

## **BILL ANALYSIS**

H.B. 4022  
By: Branch  
Higher Education  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, public institutions of higher education in Texas are exempt from oil and gas severance taxes imposed by the state. Extending that exemption to private institutions would place such private institutions on a more equitable level with public institutions and allow private institutions to use the money saved for purposes such as tuition relief, endowment enhancement, brick and mortar facilities, financial aid, and scholarships.

H.B. 4022 exempts royalty interests owned by a private or independent institution of higher education from state oil and gas severance taxes.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 4022 amends the Tax Code to exempt royalty interests owned by a private or independent institution of higher education from the tax imposed on each producer of gas or oil under state law. The bill defines "private or independent institution of higher education" by reference to the meaning assigned to that term in the Education Code.

### **EFFECTIVE DATE**

September 1, 2009.