



# Overview of the 89th Legislative Session: A Roundtable Discussion of the Future of the Texas Corporate Legal Ecosystem

February 10, 2026  
Dallas Bar Association  
Mergers & Acquisitions Section

Panelists: Senator Bryan Hughes (SD 1)  
State Representative Jeff Leach (HD 67)  
State Representative Morgan Meyer (HD 108)  
Jason Villalba, Frost Brown Todd  
David Cabrales, Foley & Lardner



## **Senator Bryan Hughes**

Senate District 1  
P.O. Box 12068  
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Austin, TX 78711

(512) 463-0101



Senator Bryan Hughes is serving his third term in the Texas Senate, representing nearly one million people across 19 counties throughout East Texas.

Dubbed as “one of the most effective legislators in the country” by Governing Magazine, Senator Hughes is known for passing the Heartbeat Bill, Critical Race Theory Ban, Election Integrity Bill, Social Media Censorship Ban, and the strongest data privacy law in the Nation, along with several other groundbreaking laws. Consistently ranked as the #1 most conservative member of the Senate, Hughes is the only member of the legislature to have two pieces of legislation appealed to the U.S. Supreme Court.

A graduate of Tyler Junior College and the University of Texas at Tyler, Senator Hughes earned his B.B.A. in economics, cum laude, and became the first member of his family to earn a bachelor’s Degree. He continued his studies at the Baylor University School of Law and served as law clerk to U.S. District Judge William Steger of Tyler before entering private practice which he maintains, helping families and businesses solve problems and deal with complex challenges.

Senator Hughes chairs the Senate Committee on State Affairs and serves as Vice-Chair of the Senate Select Committee on Civil Discourse and Freedom of Speech in Higher Education. He also serves on the Senate Committees on Health & Human Services, Natural Resources, Redistricting, and Nominations, and sits on the Energy Council’s Executive Committee.



## **Representative Jeff Leach**

House District 67  
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Austin, TX 78711

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State Representative Jeff Leach proudly serves the citizens of House District 67 in the heart of Collin County. Now serving in his seventh term, Representative Leach has consistently proven himself to be a dedicated and effective leader in the Texas Capitol, committed to strengthening Texas for future generations.

Throughout his service, Representative Leach has remained focused on addressing the challenges facing Texas families by reducing the burden of property taxes, investing in public education, strengthening the state's energy grid, and advancing long-term infrastructure priorities including water, transportation, and disaster preparedness.

During the 89th Legislative Session, Representative Leach was appointed by Speaker Dustin Burrows to serve a fourth term as Chairman of the House Committee on Judiciary & Civil Jurisprudence. Additionally, Representative Leach was selected to serve on the House Committee on Public Education and the Calendars Committee.

Born and raised in Plano, Representative Leach graduated from Plano Senior High before attending Baylor University. He earned his law degree from Southern Methodist University's Dedman School of Law, and currently practices at the law firm of Gray Reed in Dallas. Jeff and his wife Becky are the proud parents of Brady, Charlotte and Landry. In addition to service with numerous other community organizations, Jeff and Becky are active members of Cottonwood Creek Church.





**Rep. Morgan D. Meyer** | Partner

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Morgan is a member of the Texas House of Representatives and has over two decades of experience as a commercial litigator. He represents a legislative district that encompasses parts of Downtown Dallas, Uptown Dallas, East Dallas, Preston Hollow, Lake Highlands, Lakewood, the City of University Park, and the town of Highland Park.

Now in his sixth term as a state Representative, Morgan serves as Chair of the Ways & Means Committee which oversees critical tax and budget issues for the state. Morgan was instrumental in the passage of tax relief measures for Texans. He also serves on the House Administration Committee.

Morgan counsels and represents business clients in complex commercial litigation and appeals in the areas of telecommunications, energy/oil and gas, intellectual property, consumer finance, banking, employment disputes, landlord/tenant issues, construction, securities litigation, insurance, commercial banking, financial services, and healthcare.

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# Jason Villalba

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Jason is a financially trained business advisor and corporate strategist, experienced in emerging growth companies and companies operating primarily in the middle market in industries including tech-enabled services, retail, hospitality, manufacturing, health care, and communications. Jason also leads the Texas Government Affairs and Lobby Practice. Jason's background as an attorney, business advisor, economist, and as a former member of the Texas House of Representatives, provides him with deep knowledge in a number of business-critical areas including regulatory compliance, governmental relations, analytics, and corporate governance. Jason's legislative experience bringing together disparate constituencies to achieve a common objective provides a unique problem-solving facet to his skillset as a corporate advisor.

Jason serves most frequently as a seasoned business advisor, partner and general counsel for companies that have engaged him for his strategic, corporate, and legal advice on matters spanning financing, litigation, government relations, executive compensation, and operations.



## **David Cabrales**

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David Cabrales is an attorney and lobbyist in the Austin and Dallas offices of Foley & Lardner. He is co-chair of the firm's Texas State Government Solutions practice group, as well as co-chair of its Economic Development and Government Incentives practice group, and a member of the Texas Corporate Governance Team.

David has been immersed in Texas state government matters for over 20 years, including time spent as a Texas Racing Commissioner, as General Counsel to Governor Rick Perry, and as chairman of the Texas Economic Development Corporation. A seasoned complex-commercial trial attorney, David represents clients at the intersection of law and public policy at the Legislature as well as before state agencies and local governments. He has particular expertise in resolving matters before the Texas Commission on Environmental Quality, the Texas Health and Human Services Commission, the Texas Department of Insurance, The Texas Railroad Commission, and the Texas Racing Commission.

David is a member of the bipartisan Federal Judicial Evaluation Committee (FJEC), which is composed of leading Texas attorneys who screen and recommend to U.S. Senators John Cornyn and Ted Cruz nominees for vacancies on the federal bench and in U.S. attorney offices in Texas.

David started his career as a briefing attorney for Texas Supreme Court Justice Raul Gonzalez. He has an undergraduate degree in International Trade from Texas Tech University and a law degree from SMU, where he attended as a Hatton W. Sumners Scholar.

# Key Business Law Reforms - 89<sup>th</sup> Session

**SB 29** - Major corporate law reform

**SB 2337** - Regulation and disclosure requirements for proxy advisors.

**SB 1057** - Increased ownership requirements for shareholder proposals at Texas-based public companies

**HJR 4** - Proposes a constitutional amendment to ban new taxes on securities transfers and financial transactions

**SB 1058** - Franchise tax revenue exclusions for securities exchange rebates.

**HB 40** - Jurisdictional and procedural updates to the Texas Business Court

# Senate Bill 29 (Hughes/Meyer)

## **Major Reforms:**

1. Codifies the Business Judgment Rule  
(*Section 21.419(f), Texas Business Organizations Code*)
2. Allows companies to set ownership threshold before derivative claims can be brought (*Sec. 21.552*)
3. Allows upfront determination of independence of board members on certain matters (*Secs. 21.416 & 21.554*)
4. Bars recovery of attorney's fees in "disclosure-only" settlement of derivative lawsuits (*Secs. 21.561(c) [corp.s], 101.461(c) [LLCs], and 153.411(c) [L.P.s]*),



# Senate Bill 2337 (Hughes/Leach)

**Requires proxy advisors to disclose when recommendations are not based solely on the financial interests of shareholders.**

*(Chapter 6A, Texas Business Organizations Code)*

- **Non-Financial Factors:** Recommendations based on ESG goals, DEI, social credit scores, or sustainability factors are deemed not solely in the financial interest.
- **Disclosure Requirements:** Advisors must provide a notice explaining the basis of the advice and how it subordinates financial interests to other objectives.
- **Required Analysis:** If a recommendation is inconsistent with the board, it must include a specific economic analysis.
- **Conflicting Advice:** Disclosure and notice requirements when giving "materially different" advice or recommendations.

# Senate Bill 1057 (Parker/Meyer)

Sets ownership and solicitation requirements for shareholders introducing proposals at Texas-based public companies. (*Section 21.373, Texas Business Organizations Code*)

- **Eligibility:** Headquartered in Texas, or listed on a Texas-based exchange.
- **Submission Criteria:** Must own at least \$1 million or 3% of voting shares for at least six months.
- **Solicitation:** Must solicit at least 67% of the shares entitled to vote on the proposal.
- **Exclusions:** Do not apply to director nominations or procedural resolutions.

# HJR 4 (Meyer/Parker SB 1058 (Parker/Capriglione)

## Securities Transaction Tax Protection

- **HJR 4** (*Art. VIII, Sec. 30(c), Texas Constitution*): Constitutional amendment to prohibit new taxes on securities transfers and transactions conducted by "registered securities market operators" (e.g., exchanges, pools, broker-dealers, etc.).
- **Limitations:** Does not prohibit general business taxes, sales taxes on services, or changes to existing taxes.
- **SB 1058** (*Section 171.011, Texas Tax Code*): Permits registered securities market operators to exclude transaction rebate payments (liquidity incentives paid to brokers/dealers) from total revenue for franchise tax purposes.

# HB 40 (Leach & Meyer/Hughes)

## Expands the jurisdiction of the Business Court

- **New Categories:** Jurisdiction over IP matters, trade secrets, and investment disputes (where parties agree to jurisdiction in the contract).
- **Arbitration:** Actions to enforce arbitration agreements or review awards related to internal affairs or commercial disputes.
- **Amount in Controversy:** Reduces the required amount from \$10 million to \$5 million and allows for the aggregation of all joined parties' claims.
- **Venue Selection:** Governing documents can be used to establish venue for certain internal affairs; excludes derivative proceedings.
- **Administrative Changes:** Moves Montgomery County into the division that includes Houston; Bastrop County moved during Special Session.



# What Comes Next?

A preview of the 90<sup>th</sup> Legislative  
Session (2027) . . .

