

# The Senate of Texas



TAN PARKER

STATE SENATOR  
DISTRICT 12

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## **Senator Tan Parker applauds signing of SB 1057 to position Texas as the national leader for business registrations and capital market formation**

Austin, Texas — Texas took a decisive step forward as a global leader in capital formation with the signing of Senate Bill 1057, authored by State Senator Tan Parker and signed into law by Governor Greg Abbott. This critical legislation combats proxy abuse and strengthens Texas’ reputation as the premier state for corporate registration, public listings, and business headquarters.

“SB 1057 is a bold step forward in ensuring that shareholder proposals come from serious investors who are truly invested in a company’s long-term success,” said Senator Parker. “By protecting innovation and reinforcing responsible governance, this law strengthens the business climate that makes Texas the most strategic and dynamic home for public companies. I’m grateful to the Texas Stock Exchange for its steadfast leadership in advancing reforms that align markets with growth, accountability, and opportunity.”

The signing of SB 1057 reigning in activist abuse of the shareholder proposal and voting process, caps a broader package of capital markets legislation passed by the Texas Legislature and signed by Governor Abbott which includes a constitutional amendment banning transaction taxes on exchange operators (HJR4), codifying the business judgment rule (SB 29), and clarifying the franchise tax for Texas-based national exchanges (SB 1058).

“Together, these reforms establish a modern and resilient legal and regulatory framework that supports public companies, safeguards shareholders, and drives long-term economic growth. Texas is putting Delaware and New York on notice. We are building the most competitive and reliable home for capital markets in America.” Senator Parker said.



Texas Stock Exchange founder and CEO James H Lee welcomed the signing of the bill as a powerful affirmation of Texas' leadership and commitment to alignment with issuers and sponsors active in the U.S. public markets.

“We are deeply grateful to Senator Parker for leading the charge on SB 1057, and the rest of the capital market package” Lee said. “This legislation delivers long-overdue rebalancing of interests for public companies. The Texas Stock Exchange is committed to ensuring that our capital markets are fair, transparent, and aligned with the needs of issuers and investors alike.”

SB 1057 adds new provisions that combat proxy abuses to the Texas Business Organizations Code (TBOC), which governs the statutory requirements for forming, operating, and dissolving corporations in Texas. Under the new law, public companies incorporated in Texas can opt into the new framework if they are headquartered in Texas or listed on a national exchange with its principal place of business in Texas and approved by the Texas Securities Commissioner.

Once a company opts in, shareholders seeking to submit a proposal for inclusion in a company's proxy materials must satisfy all the following criteria:

- Hold at least \$1 million or 3% of the corporation's voting shares on the date of submission;
- Maintain that ownership for at least six months prior to and through the date of the annual shareholder meeting; and
- Solicit the holders of at least 67% of the voting power entitled to vote on the proposal.

These requirements ensure proposals are backed by shareholders with a meaningful financial interest in the company's success. Importantly, they also create a strong incentive for public companies to move their listings and ultimately headquarters to Texas.

For more information, please contact Senator Parker's office at (512) 463-0112.

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