It's great to see you all today, part of a group of people we love to keep busy in the State of Texas.

A look at the housing numbers would show we're pretty good at it, too.

For example, through the first eight months of 2012, Texas led the nation in residential construction, with more building permits issued than the next two states, Florida and California, combined.

We have seen aggressive growth in the housing markets, and significant increases in median sales prices, more than a 7 percent increase from the second quarter of 2011 to the second quarter of 2012.

This reflects just how strong the Texas economy truly is, and how the hard work from people like you are helping us build up state-wide momentum.

Of course, the funny thing about momentum, you either keep building on it or it starts fading away.

I think you all know what direction we're gonna take in Texas.

Over the past decade, we've taken bold, decisive steps to preserve and develop our business climate, building upon sound conservative values to make our state the nation's best for business.

Through the midst of a national economic slowdown, we saw people consistently voting with their feet, choosing Texas as the top destination in the country.

It's not complicated why.

We've made a place where employers won't be hindered by exorbitant taxes, wrapped up in bureaucratic red tape, or find themselves at the mercy of predatory attorneys, seeking to make steady money off extensive, drawn-out court cases.

We've made a place with a world-class workforce that's capable of fulfilling whatever needs an employer has, whether that's producing a life-saving vaccine, selling a product line, or creating the next generation of private space vehicles.

In short, we've created a fertile environment where innovative employers are free to create and nurture their ideas, and where government stays out of the way.

That's all part of our business climate, a climate that continues to be the envy of the nation.

But don't take my word for it.

Just this week, Area Development Magazine announced Texas was selected the "Top State for Doing Business", according to a survey of national location consultants.

http://governor.state.tx.us/news/speech/17780/
National CEOs like us even better, with Chief Executive Magazine picking us the "Best State for Business" for eight consecutive years.

Texas has also received the accolades of media outlets like USA Today, CNBC, the Wall Street Journal, fDi, Forbes and Site Selection Magazine.

Again, there's nothing complicated about our approach, we've simply made sure to root our economy on the principles of the free market and fiscal conservatism.

We don't spend more than we bring in, balancing our budget every biennium, and keeping billions in reserve in our Rainy Day Fund.

We have no, and will have no state income tax, and we're pressing to make 40,000 small businesses permanently exempt from our state's margin tax.

That's particularly important for our state's future.

Small business owners represent the true vibrancy of the Texas economy, with the jobs they create, and their contributions to the positive economic climate that helps us attract employers of all sizes to the Lone Star State.

Small business owners are making a real difference in countless lives, for countless families, from the Panhandle to the Gulf coast.

As we speak here today, someone, somewhere in Texas is coming up with the next big idea, a better way of doing something, or doing something that's never been done before.

Preserving the ability of innovative employers to succeed and grow here in Texas is at the heart of our approach.

And it's an approach we need to continue.

That's why in the run-up to the next legislative session, I've introduced the Texas Budget Compact.

The Compact is a collection of five basic steps our legislature should take to ensure we continue adhering to the bedrock principles that have gotten us where we are today.

They are, practice truth-in-budgeting, support a stricter constitutional limit on spending, oppose any new taxes or tax increases, and make the small business tax exemption permanent, preserve our strong Rainy Day Fund, and cut wasteful and redundant government programs and agencies.

At the heart of the Compact is the idea that money does a lot more good in the pockets of individuals than it does in government coffers.

You can find evidence of that not too far from this very spot.

The Houston Theater District is home to eight performing arts organizations, and more than 12,000 seats.

Only New York City has a higher concentration of seats in one area.

It's one of only a few cities with resident companies in the four disciplines of the performing arts, ballet, opera, symphony and theater.

And that's been accomplished because people have been able to keep more of their money, and invest it in the cultural scene, here in Houston and in other cities throughout Texas.

That's not a government program, or handout, it's people accomplishing things on their own.
The compact has been designed to keep government honest, as small as possible, and as efficient as it can be in providing essential services like educating our children and caring for our most vulnerable citizens.

By sticking to that formula, we can enable employers and employees alike to keep more of their hard-earned dollars, which translates to a stronger economy, more, and better, jobs, and a greater chance at success for all Texans.

We're approaching a very pivotal legislative session.

We've had a very successful economy over the past two years, with sales taxes up significantly.

There are those who see this as an opportunity to crack open the budget and start spending freely.

That's precisely the wrong approach to take.

We need to use this as an opportunity to make our budget stronger, more secure for future generations.

Of course, that's not all the challenges we'll be facing next year.

As just one example, my office, the legislature, and our state agencies are working with local communities to develop strategies to ensure we have the water to fuel our state's economic development for generations to come.

We'll also continue to stand firm in our commitment to preserve and protect private property rights in the state of Texas.

After all, property ownership is, was, and has always been, part of every American's pursuit of happiness, just like it's always been part of the American Dream.

I salute the work you all are doing at the HRBC, and I look forward in your continued voice in Austin, as we continue to make Texas the best place in the country to live, work and raise a family.

May God bless you and, through you, may He continue to bless the great state of Texas.