

BILL ANALYSIS

Senate Research Center

S.B. 903
By: Hancock
Business & Commerce
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas General Land Office manages state resources for the benefit of public education, oversees operations of state-owned lands, maintains the state archives, and administers the Texas Veterans Land Board, among other things.

S.B. 903 makes clarifications and technical corrections to the Natural Resources Code in order to make the code reflect current practice, increase efficiencies, and delete outdated language related to the Texas General Land Office.

S.B. 903 amends current law relating to procedures for the management, sale, or lease of certain state-owned real property and the management or collection of related funds, including disputed oil and gas royalties owed to the state.

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 Section 31.1573(d), Natural Resources Code, as follows:

(d) Requires that the grant of an interest in real property owned by the state under this section:

(1) Makes no change to this subdivision; and

(2) be conveyed by an instrument signed by the commissioner of the General Land Office (commissioner) and, if the transaction was conducted under Section 31.158(c)(7) (requiring the asset management division of the General Land Office (GLO) to sell property under certain circumstances), rather than be conveyed by an instrument signed by the commissioner and, if the governor's approval is required, by the governor.

SECTION 2. Amends Section 31.167(c), Natural Resources Code, to provide that revisions to the development plan are governed by local development policies and procedures if the revisions are requested after the later of:

(1) Creates this subdivision from existing text and makes a nonsubstantive change; or

(2) the date on which the state no longer holds a financial or property interest in the real property subject to the plan, rather than the date on which the state no longer holds a financial or property interests in the real property subject to the plan are governed by local development policies and procedures.

SECTION 3. Amends Section 32.106, Natural Resources Code, to require that the description of public school land offered for sale, lease, or commitment to a contract for development be in

accord with the description which may be found in the School Land Registry or other records in the land office.

SECTION 4. Amends Section 33.136(c), Natural Resources Code, to require the commissioner, within 30 days after the date the commissioner approves a coastal boundary survey under this section, to provide notice of that approval by:

- (1) Makes no change to this subdivision;
- (2) publication for two consecutive weeks on the Internet website of the land office, rather than publication for two consecutive weeks in a newspaper of general circulation in the county or counties in which the land depicted in the survey is located; and
- (3) Makes no change to this subdivision.

SECTION 5. Amends Subchapter C, Chapter 51, Natural Resources Code, by adding Section 51.068, as follows:

Sec. 51.068. FUND ACCOUNTS. (a) Requires that the payments of principal, interest, and lease rental be accounted for in a similar form but separate from first payments on land.

(b) Requires the comptroller of public accounts of the State of Texas (comptroller) to deposit 90 percent of the payments on land received each month to the probable fund to which the payments belong as indicated by the commissioner and to hold the remaining 10 percent of the payments in the suspense account until the comptroller receives notice from the commissioner indicating the proper fund for the payments. Requires the comptroller, after notice is received, to credit the full amount to the proper fund.

(c) Requires the commissioner and comptroller to keep an account with each fund according to advices given by them and retain the advices as permanent records.

SECTION 6. Amends Section 51.3021(c), Natural Resources Code, as follows:

(c) Provides that the notice required by Subsection (b) (requiring the commissioner to give written notice before demolition of certain facilities or structures) must be given:

- (1) Makes no change to this subdivision; or
- (2) if personal service cannot be obtained or the address of the person responsible is unknown, by posting a copy of the notice on the facility or structure and by publishing notice on the Internet website of the land office and in the Texas Register for 10 consecutive days, rather than in a newspaper with general circulation in the county in which the facility or structure is located two times within 10 consecutive days.

SECTION 7. Amends the heading to Section 52.137, Natural Resources Code, to read as follows:

Sec. 52.137. SUIT AFTER PROTEST.

SECTION 8. Amends Sections 52.137(a) and (c), Natural Resources Code, as follows:

(a) Requires a lessee, if the lessee who has received an audit deficiency assessment and has waived the right to request a hearing before the commissioner or who is required by final order of the commissioner following a hearing to pay additional royalties, contends that such audit deficiency assessment is unlawful or that the commissioner may not legally demand or collect such royalties, and the lessee intends to bring suit under this

section, to submit a protest in writing stating fully and in detail each reason why it contends such royalty is not due. Deletes existing text requiring the lessee to pay to the commissioner the amount claimed by the commissioner, and submit this payment with the protest. Requires that such a protest, rather than payment, be made to the commissioner within 30 days of the date of receipt of the audit billing notice or of the date of receipt of the final order of the commissioner following a hearing, as the case may be.

(c) Provides that a suit under this section is barred unless brought in the district courts of Travis County within 90 days after the date of the protest, rather than protest payment, or within 90 days after the date of the final order of the commissioner following hearing, whichever is later.

Deletes existing text authorizing that a suit be brought under this section against the commissioner to recover the payment under protest.

SECTION 9. Amends Section 52.139(a), Natural Resources Code, to provide that, if an audit billing notice has been issued under Section 52.135 (Inspections and Examinations) and any outstanding audit deficiency assessment has been paid either:

(1) and (2) Makes no change to these subdivisions;

(3) after a final non-appealable judgment has been rendered by a court after filing of a suit under Section 52.137 (Suit After Protest Payment), rather than after payment of an audit assessment under protest and filing a suit for refund under Section 52.137 of this code, then the commissioner may not issue another deficiency assessment which covers the same issues, time periods, and leases as those covered by the previous assessment.

SECTION 10. Repealer: Section 32.102 (List of Land), Natural Resources Code.

Repealer: Section 52.137(b) (requiring the commissioner to send payment made under protest to the comptroller and requiring the comptroller to use the funds for certain purposes), Natural Resources Code.

Repealer: Section 52.138 (Refund), Natural Resources Code.

SECTION 11. Provides that the changes in law made by Sections 52.137 and 52.139(a), Natural Resources Code, as amended by this Act, and by the repeal of Section 52.138, Natural Resources Code, apply only to an audit billing notice or a final commissioner's order, as applicable, received by a lessee on or after the effective date of this Act. Makes application of this Act prospective.

SECTION 12. Effective date: September 1, 2015.