrastructure.
- Texas Cyber Command (HB 150): **\$135 million** to bolster cybersecurity capabilities of Texas businesses.
- Railroad Grade Crossing & Separation Program: **\$100 million**
- Well Plugging Program: **\$100 million** to address abandoned oil and gas wells for future land development.
- Texas A&M-Galveston Maritime Infrastructure: **\$43 million** to strengthen Texas' coastal business industries.
- Small & Micro-Business Disaster Recovery Loan Program: **\$6 million** for business resiliency.

Education & Workforce

- Public School Finance: **\$8.5 billion** for teacher pay raises including targeted investments for special education, early childhood learning, and school safety.
- Texas University Fund: **\$1.3 billion** to elevate research institutions.
- Higher Education Research Funding: **\$400 million** to address backlog in eligible research programs.
- Community Colleges Formula Funding: **\$89.5 million** to support workforce training growth.
- Child Care Services Program: **\$100 million** to address the child care crisis for working families.
- Unemployment Compensation Fund: **\$68 million** to prevent unemployment tax increases for employers.

Other Notable Business Wins

The budget delivers a strong return for Texas employers. Cutting taxes, investing in innovation, safeguarding infrastructure, and expanding Texas' global economic footprint. Key wins include the establishment of foreign trade offices in Israel and the United Kingdom to expand global business ties, the creation of the Texas Regulatory Efficiency Office to streamline agency operations, the launch of a statewide Strategic Bitcoin Reserve, targeted judicial salary increases to support legal infrastructure, and major investments in data modernization to improve government efficiency and business-facing services. These forward-looking, pro-growth measures position Texas businesses to lead in both the national and global economy.

“Texas continues to lead the nation—and the world—as the best place to invest, innovate, and grow a business. This session, we delivered bold, forward-looking policies that strengthen our competitive edge, from modernizing R&D incentives to expanding global trade ties and safeguarding our space and innovation infrastructure. These wins send a clear message: Texas means business.”

— Glenn Hamer, President & CEO, Texas Association of Business”

HB 2206 (Bettencourt / Geren)

Results: **PASSED**

Extends and enhances Texas’ R&D franchise tax credit, providing long-term certainty and improved incentives for companies investing in innovation. By eliminating the previous expiration date and streamlining the credit structure, this legislation strengthens Texas’ position as the most competitive and business-friendly state in the nation for research-driven industries.

SB 2337 (Hughes / Leach)

Results: **PASSED**

Increases transparency in corporate governance by requiring proxy advisory firms to disclose when recommendations are influenced by non-financial factors or when conflicting guidance is given on the same issue. This ensures Texas investors and companies have the clarity needed to make informed decisions, supporting fiduciary responsibility and reinforcing Texas as a trustworthy and competitive place to do business.

HB 4850 (Button / King)

Results: **PASSED**

Modernizes Texas’s economic development strategy by refining programs within the Office of the Governor, with a particular focus on semiconductor innovation and aerospace advancement. By streamlining governance structures, updating the “Made in Texas” labeling criteria, and enhancing strategic planning for key industries, this legislation strengthens the state's competitive edge and reinforces its position as a global leader in high-tech manufacturing and investment attraction.

HCR 90 (Capriglione, / King)

Results: **PASSED**

Reaffirms Texas's commitment to its longstanding partnership with Israel by expressing support for establishing a Texas Trade and Investment Office in Jerusalem. This initiative aims to enhance bilateral trade and investment, particularly in sectors such as technology, cybersecurity, energy, and agriculture, thereby strengthening Texas's position in the global economy.

Economic Development

(continued)

SB 14 (King / Capriglione)

Results: **PASSED**

The Regulatory Reform and Efficiency Act removes barriers to small business success by overhauling how state agencies adopt rules and impose regulations. It creates the Texas Regulatory Efficiency Office within the Governor's Office to identify and expand opportunities to eliminate unnecessary rules, reduce training hours, minimize forms and fees, and narrow the scope of regulated activities.

SB 1197 (Birdwell / Geren)

Results: **PASSED**

Enhances Texas's aerospace industry by prohibiting unauthorized drone operations over spaceports, aligning them with protections already in place for airports and military installations. This measure safeguards critical infrastructure, fostering a secure environment that attracts investment and supports the state's leadership in the global space economy.

SB 1198 (Birdwell / Morales, E.)

Results: **PASSED**

Designates spaceports as critical infrastructure, extending criminal and civil protections to operational and in-construction sites. This strengthens Texas's aerospace leadership by safeguarding spaceport activity and reinforcing the state's appeal to commercial space enterprises.

SB 1555 (Nichols / Patterson)

Results: **PASSED**

Creates a grant program within TxDOT to fund projects that separate roads from rail crossings, increasing public safety, reducing congestion, and improving the flow of goods and people.

HB 11 (Phelan / King)

Results: **PASSED**

Increases occupational licensing reciprocity agreements with other states that have licensing standards similar to those in Texas, helping businesses fill job vacancies faster and increasing competition.

TAB led on key defensive efforts to protect Texas' pro-growth economic climate. Throughout the session, we pushed back against overreaching regulations and proposals that would have eroded critical economic development tools, including attempts to restrict local flexibility or dismantle frameworks that help attract high-impact projects to Texas. By preventing unnecessary government interference and preserving the tools communities need to compete for investment and jobs, TAB helped ensure that Texas remains a top destination for business expansion and innovation.

TAB also led efforts to protect Texas businesses from legislation that would have created significant compliance challenges and uncertainty for Texas businesses. TAB advocated for policies that protect national security while ensuring that Texas companies with legitimate international partnerships are not unfairly penalized or discouraged from engaging in global commerce.

Energy & Natural Resources

“This session delivered major wins for Texas’ energy and natural resources future. From the creation of a permanent water infrastructure fund to advances in nuclear energy and streamlined permitting, lawmakers took bold steps to secure our state’s long-term resilience and competitiveness. These forward-looking policies reinforce Texas’ position as the best state for business and a national model for sustainable growth.”

– Glenn Hamer, TAB President & CEO

SB 7 / HJR 7 (Perry / Harris)

Results: **PASSED**

TAB helped build a coalition of over 100 local chambers and economic development corporations to support this important initiative. This legislation secures a \$2.5B immediate injection of water infrastructure funding, with additional \$1B permanent funding every fiscal year. There is funding for both new infrastructure and legacy repairs.

HB 14 (Harris / Schwertner)

Results: **PASSED**

Creates the Texas Advanced Nuclear Energy Program, funded by the Texas energy fund, to provide grants of up to \$200 million per project. The grants are awarded based on megawatt capacity and include bonuses for using Texas-based manufacturing and workforce.

SB 1202 (King / Dean)

Results: **PASSED**

Streamlines the permitting process for residential backup power installations by authorizing third-party professionals, such as licensed engineers and electricians, to conduct necessary reviews and inspections, thereby reducing delays and cutting costs for homeowners. By facilitating quicker deployment of home-based energy solutions, this legislation bolsters grid resilience and supports Texas's economic development by promoting energy independence and infrastructure modernization.

SB 6 (King / King)

Results: **PASSED**

Enhances Texas’ ability to manage the state's growing energy demands by granting ERCOT increased oversight of large electricity consumers, ensuring grid stability during peak periods. The bill mandates that substantial energy users contribute to infrastructure costs and disclose relevant project information, facilitating better demand forecasting and preventing overbuilding. By establishing clear guidelines for large load interconnections, SB 6 aims to support business development while maintaining system reliability and cost-effectiveness for all consumers.

HB 49 (Darby / Perry)

Results: **PASSED**

Promotes innovation in Texas's oil and gas industry by limiting tort liability for the treatment and beneficial use of fluid oil and gas waste, provided that parties comply with regulatory standards and avoid gross negligence. By offering legal clarity and encouraging the reuse of industrial byproducts, this legislation supports economic development and sustainable practices within the state's energy sector

In addition to major legislative wins, TAB played critical defense this session to protect Texas’ “all-of-the-above and below” energy strategy. Several proposals would have placed severe restrictions on renewable energy development—jeopardizing billions in local investment, thousands of jobs, and the grid reliability our economy depends on. At a time when energy demand is rising rapidly, these policies would have undermined our ability to bring every available megawatt online, raised costs for consumers, and hurt Texas' global reputation as a leader in energy innovation. TAB stood firm in opposing measures that would have disrupted our diverse energy mix and threatened the economic momentum powered by private sector investment in both traditional and renewable energy sources.

“For years, costly mandates and rigid regulations have made it harder for Texas businesses to manage costs and offer affordable health coverage. This session, the Legislature took bold action to restore affordability, transparency, and stability in our healthcare system. By dismantling outdated, counterproductive policies that drive up costs and limit flexibility, these meaningful reforms will enhance the efficiency and sustainability of healthcare for employers, families, and the entire state.” - Glenn Hamer, TAB President & CEO

HB 138 (Dean/Bettencourt)— Health, Insurance, Cost and Coverage Analysis Program (HICCAP)

Results: **PASSED**

Creates a voluntary program at UHealth Houston to conduct cost and public benefit analyses of proposed health insurance mandates using the Texas All Payers Claims Database (APCD), ensuring lawmakers have transparency, data-driven insights into the financial and coverage impacts of mandates before imposing new costs on employers and working families.

SB 916 (Zaffirini/Spiller)— Surprise Billing Protections

Results: **PASSED**

Protects employers and employees from costly, unexpected ambulance bills by extending surprise billing protections to state-regulated and self-insured health plans. This bill helps reduce out-of-pocket costs, increases billing transparency, and provides financial certainty for businesses offering health coverage.

SB 926 (Hancock/Frank)— Patient Healthcare Shopping Incentives

Results: **PASSED**

Enhances price transparency and allows insurers to offer financial incentives to patients who choose high-quality, cost-effective care. The bill also introduces a fiduciary duty for insurers to design benefits that prioritize patient interests, promoting value-driven care that lowers costs for employers and employees.

SB 1332 (Hancock/Hull)— Employer Premium Waiver Reform

Results: **PASSED**

Delivers cost-saving flexibility for employers by allowing health plans to waive premiums when an employee becomes ineligible for coverage. This practical reform eliminates unnecessary spending and reduces administrative burdens, helping employer-provided insurance plans operate more efficiently and affordably.

HB 2254 (Hull/Sparks)— Value-Based Care

Results: **PASSED**

Modernizes primary care payment models by removing outdated regulations that prevent the use of upfront, predictable payments. This reform supports value-based care, enabling providers to focus on preventive care and care coordination, ultimately improving outcomes while controlling costs for employer group benefit plans.

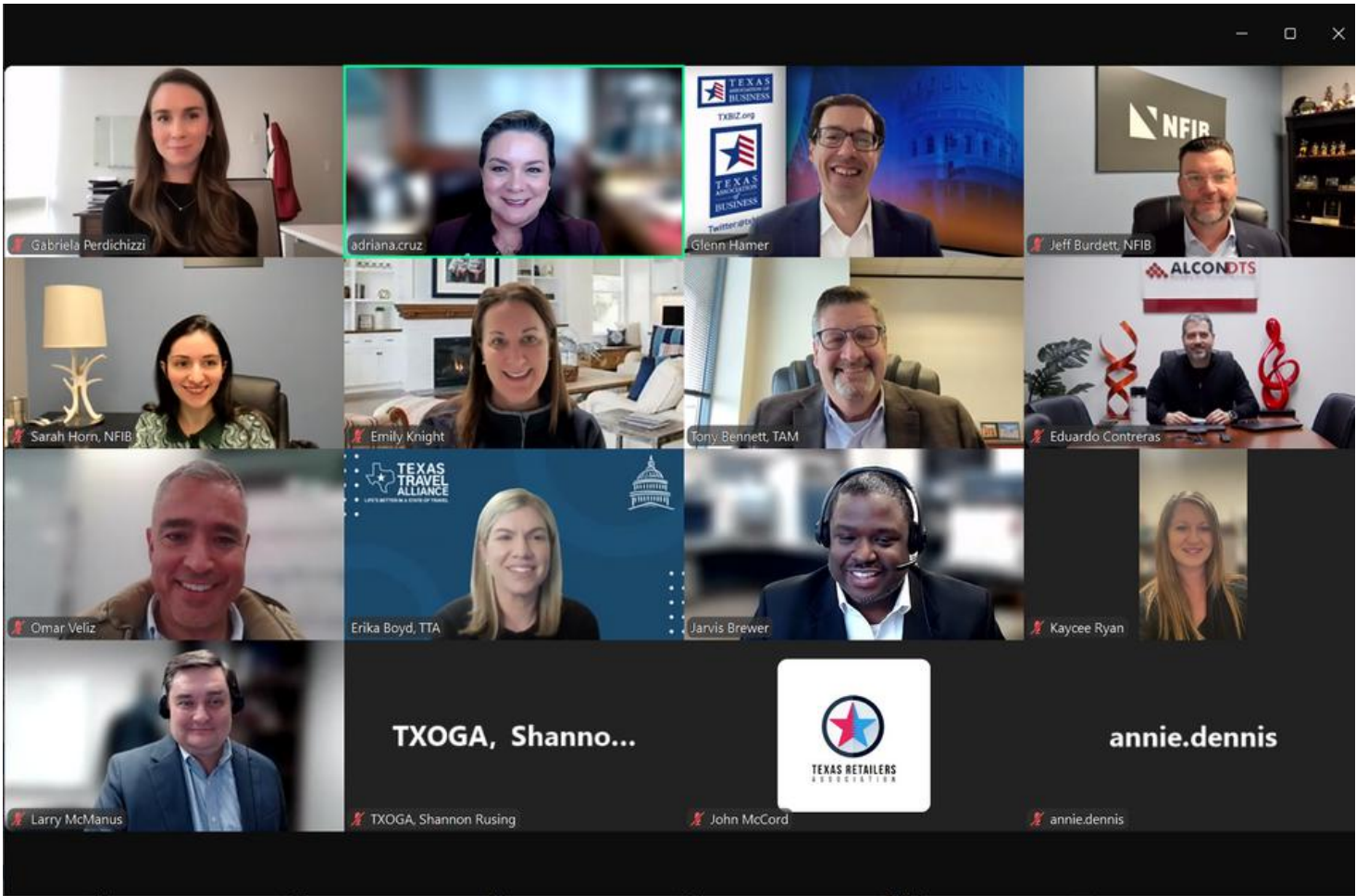
TAB led a broad coalition of more than 60 chambers and employers to successfully defend ERISA’s federal preemption, safeguarding the flexibility, affordability, and consistency of employer-sponsored coverage for over 14 million working Texans and their families. In partnership with our business allies, we opposed a dozen costly healthcare mandates that would have significantly increased premiums, restricted benefit design, and undermined the private market. Our efforts helped ensure that Texas businesses can continue to offer high-quality, affordable coverage options while maintaining the freedom to innovate and meet the unique needs of their workforce.

GOVERNOR ABBOTT'S SMALL BUSINESS FREEDOM COUNCIL

Background

The Governor’s Small Business Freedom Council (SBFC) was established to elevate the voices of Texas’ small business owners and identify solutions to the most pressing challenges they face.

Convened by Governor Greg Abbott in late 2024, the Council was co-chaired by the Texas Association of Business (TAB) and the National Federation of Independent Business (NFIB) Texas, and included small business owners along with a diverse group of industry and local chamber representatives from across the state.



The purpose of the SBFC was to identify barriers to small business success and propose actionable items for change. Small businesses are the backbone of the Texas economy—comprising 99.8% of all businesses in the state and employing nearly half of the private-sector workforce. Recognizing the vital role these enterprises play, the Council conducted outreach to over 700 small business owners through a statewide survey and targeted stakeholder engagement to gather firsthand feedback on the barriers impeding small business growth.

The insights gathered through this process informed a comprehensive set of policy recommendations aimed at removing regulatory red tape, modernizing outdated government systems, and improving access to capital, workforce, and key resources. The Council’s work underscores Governor Abbott’s commitment to maintaining Texas as the best state in the nation to start, run, and grow a business.

Key Findings & Recommendations

The Governor's Small Business Freedom Council (SBFC) gathered input from over 700 small business owners and collaborated with 46 state agencies to identify barriers and propose solutions to support small business growth.

The Council's top recommendations are grouped into five focus areas:

1. Regulatory Streamlining & Reducing Bureaucratic Burdens

- Standardize licensing and permitting processes across state agencies
- Reduce excessive waiting periods for approvals
- Eliminate redundant state and local permitting requirements
- Streamline compliance and reporting requirements across agencies

2. Tax & Fee Reductions

- Meaningfully increase the business personal property tax exemption threshold
- Adjust the unemployment insurance tax rate for small businesses
- Increase the "no tax due" threshold for the franchise tax
- Eliminate duplicative state and local licensing and regulatory fees

3. Workforce & Hiring Flexibility

- Expand workforce eligibility by lowering age restrictions for childcare workers
- Expand interstate licensing reciprocity for skilled professionals
- Reduce unnecessary continuing education requirements
- Explore opportunities to increase access to childcare

4. Procurement & Access to Government Contracts

- Increase the state's spot-purchase threshold to enable more small business participation
- Reduce bonding and insurance requirements for small business contractors

5. Technology & Digital Access

- Allow digital submission of required notices and eliminate outdated mandates like newspaper publication
- Expand online licensing, tax filing, and permitting systems
- Modernize the state's tax filing and reporting systems to reduce administrative burden

These recommendations aim to reduce costs, increase efficiency, and ensure that Texas remains the best state in the nation to start and grow a business.

Read the full report and recommendations [HERE](#).

Small Business Legislative Wins

“This was a historic session for small businesses in Texas. From the historic increase in the business personal property tax exemption to sweeping measures that cut red tape and modernize outdated processes, lawmakers delivered meaningful reforms across every major category identified by the Governor’s Small Business Freedom Council. These wins will help more entrepreneurs launch, grow, and succeed—cementing Texas’ status as the best state in the nation for small business.”

- Glenn Hamer, TAB President & CEO

Regulatory Streamlining & Reducing Bureaucratic Burdens

SB 14 (King / Capriglione)

Results: **PASSED**

The Regulatory Reform and Efficiency Act removes barriers to small business success by overhauling how state agencies adopt rules and impose regulations. It creates the Texas Regulatory Efficiency Office within the Governor’s Office to identify and expand opportunities to eliminate unnecessary rules, reduce training hours, minimize forms and fees, and narrow the scope of regulated activities. The bill also enhances transparency and interagency coordination to streamline regulations and cut red tape—advancing a more business-friendly environment for Texas small businesses.

SB 1008 (Middleton / Harris)

Results: **PASSED**

SB 1008 removes barriers to small business success by streamlining food service regulations and reducing bureaucratic burdens for restaurants and mobile vendors across Texas. The bill limits local governments from imposing duplicative permits and fees beyond state requirements, ensures consistency in health regulations, and mandates advance notice for any changes—creating a more predictable and business-friendly environment for small food establishments.

HB 138 (Dean / Bettencourt)

Results: **PASSED**

HB 138 reduces regulatory uncertainty for small businesses by requiring cost transparency on health coverage mandates before they are enacted. By leveraging Texas’ All-Payer Claims Database to assess the financial impact of proposed legislation, the bill helps protect small employers from rising insurance costs and allows for more informed, data-driven policymaking.

HB 519 (Gonzalez, Mary / Kolkhorst)

Results: **PASSED**

This bill removes regulatory barriers for small honey production businesses by exempting them from food service establishment regulations and prohibiting local governments from regulating honey harvesting and packaging. It simplifies compliance by recognizing honey as a raw agricultural commodity and ensuring labeling requirements align with agricultural standards, thereby supporting small producers in bringing their products to market more easily.

HB 2464 (Hefner / Middleton)

Results: **PASSED**

This bill removes barriers to small business success by prohibiting municipalities from restricting “no-impact home-based businesses” — those that don’t disrupt residential neighborhoods or cause visible impacts. It also prevents cities from requiring special permits, licenses, or rezoning, easing regulatory burdens for entrepreneurs operating from home.

Small Business Legislative Wins

Tax & Fee Reductions

HB 9 (Meyer / Bettencourt)

Results: **PASSED**

HB 9 removes barriers to small business success by increasing the business personal property tax exemption from \$2,500 to \$125,000, significantly reducing tax burdens on equipment, inventory, and other income-producing assets. This change not only lowers costs for small businesses but also simplifies compliance by eliminating the need for many to file annual property tax renditions, allowing entrepreneurs to reinvest in growth and job creation.

HB 346 (Harris Davila / King)

Results: **PASSED**

HB 346 removes barriers to small business success by giving the Secretary of State flexibility to reduce or eliminate expedited filing fees for smaller entities. By allowing a tiered fee schedule based on business type and requiring fee transparency, the bill helps lower costs and streamline the filing process for entrepreneurs across Texas.

Workforce & Hiring Flexibility

HB 11 (Phelan / Middleton)

Results: **PASSED**

Removes barriers to small business success by directing the Texas Department of Licensing and Regulation to expand licensing reciprocity agreements with other states, making it easier for skilled professionals to work in Texas without redundant red tape. By establishing clear rules for recognizing equivalent out-of-state licenses and requiring biennial reporting on progress, the bill promotes workforce mobility and reduces bureaucratic hurdles for entrepreneurs and tradespeople entering the Texas market.

Technology & Digital Access

HB 5195 (Capriglione / Alvarado)

Results: **PASSED**

Removes barriers to small business success by initiating a state-led effort to improve how agencies deliver digital services to the public. By requiring agencies to develop modernization plans and work with the Department of Information Resources on best practices for usability, mobile responsiveness, and accessibility, the bill lays the groundwork for a more consistent, intuitive online experience for small business owners navigating government services.

HB 2488 (Bell, K. / Alvarado)

Results: **PASSED**

Modernizes Texas's workers' compensation system by allowing certain contested case hearings to be conducted via videoconference, either upon mutual agreement or when good cause is determined. This flexibility reduces travel burdens and administrative delays, enabling small businesses to resolve disputes more efficiently and focus on growth.

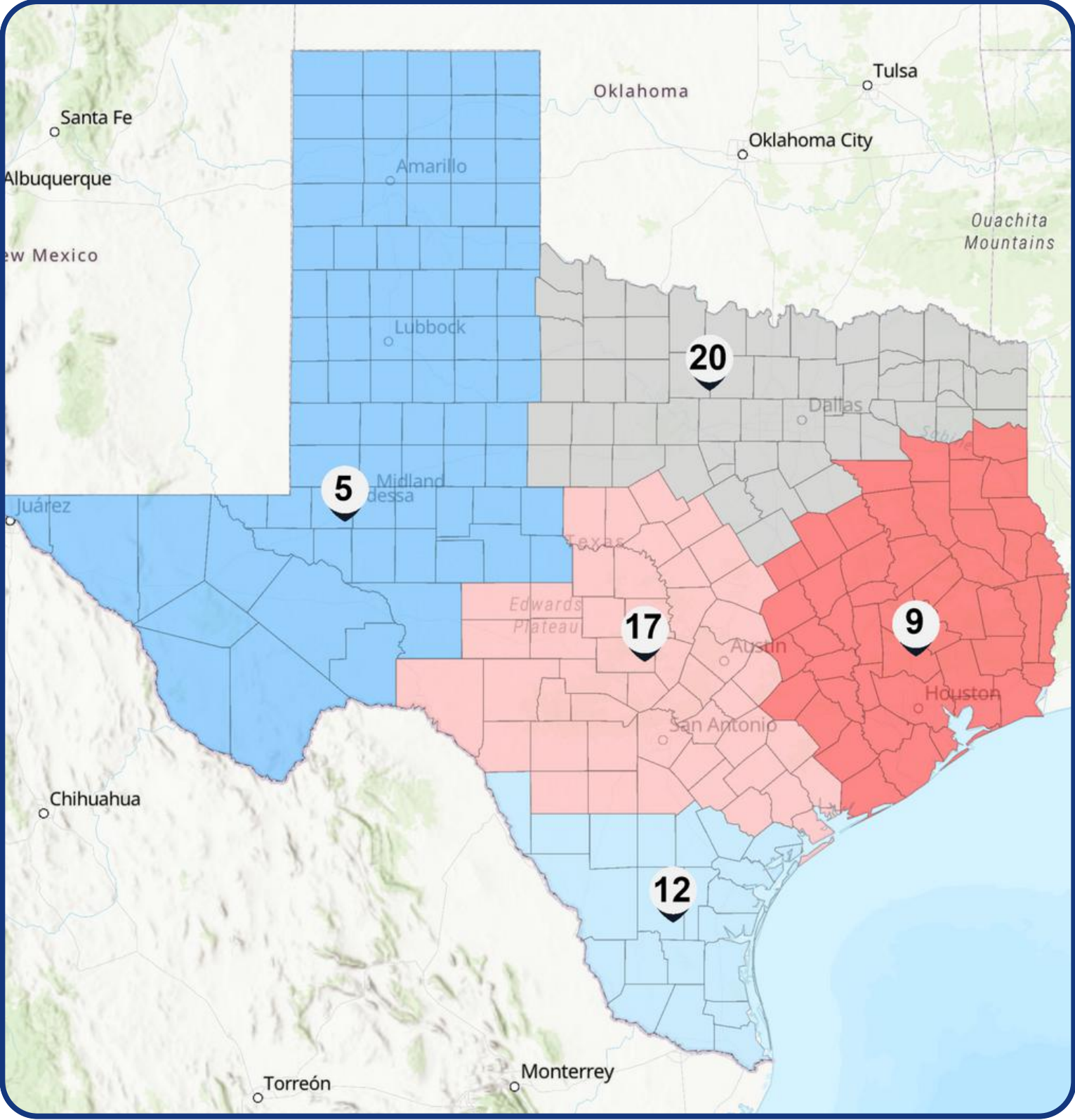
Chamber Engagement

Statewide Reach, Regional Impact

Throughout the 89th Legislative Session, TAB engaged face-to-face with more than 60 chambers of commerce across Texas—hosting them in our office, providing legislative updates, or joining them in their communities.

“Chambers of commerce from every corner of Texas engaged with TAB this session, amplifying the voice of business at the Capitol and beyond. The incredible work of our chambers—their advocacy, leadership, and commitment to their local communities—is the foundation of what we’re able to accomplish together. Thank you for being true partners in driving a stronger Texas.” - Glenn Hamer, TAB President & CEO

Engagement by the Numbers



- Abilene Chamber
- Allen/Fairview Chamber
- Angleton Chamber
- Austin Chamber
- Bastrop Chamber
- Baytown Chamber
- Belton Chamber
- Boerne Chamber
- Brazoria Chamber
- Brownsville Chamber
- Central Fort Bend Chamber
- Clear Lake Chamber
- Columbus Chamber
- Coppell Chamber
- Corpus Christi Chamber
- Cuero Chamber
- Dallas Regional Chamber
- El Paso Chamber
- Fort Bend Chamber
- Fort Worth Chamber
- Frisco Chamber
- Fulshear Regional Chamber
- Galveston Chamber
- Grapevine Chamber
- Greater Austin Asian Chamber
- Grimes County Chamber
- Harlingen Area Chamber
- Hays Caldwell EDC
- Houston Northwest Chamber
- Houston Regional Veterans Chamber
- Hurst-Euless-Bedford Chamber
- Katy Area Chamber
- Kaufman Chamber
- Kilgore Area Chamber
- Lewisville Area Chamber
- Lindale Area Chamber
- Longview Chamber
- Lubbock Chamber
- Lufkin/Angelina County Chamber
- Metrocrest Chamber
- Metroport Chamber
- Nacogdoches County Chamber
- Navasota Grimes County Chamber
- Needville Area Chamber
- New Braunfels Chamber
- Odessa Chamber
- Pasadena Chamber
- Parker County Chamber
- Richardson Chamber
- Rockport Chamber
- Rockport-Fulton Chamber
- Rockwall Chamber
- Round Rock Chamber
- San Antonio Hispanic Chamber
- Schertz-Cibolo-Selma Chamber
- Taylor Chamber
- Temple Chamber
- Texas City-La Marque Chamber
- Tomball Chamber
- Tyler Area Chamber
- Washington County Chamber
- Whitehouse Area Chamber
- Wichita Falls Chamber

“The partnership between TAB and chambers of commerce across Texas is one of the most effective tools we have to advocate for business. This session showed what’s possible when statewide leadership and local insight work in lockstep—we’re louder, stronger, and better positioned to shape policy that matters.” – Doug Peters, Chair, Texas Chamber of Commerce Executives (TCCE)



TECH MEANS BUSINESS

ALL BUSINESSES ARE TECH
BUSINESSES

TECH IN TEXAS: 2025 LEGISLATIVE REPORT

89TH LEGISLATIVE SESSION

“The Tech Means Business Coalition stands as the premier alliance for businesses, chambers, and start-ups, driving investment and shaping forward thinking policy at the Texas Capitol. TAB and the Tech Means Business Coalition will continue to ensure that Texas remains at the forefront of tech and innovation, empowering all Texans to thrive and compete on a global stage.” Glenn Hamer, TAB President and CEO

Corporate Governance: SB 29 directly benefits startups in Texas by creating a more predictable, business-friendly legal environment that reduces litigation risks, clarifies governance, and increases operational flexibility.

Tax Relief for Small Businesses: HB 9 increases personal property tax (also known as inventory tax) exemption for businesses to \$125,000, up from \$2,500. This measure provides substantial relief for small businesses by significantly reducing or even eliminating their property tax bills on business inventory.

Nuclear Energy : HB 14 creates Texas Advanced Nuclear Energy Office for Energy Innovation to power our growth in the technology sector.

Water Infrastructure: SB 7 allocates \$2.5B immediate injection of water infrastructure funding, with an additional \$1B permanent funding every year. 50/50 split of funding for new infrastructure vs. legacy/existing repairs.

Texas Cybersecurity Command: HB 150 creates the Texas Cyber Command to protect Texans, businesses, and governments from cyberattacks.

R&D Tax Credit: SB 2206 creates a new Texas-sized tax credit for research and development, including startups.

Texas Quantum Initiative: HB 4751 creates the Texas Quantum Initiative to spur innovation and investment in quantum computing.

Strategic Bitcoin Reserve: SB 21 creates Texas’s Strategic Bitcoin Reserve for cryptocurrency investments.

Community College Funding: SB 1786 strengthens the state’s talent pipeline, aligns education with labor market needs, and accelerates workforce readiness to ensure educational programs lead to well-paying jobs in high-demand fields—including technology.

IT Workforce: HB 2768 establishes a state-recognized information technology (IT) apprenticeship credential, which public junior colleges and technical institutes can offer to help address Texas’ shortage of qualified IT workers.

In addition to major legislative wins, TAB played critical defense to protect Texas businesses from legislation that would have created significant compliance challenges and uncertainty for Texas businesses. TAB advocated for policies that protect national security while ensuring that Texas companies with legitimate international partnerships are not unfairly penalized or discouraged from engaging in global commerce.

TAB led efforts to safeguard Texas’s business environment by ensuring that AI-related policies foster innovation, growth, and investment rather than stifle them. Through proactive engagement with lawmakers and stakeholders, TAB advocated for balanced regulations that protect consumers while maintaining Texas’s status as a global leader in technology and economic development

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APPENDIX

TAB House Action



HB 2 Buckley	HB 1178 Cunningham	HB 2766 Geren	HB 3862 Hunter
HB 3 Buckley	HB 1188 Manuel	HB 2767 Landgraf	HB 3911 Darby
HB 4 Buckley	HB 1266 Guillen	HB 2768 Capriglione	HB 3914 Martinez
HB 5 Craddick	HB 1314 Hickland	HB 2818 Capriglione	HB 3963 Capriglione
HB 8 Meyer	HB 1464 Talarico	HB 2825 Craddick	HB 3964 Vasut
HB 9 Meyer	HB 1500 Bell, Keith	HB 2858 Lopez, Ray	HB 3970 Darby
HB 10 Capriglione	HB 1515 Canales	HB 2890 Patterson	HB 4012 Paul
HB 11 Phelan	HB 1531 Howard	HB 2919 Gates	HB 4016 Anchia
HB 12 Bell, Keith	HB 1545 Bell	HB 2949 Hinojosa	HB 4051 Frank
HB 13 King, Ken	HB 1564 Hernandez	HB 2973 Morales	HB 4077 vasut
HB 14 Harris / Schwertner	HB 1609 VanDeaver	HB 3045 Gerdes	HB 4083 Button
HB 15 Meyer	HB 1635 Oliverson	HB 3125 Guerra	HB 4099 Harris Davila
HB 16 Harris	HB 1663 Ashby	HB 3134 Cook	HB4115 Meyer
HB 17 Hefner	HB 1681 Button	HB 3172 Gates	HB 4127 Davis, Aicha
HB 20 Gates	HB 1730 Morales Shaw	HB 3191 Button	HB 4157 Bonnen
HB 22 Noble	HB 1731 Campos	HB 3240 Guerra	HB 4242 Curry
HB 23 Harris	HB 1803 Harless	HB 3249 Darby	HB 4256 Spiller
HB 24 Orr	HB 1876 Tepper	HB 3258 Button	HB 4272 Patterson
HB 32 Button et al.	HB 1907 Paul	HB 3260 Bell, Keith	HB 4568 Hunter
HB 34 Metcalf	HB 1937 Craddick	HB 3265 Darby	HB 4603 Morgan
HB 40 Landgraf	HB 1959 Frank	HB 3272 Geren	HB 4660 Lopez
HB 48 Darby	HB 1971 Darby	HB 3278 McLaughlin	HB 4661 Lopez
HB 49 Darby	HB 2038 Oliverson	HB 3317 Hefner	HB 4663 Lopez, Janie
HB 104 Bonnen	HB 2043 Lambert	HB 3349 Tepper	HB 4735 Ashby et al.
HB 105 Guillen	HB 2060 Campos	HB 3415 Bhojani	HB 4751 Capriglione
HB 111 Capriglione	HB 2110 VanDeaver	HB 3512 Capriglione	HB 4850 Button
HB 112 Button	HB 2177 Harless	HB 3520 Spiller	HB 4936 Curry
HB 119 Gerdes	HB 2188 Howard	HB 3524 Capriglione	HB 5007 Lambert
HB 120 Bell, Keith	HB 2189 Howard	HB 3540 Harless	HB 5043 McQueeney
HB 129 McQueeney	HB 2254 Hull	HB 3638 Troxclair	HB 5057 Landgraf
HB 137 Lopez, Janie	HB 2304 Dean	HB 3667 Bernal	HB 5187 Patterson
HB 138 Bettencourt/Dean	HB 2310 Ordaz	HB 3673 Cook	HB 5195 Capriglione
HB 139 Dean	HB 2354 Shaheen	HB 3695 Orr	HB 5224 Guillen
HB 144 King, Ken	HB 2402 Rose	HB 3698 Vo	HB 5246 Bonnen
HB 149 Capriglione	HB 2433 Guillen	HB 3699 Vo	HB 5342 Landgraf
HB 150 Capriglione / Parker	HB 2464 Hefner	HB 3726 Perez, Mary Ann	HB 5402 Geren
HB 186 Patterson	HB 2488 Keith Bell	HB 3727 Patterson	HB 5600 McLaughlin
HB 199 DeAyala	HB 2498 Leach	HB 3747 Manuel	
HB 216 Harris Davila	HB 2528 Bucy	HB 3778 Louderbeck	
HB 217 Gonzalez	HB 2545 Gerdes	HB 3785 Gervin-Hawkins	
HB 321 Bucy	HB 2556 Frank	HB 3794 Darby	
HB 346 Harris-Davila	HB 2583 Hull	HB 3800 Orr	
HB 514 Lalani	HB 2584 Landgraf	HB 3801 Orr	
HB 541 Shaheen	HB 2612 Zwiener	HB 3802 Orr	
HB 712 Cortez	HB 2679 Ordaz	HB 3807 Harris-Davila	
HB 778 Leach	HB 2703 Raymond	HB 3809 Darby	
HB 879 Frank	HB 2747 Frank	HB 3812 Bonnen	
HB 1080 Curry	HB 2750 Harris	HB 3824 King	
HB 1169 Raymond	HB 2765 Guillen / Zaffirini	HB 3849 Canales	

APPENDIX

TAB Senate Action



SB 5/SJR 3 Huffman	SB 1146 Birdwell	SB 2692 Hancock
SB 6 King	SB 1150 Middleton	SB 2713 Middleton
SB 7 Perry	SB 1197 Birdwell	SB 2857 Blanco
SB 14 King et al.	SB 1198 Birdwell	SB 2883 Hughes
SB 15 Bettencourt	SB 1211 Perry	SB 2967 Schwertner
SB 21 Schwertner	SB 1232 Hancock	SB 3055 Middleton
SB 22 Huffman	SB 1236 Hughes	
SB 24 Sparks	SB 1265 Alvarado	
SB 25 Kolkhorst	SB 1266 Alvarado	
SB 26 Creighton	SB 1270 Hughes	
SB 29 Hughes	SB 1318 Schwertner	
SB 30 Schwertner	SB 1380 Paxton	
SB 30/HB 4806	SB 1511 A. Hinojosa	
Schwertner/Bonnen	SB 1525 Menendez	
SB 35 Nichols	SB 1535 Zaffirini	
SB 38 Bettencourt	SB 1555 Nichols	
SB 82 Hall	SB 1592 Blanco	
SB 209 West	SB 1643 Schwertner	
SB 324 Koklhorst	SB 1646 Nichols	
SB 331 Kolkhorst	SB 1698 Parker	
SB 388 King	SB 1762 Blanco	
SB 390 Middleton	SB 1784 Parker	
SB 463 Campbell	SB 1786 Creighton	
SB 504 Kolkhorst	SB 1798 Middleton,	
SB 527 Schwertner	Schwertner	
SB 547 Menendez	SB 1845 Hughes	
SB 569 Betterncourt	SB 1860 Hughes	
SB 599 West	SB 1944 Eckhardt	
SB 668 Hughes	SB 1962 Bettencourt	
SB 715 Sparks	SB 2050 Birdwell	
SB 719 Eckhardt	SB 2063 Parker	
SB 767 Sparks	SB 2203 Birdwell	
SB 815 Schwertner	SB 2206 Bettencourt	
SB 816 Huffman	SB 2221 Parker	
SB 819 Kolkhorst	SB 2225 Hancock	
SB 840 Hughes	SB 2252 Creighton	
SB 844 Hughes	SB 2253 Creighton	
SB 854 Middleton	SB 2254 Creighton	
SB 884 Kolkhorst	SB 2255 Sparks	
SB 896 Blanco	SB 2322 King	
SB 916 Zaffirini	SB 2330 Parker	
SB 926 Hancock	SB 2405 Parker	
SB 963 Hughes	SB 2420 Paxton	
SB 971 Sparks	SB 2477 Bettencourt	
SB 1029 Nichols	SB 2514 Hughes	
SB 1121 Nichols	SB 2544 Hancock	
SB 1122 Schwertner	SB 2610 Blanco	
SB 1145 Birdwell	SB 2626 Campbell	

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