

House Bill 346
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION	SENATE VERSION (CS)	CONFERENCE
<p>SECTION 1. Subchapter B, Chapter 405, Government Code, is amended by adding Section 405.025 to read as follows:</p> <p><u>Sec. 405.025. ELIMINATION OF FIRST YEAR BUSINESS ENTITY FEES. The secretary of state shall, in coordination with appropriate state and local governmental entities, work to eliminate all fees relating to licensing and registration required to be paid by a business entity in the entity's first year of business, to the extent authorized by law.</u></p>	No equivalent provision.	
<p>SECTION 2. Subchapter E, Chapter 481, Government Code, is amended by adding Section 481.081 to read as follows:</p> <p><u>Sec. 481.081. SUPPORT FOR NEW BUSINESS ORGANIZATIONS. To the extent possible, the office shall encourage the appropriate state entities to allocate at least five percent of funding budgeted for economic development programs, including community development block grants, to support businesses that:</u></p> <p><u>(1) were established within the previous five years; and</u></p> <p><u>(2) have a principal place of business in this state.</u></p>	No equivalent provision.	
<p>SECTION 3. Subchapter B, Chapter 2155, Government Code, is amended by adding Section 2155.0735 to read as follows:</p> <p><u>Sec. 2155.0735. PARTICIPATION BY NEW BUSINESSES IN STATE PURCHASING. (a) In this section, "new business" means a business in operation for less than five years with its principal place of business in this state.</u></p> <p><u>(b) The comptroller shall make reasonable efforts to increase the number of contracts for the purchase of goods or services awarded by state agencies to new businesses to at least five</u></p>	No equivalent provision.	

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percent of awarded contracts in a state fiscal year.

SECTION 4. Subchapter B, Chapter 2155, Government Code, is amended by adding Section 2155.092 to read as follows:

Sec. 2155.092. REPORTING CONTRACTS WITH NEW BUSINESS. (a) In this section, "new business" means a business that has been in operation for less than five years and has its principal place of business in this state.

(b) Not later than September 1 of each year, the comptroller shall file a report with the legislature that identifies:

(1) the number of state contracts awarded to new businesses during the previous year;

(2) the dollar value of all state contracts awarded to new businesses during the previous year;

(3) the number of state contracts awarded to new businesses that qualify as a historically underutilized business, as defined by Section 2161.001, during the previous year;

(4) the geographic area of the state, including the city and county, where each new business awarded a state contract in the previous year is located;

(5) the percentage of all state contracts awarded to new businesses during the previous year; and

(6) the percentage of the total dollar value of all state contracts awarded to new businesses during the previous year.

(c) As part of the report required by Subsection (b) that must be filed before September 1, 2026, the comptroller, in conjunction with the Texas Economic Development and Tourism Office within the office of the governor, shall make recommendations to improve access by new businesses to state contracting, including new businesses owned by

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<u>statistically underrepresented demographic groups and in statistically underrepresented geographic areas of the state. This subsection expires January 1, 2027.</u>		
<p>SECTION 5. Subchapter D, Chapter 301, Labor Code, is amended by adding Section 301.0701 to read as follows:</p> <p><u>Sec. 301.0701. ANNUAL REPORT ON ECONOMIC DEVELOPMENT. Not later than September 1 each year, the commission shall submit a report to the legislature on economic development in this state. The report must include:</u></p> <p><u>(1) the proportion of economic development funding, including community development block grants, that supports programs for:</u></p> <p><u>(A) an individual who started a new business within the preceding five years; or</u></p> <p><u>(B) organizations that provide services to individuals described by Paragraph (A); and</u></p> <p><u>(2) the total amount of economic development funding provided to programs described by Subdivision (1).</u></p>	<p>No equivalent provision.</p>	
<p>SECTION 6. Subchapter A, Chapter 302, Labor Code, is amended by adding Section 302.0021 to read as follows:</p> <p><u>Sec. 302.0021. ANNUAL WORKFORCE DEVELOPMENT FUNDING REPORT. Not later than September 1 of each year, the commission shall prepare and submit to the legislature a report on workforce development funding. The report must include information on the total amount of funding allocated by the division and any local workforce development boards, and the percentage of all workforce development funding that total represents, to support</u></p>	<p>No equivalent provision.</p>	

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<p><u>organizations, services, and programs for:</u></p> <p><u>(1) individuals starting a new business; and</u></p> <p><u>(2) businesses established in the preceding five years whose primary place of business is in this state.</u></p>		
<p>SECTION 7. Subchapter D, Chapter 302, Labor Code, is amended by adding Section 302.0615 to read as follows:</p> <p><u>Sec. 302.0615. ALLOCATION OF FUNDS TO SUPPORT NEW BUSINESSES. Unless superseded by federal law and notwithstanding any other provision of this subchapter or other law, the commission shall make reasonable efforts to ensure that at least five percent of workforce development funds allocated by the commission in a state fiscal year, including any funds distributed by local workforce development boards, are used to support programs or organizations that provide support to:</u></p> <p><u>(1) persons establishing a business in this state; or</u></p> <p><u>(2) businesses that:</u></p> <p><u>(A) have been in operation for less than five years; and</u></p> <p><u>(B) have their principal place of business in this state.</u></p>	<p>No equivalent provision.</p>	
<p>SECTION 8. Not later than September 1, 2026, the comptroller of public accounts shall prepare and submit the first annual report required by Section 2155.092, Government Code, as added by this Act.</p>	<p>No equivalent provision.</p>	
<p>SECTION 9. Not later than September 1, 2026, the Texas Workforce Commission shall prepare and submit the first annual report required by Sections 301.0701 and 302.0021,</p>	<p>No equivalent provision.</p>	

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Labor Code, as added by this Act.

No equivalent provision.

SECTION 1. Section 405.032, Government Code, is amended by amending Subsection (a) and adding Subsection (d) to read as follows:

(a) The secretary of state may set and collect the following:

(1) for the expedited handling of a certified record search or expedited filing of a document in the security interest and financing statement records of the secretary, a fee in an amount the secretary of state prescribes [~~of not more than \$15~~];

(2) for the expedited filing or reviewing of a document relating to a profit or nonprofit corporation, professional corporation or association, cooperative association, unincorporated nonprofit association, limited or general partnership, or limited liability company, a fee in an amount the secretary of state prescribes [~~of not more than \$25~~];

(3) for the expedited access or access by electronic data transmittal processes to data that is stored in state computer record banks maintained by the secretary, a fee in an amount reasonable and necessary to cover the costs of establishing and administering the system. Notwithstanding any other provision of this code, the secretary is authorized to maintain a system to provide expedited access by electronic data transmittal processes to all information that is stored in state computer banks maintained by the secretary and that is not classified as confidential by statute or a court decision; and

(4) for the expedited handling of a request for a certified copy or certificate of fact relating to a corporation, limited partnership, assumed name, trademark document, or other document filed for public record with the corporations section

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of the office of the secretary of state, a fee of not more than \$10 a copy or certificate.

(d) In prescribing fee amounts under Subsections (a)(1) and (2), the secretary of state may prescribe a varying fee schedule based on the type of business organization. The secretary of state shall publish on the secretary of state's Internet website the prescribed fee amounts and any varying fee schedule.

No equivalent provision.

SECTION 2. The following provisions are repealed:

(1) Section 3, Chapter 859 (S.B. 938), Acts of the 87th Legislature, Regular Session, 2021, as effective January 1, 2026, which amended Section 171.0001(4), Tax Code;

(2) Section 7, Chapter 859 (S.B. 938), Acts of the 87th Legislature, Regular Session, 2021, as effective January 1, 2026, which amended Section 171.063(g), Tax Code; and

(3) Section 9, Chapter 859 (S.B. 938), Acts of the 87th Legislature, Regular Session, 2021, as effective January 1, 2026, which provided for the repeal of Section 12.005, Business Organizations Code, and Sections 171.0005, 171.001(d), and 171.204(d), Tax Code.

SECTION 10. This Act takes effect September 1, 2025.	SECTION 3. Same as House version.	
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