BILL ANALYSIS

Senate Research Center 78R4765 PAM-F

S.B. 1121 By: Staples Natural Resources 3/28/2003 As Filed

DIGEST AND PURPOSE

Currently, Chapter 31 (General Land Office), Natural Resources Code, fails to explain the general powers and duties of the General Land Office (GLO) regarding real estate transactions dealing with state real property. As proposed, S.B. 1121 clarifies the General Land Office's powers and duties concerning the accounting and disposition of state-owned real property.

RULEMAKING AUTHORITY

Rulemaking is expressly granted to the Commissioner of the General Land Office in SECTION 31 (Section 51.507, Natural Resources Code) and to the General Land Office in SECTION 17 (Section 31.1572) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 31.001, Natural Resources Code, as follows:

Sec. 31.001. DEFINITIONS. Defines "appraiser," "board," "division," "evaluation report," "exchange," "governor's report," "institution of higher education," "market value," "political subdivision," "real estate transaction," "real property owned by the state," "state," and "state agency." Creates Section 3 from existing text. Redesignates text of Subsection (3) as (9).

SECTION 2. Amends Chapter 31A, Natural Resources Code, by adding Section 31.002, as follows:

Sec. 31.002. APPLICABILITY. (a) Establishes that this chapter applies to any real estate transaction involving real property owned by the state, unless otherwise provided by law.

- (b) Provides that the provisions of this chapter governing real estate transactions authorized by the governor apply only to real transactions involving real property owned by the state. Provides that real transactions under this subsection are subject to land office review under Section 31.155(d).
- SECTION 3. Amends Section 31.011, Natural Resources Code, as follows:
 - Sec. 31.011. LAND OFFICE ESTABLISHED. Requires the General Land Office (GLO) to register all real property titles, rather than land titles, emanating from the state if not prohibited by the constitution.
- SECTION 4. Amends Section 31.013(b), Natural Resources Code, to require the GLO to pay the expenses necessary and incidental to the execution of the bonds.
- SECTION 5. Amends Section 31.016 and 31.017, Natural Resources Code, as follows:
 - Sec. 31.016. ABSTRACT CLERK. Requires the commissioner of the General Land Office (commissioner) to designate a clerk as the abstract clerk who is assigned to correct the abstract of patented, titled, and surveyed real property, rather than land, required to be

kept in the land office to reflect errors, changes caused by the cancellation of patents and in county lines, and the creation of new counties and to add new patented surveys on the date they are patented.

Sec. 31.017. New heading: RECEIVER. (a) Requires the commissioner, with the consent of the governor, to appoint a suitable person to serve as receiver, rather than serve as the receiving clerk, for the land office.

(b) Makes a conforming change.

SECTION 6. Amends Section 31.018(c), Natural Resources Code, to delete text requiring that a translation from Spanish into English be recorded in a book. Makes a conforming change.

SECTION 7. Amends Section 31.019, Natural Resources Code, as follows:

Sec. 31.019. New heading: SURVEYORS. (a) Requires the commissioner to appoint a chief surveyor, rather than draftsman, and as many assistant surveyors, rather than draftsmen, as authorized by law.

(b) and (c) Make conforming changes.

SECTION 8. Amends Section 31.051, Natural Resources Code, to makes conforming changes.

SECTION 9. Amends 31.052(a), Natural Resources Code, to provide the these documents constitute prima facie evidence of the boundaries of the patents and titles to the real property described in the documents. Makes a conforming change.

SECTION 10. Amends Sections 31.054, 31.055, 31.056, 31.057. 31.058, 31.059, and 31.060, Natural Resources Code, as follows:

Sec. 31.054. New heading: PUBLIC ACCESS TO AND REMOVAL OF PAPERS. (a) Requires any person who desires to examine any paper, record or file to make a written request on a form and according to procedures prescribed by the commissioner. Authorizes the commissioner to establish procedures as reasonably necessary to maintain the integrity of the records. Deletes text requiring a person to obtain the written consent of the commissioner or chief clerk, and an order for the detail of a clerk to be present and superintend the examination in order to examine any paper, record, or file.

- (b) Deletes text requiring the clerk to examine the paper file. Creates new Section 31.054(b) from text of Section 31.055(a).
- (c) Reletters Subsection 31.055(b) as Section 31.054(c).
- (c) Deletes existing Section 31.005(c).

Sec. 31.056. New heading: REVISION, COMPILATION, AND PRINTING OF ABSTRACTS. (a) Makes a conforming change.

- (b) No change in this section.
- (c) Authorizes the commissioner to distribute to the officers of the state who require its use but have not previously received a set, one complete set of the abstracts, as supplemented, of patented, titled, and surveyed real property. Authorizes the commissioner to distribute to officers of counties who are required to use abstracts copies of supplementary abstracts. Deletes text authorizing the commissioner to sell the surplus volumes to any person who applies for them at a price that is not less than the cost of the state.
- (d) Authorizes the commissioner to provide the abstracts and supplementary

- abstracts electronically. Deletes text requiring money received from the sale of surplus volumes to be deposited in the general revenue fund.
- (e) Authorizes the commissioner to make available, rather than have, a sufficient number of volumes and supplementary abstracts of patented, titled, and surveyed real property, rather than printed, to meet the demand.
- (f) Requires the GLO to pay the cost of supplementary abstracts from its abstracts from its appropriated funds. Deletes text requiring the printing and the binding to be done exclusively in Texas.
- (g) Provides that copies of the abstracts and supplementary abstracts may be sold at a reasonable price to any person who applies for a copy. Deletes text providing that none of the provisions of this section affect the provisions of the Section 31.057 of this code. Requires the commissioner to deposit any money received from the sale of surplus volumes and supplementary abstracts, rather than the copies of the State Treasury, to the credit of the general revenue fund. Deletes text providing for the printing of supplementary abstracts. Deletes text requiring GLO to pay for the printing cost incurred. Makes a conforming change.
- Sec. 31.058. RECEIVING FUNDS. (a) Requires the receiver, rather than receiving clerk, to receive funds required by law to be paid to the commissioner and on request to give to each person who deposits money a receipt, rather than certificate of deposit, stating the amount, the name of the person, and a description of the purpose of the remittance, rather than the type of claim on which the deposit was made.
 - (b) No change in subsection.
 - (c) Makes a conforming change.
- Sec. 31.059. New heading: RECEIVERS BOOKS. (a) Requires the receiver, rather than the receiving clerk to keep books in which to enter each deposit separately and the name of the person. Deletes text requiring the receiver to enter the number of the claim and the location of the land to be perfected.
 - (b) Requires the receiver to keep letters and other vouchers filed in neat and regular order and number corresponding with the books of the office. Makes nonsubstantive changes.
 - (c) Requires the receiver, rather than receiving clerk, to report to the comptroller of public accounts (comptroller) and pay in kind funds in the receiver's possession which are due to the state in accordance with the Government Code, rather than to receive a receipt in his own name.
 - (d) Requires the receiver, rather than the receiving clerk, in the books of the office, to keep separate columns indicating the amount of funds paid. Makes nonsubstantive changes.
 - (e) Requires the receiver, rather than the receiving clerk, on removal from office or resignation to turn over the books of the office accounts, and money to the appointed successor or to the commissioner and to receive a receipt for them. Makes nonsubstantive changes.
- Sec. 31.060. FINANCIAL REPORT. Requires the commissioner, rather than the receiving clerk, on or before the meeting of the legislature, to prepare and furnish to the governor a correct report of the condition of the office, including the amount of money received, the type of claim, the amount of money paid out and the type of payment.

SECTION 11. Amends Section 31.064, Natural Resources Code, to require the commissioner to

set and collect, for the use of the state, reasonable fees in amounts for filing fees, preparation of certificates of fact, certified copies, maps, reproduction of maps and sketches, Spanish translations, patents and deeds of acquittance, and for other miscellaneous services, including but not limited to shipping in a mailing tube and typed transcriptions or taped copies of tapes or other sound recordings, and any other provided services and products.

SECTION 12. Amends Section 31.065(c), Natural Resources Code, to authorize the commissioner, if the commissioner determines that the real property acquired by the state by gift, devise, or bequest is not suitable for the purpose for which the gift, devise, or bequest was originally made, together with the agency, board, commission, department, or other state entity designated to possess, administer, or use the real property to exchange the real property for real property that is suitable for such purpose.

SECTION 13. Amends Section 31.066(b), Natural Resources, Code, to make conforming changes.

SECTION 14. Amends Section 31.067, Natural Resources Code, as follows:

Sec. 31.067. New heading: AUTHORITY TO SELL AGENCY REAL PROPERTY. (a) Provides that the division is authorized to sell any real property acquired on behalf of the state pursuant to Section 402.025 (Property Transactions), Government Code. Requires the sale of real property to be conducted in accordance with the provisions of Section 31.158 of this code unless otherwise provided by law. Requires the proceeds of sale to be deposited in the general revenue fund as specified in Section 402.025, Government Code.

- (b) Authorizes any state agency or political subdivision to directly sell or exchange real property with the School Land Board for the benefit of the permanent school fund if the sale or exchange is for market value. Provides that Section 272.001(Notice of Sale of Land by Political Subdivision; Exceptions) Local Government Code, does not apply to an exchange under this section.
- (c) Authorizes the division to directly sell real property owned by the state to a political subdivision if the commissioner determines the sale is in the best interest of the state. Requires the governor to approve any sale of real property negotiated under this section. Provides that the failure of the governor to approve the sale constitutes a veto of the transaction.
- (d) Provides that a sale of real property under this chapter must be for market value and under other terms and conditions the commissioner determines to be in the best interest of the state.

SECTION 15. Amends Section 31.068(a), Natural Resources Code, to make a conforming change.

SECTION 16. Amends Section 31.153- 31.157, and 31.1571, Natural Resources Code, to read as follows:

Sec. 31.153. New heading: REAL PROPERTY ACCOUNTING AND RECORDS. (a) Makes a conforming change.

- (b) Makes conforming and nonsubstantive changes.
- (c) Makes nonsubstantives changes.
- (d) Requires each state agency, annually at the time set by the division, to furnish the Texas Historical Commission with a photograph and information that specifies and identifies the age of certain buildings.

- Sec. 31.154. New heading: REAL PROPERTY INVENTORY. Authorizes the division to compile the inventory records from the information submitted under Sections 31.153 and 31.155 of this chapter.
- Sec. 31.155. (a) Provides that the division is not responsible for maintaining the inventory records, as provided by Section 31.154, of the real property administered by the Texas Department of Transportation (TxDOT), an institution of higher education, the Employees Retirement System of Texas, or the Teacher Retirement System of Texas. Deletes text providing that the division is not responsible for maintaining the inventory records of real property administered by the Texas National Research Laboratory Commission. Makes a conforming change.
 - (b) Makes a conforming change. Requires the division to maintain the inventory records of the former Texas National Research Laboratory Commission, to the extent possible, and provides that it is responsible for the disposal of any real property interests held by the former commission as provided by Subchapter G.
 - (c) Authorizes, rather requires, the division to review and verify the TxDOT's records and make recommendations regarding the TxDOT's real property, and the requires the commissioner to prepare a report involving the department's real property to the same extent that the division and commissioner perform these functions with regard to the records and real property of other state agencies.
 - (d) Makes nonsubstantive changes.
 - (e) Provides that the duties of the division to make recommendations regarding real property and of the commissioner to prepare a report involving real property under this subchapter do not apply to certain real property.
- Sec. 31.156. New heading: REAL PROPERTY REVIEW. (a) No changes in this Subsection.
 - (b) Makes conforming and nonsubstantive changes.
 - (c) Deletes Subsection (c), requiring the division to provide a list and appraisal of property.
 - (d) Deletes Subsection (d), requiring the division to make recommendations regarding to property identified as not being used or being substantially underused.
 - (e) Deletes Subsection (e), requiring the division to recommend the title of property to be transferred to the appropriate political subdivision, if the Texas Department of Housing and Community Affairs (TDHCA) designates a property as suitable for affordable housing.
 - (c) Redesignates (f) as (c). Makes conforming and nonsubstantive changes. Deletes text requiring the division to solicit proposals and accept any unsolicited proposals regarding estate transactions.
 - (d) Redesignates (g) as (d). Requires the division to submit to the commissioner any information pertinent to the evaluation of a real estate transaction involving the real property, including the market value of the real property, current market conditions, and an evaluation of any proposals received from private parties that would be of significant benefit to the state. Deletes the requirement that the division submit an evaluation of the lease potential of a property, if it submits an evaluation of a sale property.
 - (e) Redesignates (h) as (e). Requires that in any year that the division will

evaluate real property under the management and control of the adjutant general's department (TAGD) or the Texas Military Facilities Commission (MFC), the division rather than the Texas National Guard Armory Board, notify the TAGD and the MFC before the division begins the evaluation.

Sec. 31.157. New heading: EVALUATION REPORT. (a) Requires the commissioner to prepare a draft evaluation report addressing all real property owned by the state that incorporates the results and findings if the evaluation of real property under Section 31.156.

- (b) Requires the draft report to be submitted to the Texas Building and Procurement Commission (TBPC), rather than the General Services which shall further evaluate the potential use of the real property by another state agency, and to the TDHCA, which shall evaluate the real property for the potential suitability for affordable housing. Requires GLO, on request, to provide TDHCA with other information related to real property included in the draft report. Requires GLO to submit a draft report to each state agency that owns or holds in trust real property that is the subject of the draft report. Authorizes TBPC and TDHCA, to make additional recommendations regarding the use of the real property. Authorizes the state agency that owns or controls real property named in the report to comment on any findings or recommendations made by the commissioner. Requires T BPC, TDHCA and any state agency that owns or controls real property named in the report to complete a review of the draft report within 60 days of the receipt of the report and forward all recommendations and comments to the commissioner. Deletes text requiring the draft paper to be submitted and furnished to TBPC, to each agency that owns or holds in trust certain property at the same time it is furnished to TBPC. Deletes text authorizing TBPC to comment on any findings or recommendations made by the commissioner.
- (c) Requires the commissioner to prepare and issue a final evaluation report that incorporates any recommendations of the TBPC regarding the potential use of real property by another state agency, any recommendations of TDHCA, rather than the division, regarding the transfer of title to real property to a political subdivision for use as affordable and accessible housing, and any comments from any state agency that owns or controls property named in the report. Deletes text referencing incorporating TBPC recommendations regarding the use of property and addressing comments received form the commissioner.
- (d) Makes conforming changes.
- (e) Deletes text requiring the evaluation of a sale of property to contain an evaluation of the lease potential of the property.
- (f) Prohibits properties reported as not being used or being substantially underused under this section from being annexed by a political subdivision of the state without prior written approval of the commissioner.
- (g) Requires a state agency that owns or controls real property named in the report to notify GLO 30 days before any planned development, acquisition, disposition, lease, or exchange of the real property, including any planned construction of new improvements or a major modification to an existing improvement. Deletes text regarding the disposal of unused or underused property.
- (h) Requires each state agency owning real property identified in the evaluation report as unused or substantially underused to provide to GLO, within 30 days of GLO's request, information on the status of those properties. Requires the report to include certain information.

- (i) Authorizes the division to solicit proposals and requires to accept unsolicited proposals regarding real estate transactions involving real property that would be of significant benefit to the state.
- Sec. 31.1571. GOVERNOR'S REPORT. (a) Authorizes the commissioner, at any time, to make a report to the governor recommending real estate transactions or other actions involving any real property included in the most recent evaluation report and identified as not used or substantially underused.
 - (b) Requires the commissioner, after the commissioner recommends a real estate transaction to the governor, to notify the state agency that owns or controls the real property and TDHCA. Authorizes the state agency and TDHCA, by the 60th day after receiving the recommendation, to file with the governor their comments on or objections to the recommendation.
 - (c) Prohibits the real property that the commissioner has reported as unused or substantially underused and recommended for a real estate transaction from being developed, sold, or otherwise disposed of by the state agency that owns or control the real property before the governor take certain actions, notwithstanding any other laws.
 - (d) Authorizes the governor to require a general development plan for future use of real property or any other information, if a state agency that owns or controls real property reported as unused or susbstantially underused intends to dispose or change the use of real property prior to the time provided by Subsection (c). Authorizes the governor, at any time to request the state agency to provide its general development plan or any other information to GLO for evaluation and to consult with the commissioner. Redesignates Subsection (b) as (d). Deletes text referencing Subchapter I.
 - (e) Authorizes the commissioner to conduct the transaction unless the governor gives the commissioner written notice disapproving the recommendation. Requires the governor to provide written notice of disapproval under this subsection by the 90th day after the date the governor receives the commissioner's written recommendation.

SECTION 17. Amends Chapter 31 E, Natural Resources Code, by adding Section 31.1572, as follows:

Sec. 31.1572. REAL ESTATE TRANSACTIONS AUTHORIZED BY THE GOVERNOR. (a) Requires GLO to take charge and control of real property as necessary to conduct and close a real estate transaction authorized by the governor.

- (b) Authorizes the expenses incurred by GLO in conducting a real estate transaction, including the payment of reasonable brokerage fees, to be deducted from the proceeds of the transaction before the proceeds are deposited. Authorizes GLO to adopt rules relating to the payment of reasonable brokerage fees.
- (c) Requires the proceeds of the transaction, unless dedicated by the Texas Constitution, to be deposited to the credit of certain accounts.
- (d) Requires the grant of an interest in real property owned or held in trust by the state under this section to meet certain requirements.

SECTION 18. Amends Chapter 31E, Natural Resources Code, by amending Section 31.158 and adding Section 31.1581, as follows:

Sec. 31.158. New heading: REAL ESTATE TRANSACTIONS AUTHORIZED BY

LEGISLATURE. (a) Requires the division, unless the enabling legislation or general law authorizing the real estate transaction specifies a different procedure, to transact the sale or lease of state real property in a certain manner. Makes conforming changes.

- (b) No change to this subsection.
- (c) Makes conforming changes.

Sec. 31.1581. TRANSFER OF REAL PROPERTY FOR USE AS AFFORDABLE AND ACCESSIBLE HOUSING AUTHORIZED BY THE LEGISLATURE. (a) redesignated from Section 31.158(d) Makes conforming changes.

(b) Redesignated from Section 1581(e). Makes conforming changes.

SECTION 19. Amends Section 31.159, Natural Resources Code, as follows:

Sec. 31.159. FIRST OPTION TO PURCHASE. (a) Provides that the School Land Board has a first option to purchase real property authorized for sale by the legislature or the governor. Authorizes the board to exercise its option by tendering cash at a value mutually agreed on by the board and the state agency that owns the real property, but prohibits the purchase price from being less than market value. Authorizes the division, for purposes of this section, to request more than one appraisal to determine market value. Requires the board and the state agency that owns the real property, if the parties cannot agree on a value, to follow the procedures provided by Subsections (d) and (e). Prohibits the board from paying more than market value.

- (b) Requires the division to inform the School Land Board of the proposed sale and its first option to purchase state agency real property. Requires the division, if the board decides to exercise its option under this section, to appoint an appraiser not later than the 30th day after the date the board notifies the division of its decision.
- (c) Requires the School Land Board to complete the cash purchase not later than the 120th day after the date the board exercises its first option to purchase. Authorizes the division, if the School Land Board fails to complete the purchase within the time permitted, to extend the time for completing the purchase or disposing of the real property as authorized by the legislature.
- (d) Provides that market value is determined as prescribed by this chapter. Requires the School Land Board, if the state agency that owns the real property disputes the market value, to request a second appraisal. Requires the division if the board fails to request a second appraisal, to appoint a second appraiser not later than the 21st day after the date the state agency notifies the board that it disputes the market value. Requires the two appraisers on completion of the second appraisal, to meet promptly and attempt to reach agreement on the market value. Requires GLO, if the two appraisers fail to reach agreement within 10 days of the meeting, to request a third appraiser to reconcile the two previous appraisals. Prohibits the determination of value by the third appraiser from being less than the lower or more than the higher of the first two appraisals. Provides that the value determined by the third appraiser is final and binding on all parties.
- (e) Authorizes the division to appoint an appraiser employed by the GLO for the performance of any one of the required appraisals. Requires any other appraiser employed under this section to be selected in accordance with Chapter 2254A, Government Code. Requires the party requesting the appraisal to award the appraisal services contract to the provider of professional services after considering the factors identified in Chapter 2254, Government Code. Requires the division to pay the expenses of appraisal. Deletes the text of existing Sections 31.159(a)-(d).

- SECTION 20. Amends Section 31.161, Natural Resources Code, as follows:
 - Sec. 31.161. DEVELOPMENT PLAN. (a) Authorizes the division if the state intends to conduct a sale or lease for nongovernmental purposes of real property belonging to the state, to the permanent school fund, or to any of the dedicated funds of the state, other than the permanent university fund, or any other real property subject to the administration and control of the board of regents of The University of Texas System, to promulgate a development plan on the real property.
 - (b) Makes conforming changes.
 - (c) Requires the plan to address local land use planning ordinances, which may include certain factors.
 - (d) Requires the plan to comply with existing rules, regulations, orders, or ordinances for real property development to the extent such rules, regulations, orders, or ordinances are not detrimental to the interests of the state as determined by the special board of review.
- SECTION 21. Amends Sections 31.1611(a), (b), and (d), Natural Resources Code, as follows:
 - (a) Makes conforming changes.
 - (b) Requires the division to set the agenda for the hearing, which must be completed no later than the 120th day after the date notice is provided under Subsection (a). Makes a conforming change.
 - (d) Makes conforming changes.
- SECTION 22. Amends Sections 31.162(a), (b), (e), and (f), Natural Resources Code, as follows:
 - (a) Makes conforming changes.
 - (b) Requires the local government to evaluate the plan and either accept or reject the plan no later than the 120th day after the date the division submits the plan, rather than six months after the submission of the plan by the asset management division.
 - (e) Makes conforming changes.
 - (f) Provides that failure by the local government to act within the 120-day period prescribed by Subsection (b), rather than within six months, will be deemed an acceptance by the local government of the plan.
- SECTION 23. Amends Section 31.163, Natural Resources Code, to make conforming changes.
- SECTION 24. Amends Section 31.165, Natural Resources Code, as follows:
 - Sec. 31.165. New heading: SPECIAL BOARD OF REVIEW. Makes conforming changes.
- SECTION 25. Amends Sections 31.166(b), (c), (d), (e), (f), and (g), Natural Resources Code, to make conforming changes.
- SECTION 26. Amends Sections 31.167(a) and (c), Natural Resources Code, to make conforming changes.
- SECTION 27. Amends Section 31.307, Natural Resources Code, to make conforming changes.

SECTION 28. Amends Sections 31.308(b) and (c), Natural Resources Code, to make conforming changes.

SECTION 29. Amends Section 31.309, Natural Resources Code, as follows:

Sec. 31.309. New heading: PREFERENCE RIGHT TO PURCHASE CERTAIN REAL PROPERTY. (a) Makes conforming changes.

(b) Makes conforming changes.

SECTION 30. Amends Chapter 11B, Natural Resources Code, by adding Section 11.0111, as follows:

Sec. 11.0111. LOCATION OF COASTAL BOUNDARIES. (a) Requires the commissioner to:

- (1) have the area between the coastline of the Gulf of Mexico and the Three Marine League line compiled and platted; and
- (2) locate and set the boundary lines between the coastal counties from the coastline to the Three Marine League line.
- (b) Requires the commissioner to locate and set the boundary lines between the counties from the coastline to the Three Marine League line in accordance with established engineering practice.
- (c) Requires the legal description of the boundary lines set between the counties from the coastline to the continental shelf to be filed and recorded in the office of the county clerk of the affected county.

SECTION 31. Amends Chapter 51, Natural Resources Code, by adding Subchapter J, as follows:

SUBCHAPTER J. GRANTS

- Sec. 51.501. APPLICATION FOR GRANT. Authorizes a lessee of real property owned by the permanent school fund and used for grazing or agricultural purposes to apply to the commissioner for a grant to construct a permanent improvement on the leased property.
- Sec. 51.502. SOURCE OF GRANT MONEY. Requires a grant under this subchapter to be made from money collected for surface damages under Sections 52.297 and 53.155.
- Sec. 51.503. APPRAISAL REQUIRED. (a) Requires an appraiser employed by GLO before a grant is made under Section 51.501, to appraise the effect of the improvement for which a grant is sought on the value of the permanent school fund property.
 - (b) Authorizes the commissioner if the appraiser finds that the improvement will increase the value of the real property in an amount at least equal to the amount the improvement will cost, to authorize the disbursement of money to construct the improvement.
- Sec. 51.504. EVIDENCE OF EXPENDITURE REQUIRED. Requires the commissioner to require each lessee who receives a grant to provide copies of receipts, vouchers, or other evidence of expenditures for the improvement.
- Sec. 51.505. IMPROVEMENTS: REAL PROPERTY OF PERMANENT SCHOOL FUND. Provides that any improvement constructed with money disbursed under this subchapter is the real property of the permanent school fund.

Sec. 51.506. MAINTENANCE. Requires the commissioner as a condition for a grant under this subchapter, to require the grantee to agree in writing to maintain the improvement in a manner that will protect the best interest of the permanent school fund.

Sec. 51.507. RULES. Requires the commissioner to adopt rules as necessary to administer this subchapter, including rules establishing a procedure for applying for a grant under Section 51.501 and for monitoring the maintenance of the improvement.

SECTION 32. Repealers:

- (1) Sections 31.061, 31.062, 31.063, 31.151, 31.152, 31.160, 31.301, 31.302, 31.303, 31.304, 31.305, and 31.306, Natural Resources Code;
- (2) Subchapter F, Chapter 31, Natural Resources Code;
- (3) Subchapter H, Chapter 31, Natural Resources Code; and
- (4) Subchapter I, Chapter 31, Natural Resources Code.

SECTION 33. Effective date: upon passage or September 1, 2003.