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“Texit” Shows No Sign of Stopping – Chevron Says “Howdy, Houston!… Hasta La Vista, California!”

California Employment Law Update on **August 5, 2024**

Chevron announced on Friday its plans to relocate its headquarters from Northern California to Houston, Texas. Chevron first began doing business in California nearly 150 years ago in 1879 with the incorporation of the Pacific Coast Oil Company, headquartered in San Francisco.

In a public statement, Chevron said the move is due to a desire to “to co-locate with other senior leaders and enable better collaboration and engagement with executives, employees, and business partners.” Chevron’s announcement comes just two weeks after Elon Musk posted on X that he plans to move SpaceX’s headquarters from Hawthorne, California to a new facility in Texas.

As anyone who’s been paying attention knows, in the past few years, dozens of companies have picked up stakes and moved east (mostly to Texas, Arizona, and Florida), including household names such as Neutrogena, McAfee, Oracle, Hewlett-Packard, Boingo Wireless, American Airlines (flight attendants), AECOM, and Tesla and the Boring Company (two other Elon Musk enterprises). (Every Company Leaving California 2020-2024).

Among the reasons most commonly given for this stampede:

- California’s high tax rates, punitive regulations, high labor costs, high utility and energy costs and high living costs.
- A move that will “reduce state corporate tax rate by more than a third.”
- Seeking a “**more sustainable place to do business**.”
- **Seeking “a strong economic climate with low taxes**, reasonable regulations and a high-caliber workforce.”

- Moving for “our business needs, **opportunities for cost savings**, and team members.”
- “Arizona provided the ideal conditions of being **business-friendly, offering a high quality of life** at reasonable cost.”
- “**In California, local rules could dictate how the company chooses board members**.”

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