



## 2025 Legislative Priorities

### TOP 3 PRIORITIES

**Public School Funding** - The chamber supports fully funding public education, preserving high-impact programs, and maintaining a strong system of accountability.

**Water Infrastructure** - The chamber supports significant state investments into water infrastructure to address both supply improvement of aging and deteriorating water and wastewater systems.

**Workforce Development** - The chamber supports measures across various industries that enhance collaboration between education institutions and industry resulting in more skilled workers with clear pathways to high-quality jobs.

### ECONOMIC DEVELOPMENT

#### Economic Development Tools:

- Support funding 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 the Texas Statewide Economic Development Plan, including supporting target industry and workforce initiatives.
- 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, reasonable abatements, enterprise funds, etc.

#### Gaming:

- Support legislation that gives Texans the opportunity to vote for the creation of destination resorts with gaming in the state.
- Oppose efforts to add restrictions to fantasy sports 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, artificial intelligence 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.

### **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 AND WORKFORCE**

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

- The chamber supports fully funding public education, preserving high-impact programs, and maintaining a strong system of accountability.
- 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.
- 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.

- 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.

### **Community Colleges:**

- 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

### **Skills Development Program:**

- Support increased funding for the Skills Development Program administered by the Texas Workforce Commission. Maintain Skills Development Fund grants at the Texas Workforce Commission to improve workforce training.

### **Special Education:**

- Adequately fund special needs education to meet the needs of the special needs population in a cost effective manner.

### **Workforce Education:**

- 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 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.
- Advocate for policies that support employer-driven training models so that business of all sizes can “grow their own” talent pipelines and require transparency in reporting wage/employment outcomes for these programs.

## EMPLOYMENT RELATIONS

### Support policies that enhance the ability for employers to freely contract with their employees

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

### Protect the ability for employers to enact policies and select benefits that best meet the needs of their workforce.

- **Drug Testing.** Oppose attempts to restrict the rights of employers to conduct random and/or universal drug testing of employees
- **Employer Control Over Work Environment.** Support efforts to maintain employers' prerogative to control the workplace, thereby creating a safe, satisfying, and harmonious working environment.
- **Injunctions.** Support allowing an employer to seek an injunction on behalf of an employee to end workplace harassment without creating a new liability for employers
- **Public Collective Bargaining Rights.** Oppose any expansion of collective bargaining rights in the public sector since the current system adequately provides for employee participation without the potential for disruption of services
- **Property Rights of Business Owners.** Oppose the expansion of legislation previously passed that allows legally owned firearms to be stored on company-maintained parking lots
- **Union Dues Check-Off.** Oppose efforts to allow public employees, or to require private employers, to subsidize or promote labor unions or similar organizations through payroll collection of dues and contributions
- **Fair Labor Standards Act (FLSA) Reform.** Support efforts to reform the wage and hour laws by allowing more flexibility for employers and employees in hours worked during a pay period before mandating overtime pay. Provide more freedom and flexibility

to classify workers as exempt from overtime requirements and as independent contractors.

- **Predictive scheduling.** 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.
- **Pay Equity.** Strongly support the current law on pay equity.
- **Overtime.** 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.
- **Worker classification.** Support increased flexibility to classify workers as exempt from overtime or as independent contractors.

**Support efforts to minimize the impact to employer and reduce the opportunity for excessive litigation within the unemployment insurance program.**

## **ENERGY**

### **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 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 the development and conservation of the state's natural resources.
- Oppose any efforts to establish or expand the authority of a local government to promulgate environmental regulatory programs that would preempt uniform, statewide regulation by the RRC, TCEQ, or other state regulatory agencies or be inconsistent with existing state regulatory programs.

### **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.

**Fuels Diversity.** Oppose legislative efforts that would require the use of specific fuels for industrial sources for the purpose of forcing adoption of a particular technology.

## **HEALTH CARE**

### **Protect employers 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 health care & regulatory mandates that drive 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.

### **Expand the choices available for employers to purchase health insurance.**

- Support “Consumer Choice of Benefit” health plans, which will provide an additional, low-cost option for employers 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 stability in the group as well as the individual health insurance marketplace and provide appropriate options for coverage that are affordable and accessible to employers and patients.
- 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.

### **Improve the efficiency of health care delivery system**

- Support expanding the use of telemedicine to reduce costs and increase access to care.
- Support removing barriers to top of license practice for advanced practice registered nurses, physician assistants, and pharmacists.

- Increase the number of health care providers available to Texans without sacrificing quality of care.
- Support efforts to ensure all workers, consumers, and employers have convenient and widespread access to tests and vaccines through multiple health facilities and practitioners.
- Support innovative value-based care models that improve health outcomes and reduce cost throughout the health care system.

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

- Eliminate utilization of low value care, waste, fraud, and abuse across the health care market.
- Empower employees and consumers with information regarding the cost and quality of health care services.
- Support efforts to promote competition and increase transparency in health care pricing and quality.
- Protect the ability of health insurers and health benefit plans to negotiate contracts with physicians and providers without government interference.
- Prevent needless increases in cost and litigation through the expansion of any kind of medical liability.
- Support efforts to reform the medical billing dispute process in a manner that achieves the most cost savings for employers and patients.

**PUBLIC SAFETY**

**Bail Reform.** We support legislation that will disallow early release of violent offenders, support aggregation of charges for multiple felonies and place meaningful statutory limitations on deferred adjudications.

**Mental Health Reform.** We support mental health crisis intervention. We support training for first responders and additional funding for detox centers & crisis intervention centers to treat persons with mental health issues appropriately and keep them out of already overflowing hospitals and prisons.

**Enhanced Penalty for Evading due to Speed**

Pursuits are sometimes necessary for officers as they protect our communities against violent criminals and chronic crime trends. Pursuits in which suspects flee at high rates of speed should have an increased penalty with a minimum jail time. Further consideration should be given to the option of seizing the vehicle driven by the offender if not stolen.



## **Oppose Efforts to De-Criminalized Marijuana**

We support efforts to regulate the sale of Hemp Product and THC in all its forms and seek assistance in supplementing the cost of expensive THC test kits after the proliferation of vape shops which sell myriad products with higher-than-legal limits of THC.

## **SMALL BUSINESS**

- 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.
- Support solutions that allow small business access to affordable, stable health insurance for them and their employees.
- 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 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.
- Oppose unfunded government mandates that shift the cost of financing programs to either the private sector or other levels of government.

## **TAXES AND SPENDING**

**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.

**Inventory Tax.** Support elimination or reduction of local inventory taxes.

**Small Business Tax Relief.** Repeal the franchise tax to provide relief for small businesses.

**Casino Gambling.** Support casino gambling and sportsbooks in order to reduce the franchise tax and to increase employment opportunities.

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

## **TECH AND INNOVATION**

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

When considering statewide legislation and the use of artificial intelligence and machine learning, the chamber 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.

### **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.

### **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**

- Oppose legislation that creates new private rights of action that employees can use to sue their employers. The chamber will oppose legislation that encourages lawyers to pursue economically unproductive litigation against Texas businesses.
- Support measures that limit ability of individuals and entities to use public nuisance lawsuits to attempt to implement policy changes through court decisions.
- Work to protect past legislative reforms enacted to curb rising medical malpractice insurance costs and ensure access to care for all Texans. The chamber will work to protect the current cap on noneconomic damages in malpractice cases.
- The chamber will work to ensure that reforms enacted to curb rising commercial vehicle insurance costs driven by meritless lawsuits are fair and effective.

## **TRANSPORTATION**

### **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.

### **Toll Road Operation and Administration**

- Support efforts to establish uniform and fair operating and administrative procedures for toll roads and toll road authorities that maximize the seamless and transparent assessment and collection of appropriate tolls across multiple toll authorities.
- Encourage the completion of existing toll roads including the final four direct connectors between SH 249 and Hwy 99.
- Encourage the payment of appropriate toll charges without excessive penalties, and effective and efficient resolution of toll payment disputes.
- Encourage uniform policies for safe and effective toll road operation, including those related to accident response, vehicle disablement or other appropriate vehicle operator requirements.

### **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.
- Support coordination efforts between TxDOT and utilities and other local project participants on the design and construction of roadway projects to save time and money and minimize disruption to the surrounding community.
- Support expedited expansion of FM 2920 west of Tomball to better manage traffic in fast growth suburban neighborhoods.

- Support continued expansion of highly used and overcrowded County roads such as Telge, Mueschke and Hufsmith-Kohrville.

## **WATER**

- Support statewide strategies to provide an adequate and cost-effective supply of water resources
- Support desalination and other technologies to enhance water supply for industry and the state's growing population
- Oppose efforts to weaken the legal and property interest of existing holders of water rights or impose new enforcement programs and costs on holders of water rights
- Oppose efforts that unfairly impose costs or water use restrictions on commercial or industrial users
- Advocate for consistent management and regulation of groundwater based on defined hydrogeologic boundaries rather than arbitrary political jurisdiction boundaries
- Oppose efforts to restrict or prohibit the Texas Commission on Environmental Quality from issuing wastewater discharge permits for new or expanded wastewater treatment plants in certain geographic areas of the state
- Support efforts to provide more regional and local flood control and coastal storm protection infrastructure
- Support state funding for water, drainage, flood control, and coastal storm protection infrastructure and programs without adding additional taxes, fees, or unfunded local mandates
- Support the use of general revenue to pay for water quality regulatory programs without adding additional taxes or fees on these programs

**Ground Water Subsidence District.** Support efforts requiring the North Harris County Regional Water Authority to explore new and innovative funding options to implement the Harris-Galveston Subsidence District HGSD 2013 Regulatory plan requiring our area to reduce ground water withdrawals to no more than 20% of the total water demand by the year 2035. Current funding mechanism of pumpage fees are exceeding the cost of water providers to produce, maintain and operate their water systems/districts. Future projections show that the pumpage fees are scheduled to continue to increase and the fees place our region in an economic disadvantage with other regions in the state.

## **OTHER**

**Corporate Sale of Liquor.** Support free-market principles for the corporate sale of liquor. Texas is the only state in the nation that disallows publicly traded companies from selling liquor. There is no business case for doing so, except allowing the government to narrow competition through mandates.

**Immigration.** Strengthen existing laws and provide funding for border enforcement and protection.

**Unfunded Mandates.** Transparency in government includes disclosing the full costs of legislation on many levels. The Chamber favors fiscal notes that project the fiscal ramifications of legislation at all levels of government—state, county, municipal, school district—as well as to businesses, industries, professions and non-profit organizations.

**Duplication of Oversight.** State agencies providing oversight to various entities—businesses, non-profits, service providers, etc.— across the state should collaborate on their responsibilities in order to reduce their staffs and budgets. Redundant oversight within the same agency should be terminated. Oversight should be reasonable and not cause undue hardship to the entity being supervised.