

BELL NUNNALLY ATTORNEYS CHART TEXAS' PATH TO RIVAL DELAWARE IN THE TEXAS LAWBOOK

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Bell Nunnally Partner R. Heath Cheek, Senior Associate Nathan Cox and Associate Mackenzie Jackson authored *The Texas Lawbook* article “Texas Takes Aim at Delaware’s State of Incorporation Crown.” The article highlights efforts in Texas to boost companies incorporating and reincorporating in the state, often at the expense of Delaware – historically a major destination for incorporation. This movement is sometimes called “DExit” and aligns well with Texas’ trend of attracting corporate headquarters.

Cheek, Cox and Jackson note, “Texas is executing a deliberate legislative and judicial campaign to position itself as the premier destination for American businesses. Through a suite of recent reforms — including House Bill 4934, House Bill 5 and Senate Bill 29 — Texas is not only courting high-growth companies with economic incentives but also reshaping its legal infrastructure to rival Delaware’s well-established Chancery Court system.”

Bell Nunnally, and Cheek and Cox specifically, filed the first case in the history of the Texas Business Court — another key pillar of the state’s business friendly strategy whose doors opened in September 2024. “Texas Business Courts have already seen over 105 cases filed among the five divisions. Strong demand for the sophistication and promptness of the business courts has resulted in many lawyers attempting to find loopholes to bring cases to a business court or its dedicated court of appeals, the newly created Fifteenth District Court of Appeals,” they write.

Cheek, Cox and Jackson, referencing pending Texas Legislature bills, telegraph how, beyond the new Business Court, the state is speeding to catch up and possibly surpass Delaware as the preferred incorporation location:

“There are a series of other pro-business protections within the proposed legislation — from creating the option for a preliminary judicial determination of director independence to permitting venue provisions mandating that Texas Business Courts serve as the exclusive forum for internal corporate disputes — to promote a more specialized and sophisticated legal environment for businesses. Taken together, these reforms reflect Texas’s clear goal: to offer a predictable, pro-business environment for corporations. By increasing legal certainty, reducing legal risks and enhancing corporate protections, Texas is positioning itself as a compelling alternative to Delaware, where recent decisions have raised concerns about the stability of its legal environment.”

Cheek, Cox and Jackson conclude the article by noting, “Due to Texas’s business-friendly legal environment, coupled with its strong economic advantages and infrastructure, Texas is accelerating its efforts to become the new top choice for corporate incorporation.”

Read the full article [here](#).

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