

BILL ANALYSIS

Senate Research Center
84R18128 TJB-D

H.J.R. 64
By: Elkins (Bettencourt)
Natural Resources & Economic Development
5/8/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties assert that the development and commercialization of technology by institutions of higher education are critical components of the educational and research missions of those institutions, including those that are members of certain medical centers, and key contributors to the economic development and well-being of the state. Some of these institutions report that insufficient funding has created a gap between the development of technologies and actual commercialization. The parties also assert that Texas has fallen in rank with respect to venture funding for start-ups, with many start-ups relocating from Texas to other states for funding. The parties further assert that, although Texas has a positive business climate and considerable resources, the state could cultivate more start-ups by providing certain incentives, such as a tax exemption for certain research technology corporations created by an institution of higher education. H.J.R. 64 seeks to provide for this exemption.

H.J.R. 64 proposes a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of certain property owned by or leased to or by a university research technology corporation.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article VIII, Texas Constitution, by adding Section 1-p, as follows:

Sec. 1-p. (a) Defines "university research technology corporation."

(b) Authorizes the legislature by general law to exempt from ad valorem taxation:

- (1) the ownership interest of a university research technology corporation in real and tangible personal property;
- (2) the ownership interest of a nonprofit medical center development corporation in real and tangible personal property leased to or used or occupied primarily by a university research technology corporation; or
- (3) the leasehold interest of a university research technology corporation in real and tangible personal property leased from a nonprofit medical center development corporation.

(c) Authorizes the legislature to impose eligibility requirements for an exemption authorized by this section.

SECTION 2. Requires that this proposed constitutional amendment be submitted to the voters at an election to be held November 3, 2015. Sets forth the language for the ballot.