

By: McReynolds

H.B. No. 2044

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the General Land Office and the accounting and disposition of state-owned real property.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 31.001, Natural Resources Code, is amended to read as follows:

Sec. 31.001. DEFINITIONS. In this chapter:

(1) "Appraiser" means a state-certified or state-licensed real estate appraiser who:

(A) is employed by or contracts with the land office; and

(B) performs professional valuation services completely and in a manner that is independent, impartial, and objective [~~"State" means the State of Texas~~].

(2) "Board" means the School Land Board.

(3) "Commissioner" means the Commissioner of the General Land Office.

(4) "Division" means the asset management division of the General Land Office or any other division delegated the duties of the asset management division by the commissioner.

(5) "Evaluation report" means the annual report prepared by the commissioner as provided by Subchapter E.

(6) "Exchange" means an exchange of equal value or an exchange of real property accompanied by consideration.

1 (7) "Governor's report" means the report prepared by
2 the commissioner as provided by Section 31.157.

3 (8) "Institution of higher education" means the Texas
4 State Technical College System, the Southwest Collegiate Institute
5 for the Deaf, or an institution of higher education, excluding a
6 public junior college, as defined by Section 61.003, Education
7 Code.

8 (9) [~~3~~] "Land office" means the General Land Office.

9 (10) "Market value" means the value of real property
10 determined by an appraisal of the real property performed by an
11 appraiser.

12 (11) "Political subdivision" means a municipality,
13 county, public school district, levee improvement district,
14 municipal utility district, or any other special purpose district
15 authorized by state law.

16 (12) "Real estate transaction" means a sale, lease,
17 trade, exchange, gift, grant, or other conveyance of a real
18 property interest.

19 (13) "Real property owned by the state" means any
20 interest in real property in the possession of the state or a state
21 agency, including real property held in trust by a state agency.

22 (14) "State" means the State of Texas.

23 (15) "State agency" means a board, commission,
24 department, institution, office, or other agency of state
25 government, including an institution of higher education but
26 excluding a special purpose district or authority.

27 SECTION 2. Section 31.013(b), Natural Resources Code, is

1 amended to read as follows:

2 (b) Any bonds required by law to be executed by employees of
3 the land office shall be executed and approved in the manner
4 provided for the commissioner in Subsection (a) of this section.
5 The land office shall pay the expenses necessary and incidental to
6 the execution of the bonds.

7 SECTION 3. Sections 31.016 and 31.017, Natural Resources
8 Code, are amended to read as follows:

9 Sec. 31.016. ABSTRACT CLERK. The commissioner shall
10 designate one of his clerks as the abstract clerk and shall assign
11 to him the special duty to correct the abstracts of patented,
12 titled, and surveyed real property [~~land~~] required to be kept in the
13 land office to reflect errors, changes caused by cancellation of
14 patents and in county lines, and the creation of new counties and to
15 add new patented surveys on the date they are patented.

16 Sec. 31.017. RECEIVER [~~RECEIVING CLERK~~]. (a) With the
17 consent of the governor, the commissioner shall appoint a suitable
18 person to serve as receiver [~~receiving clerk~~] for the land office.

19 (b) The receiver [~~receiving clerk~~] shall execute a bond for
20 \$25,000.

21 SECTION 4. Section 31.018(c), Natural Resources Code, is
22 amended to read as follows:

23 (c) The translator shall translate into English [~~and record~~
24 ~~in a book~~] any laws and public contracts relating to titles to real
25 property [~~land~~] and any original titles or papers which are written
26 in the Spanish language and which are filed in the land office.

27 SECTION 5. Section 31.019, Natural Resources Code, is

1 amended to read as follows:

2 Sec. 31.019. SURVEYORS [~~DRAFTSMEN~~]. (a) The commissioner
3 shall appoint a chief surveyor [~~draftsman~~] and as many assistant
4 surveyors [~~draftsmen~~] as authorized by law.

5 (b) The chief surveyor [~~draftsman~~] and the chief surveyor's
6 [~~his~~] assistant surveyors [~~draftsmen~~] shall draw and complete
7 county maps.

8 (c) The chief surveyor [~~draftsman~~] and the chief surveyor's
9 [~~his~~] assistant surveyors [~~draftsmen~~] shall perform drafting and
10 other duties required by the commissioner for the benefit of the
11 state or individuals.

12 SECTION 6. Section 31.051, Natural Resources Code, is
13 amended to read as follows:

14 Sec. 31.051. GENERAL DUTIES. The commissioner shall:

15 (1) superintend, control, and direct the official
16 conduct of subordinate officers of the land office;

17 (2) execute and perform all acts and other things
18 relating to public real property [~~land~~] of the state or rights of
19 individuals in public real property [~~land~~] which is required by
20 law;

21 (3) make and enforce suitable rules consistent with
22 the law; and

23 (4) give information when required to the governor and
24 the legislature relating to public real property [~~land~~] and the
25 land office.

26 SECTION 7. Section 31.052(a), Natural Resources Code, is
27 amended to read as follows:

1 (a) Books, accounts, records, papers, maps, and original
2 documents relating to real property [~~land~~] titles which are termed
3 archives by law shall be the books and papers of the land office
4 under the control and custody of the commissioner. These documents
5 constitute prima facie evidence of the boundaries of the patents
6 and titles to the real property described in the documents.

7 SECTION 8. Sections 31.054, 31.055, 31.056, 31.057, 31.058,
8 31.059, and 31.060, Natural Resources Code, are amended to read as
9 follows:

10 Sec. 31.054. PUBLIC ACCESS TO AND REMOVAL OF PAPERS. (a)
11 Any person who desires to examine any paper, record, or file must
12 make a written request on a form and according to procedures
13 prescribed by the commissioner. The commissioner may establish
14 procedures as reasonably necessary to maintain the integrity of the
15 records. [~~obtain the written consent of the commissioner or the~~
16 ~~chief clerk and an order for the detail of a clerk to be present and~~
17 ~~superintend the examination.~~]

18 (b) [~~After the examination, the clerk shall carefully~~
19 ~~examine the papers of the file and make sure that they are all in~~
20 ~~place.~~

21 [~~Sec. 31.055. REMOVING PAPERS. (a)~~] No transfer or deed
22 which may be a link in any chain of title to any certificate on file
23 in the land office may be removed by any person, but the
24 commissioner shall deliver to the interested person on demand
25 certified copies which shall have the same force and effect as the
26 originals.

27 (c) [~~(b)~~] If the genuineness of any original paper is

1 questioned in a suit, the commissioner, on order of the court in
2 which the suit is pending, shall deliver the original paper to the
3 proper person and shall retain a certified copy of the paper which
4 will have the same force and effect as the original if the original
5 is lost.

6 ~~[(c) If the commissioner has good reason to doubt the~~
7 ~~genuineness of any transfer, power of attorney, or other paper on~~
8 ~~file in his office, he shall not permit any person to obtain an~~
9 ~~official copy of the paper until the doubts have been removed.]~~

10 Sec. 31.056. REVISION, [AND] COMPILATION, AND PRINTING OF
11 ABSTRACTS. (a) The commissioner shall prepare a revision and
12 compilation of the various volumes of the abstracts of patented,
13 titled, and surveyed real property ~~[land]~~ which were previously
14 made by the land office.

15 (b) The various counties of the state shall be apportioned
16 into one of not more than eight districts for the purpose of
17 revising and compiling the abstracts and the abstracts of each of
18 the districts shall be compiled in a separate volume.

19 (c) The commissioner may distribute to the officers of the
20 state who require its use but have not previously received a set,
21 one complete set of the abstracts, as supplemented, of patented,
22 titled, and surveyed real property. The commissioner may
23 distribute to officers of counties who are required to use
24 abstracts copies of supplementary abstracts ~~[land and may sell the~~
25 ~~surplus volumes to any persons who apply for them at a price that is~~
26 ~~not less than the cost to the state].~~

27 (d) The commissioner may provide the abstracts and

1 supplementary abstracts electronically [~~Any money received from~~
2 ~~the sale of surplus volumes shall be deposited in the general~~
3 ~~revenue fund~~].

4 (e) The commissioner may make available [~~have~~] a sufficient
5 number of volumes and supplementary abstracts of patented, titled,
6 and surveyed real property [~~printed~~] to meet the demand.

7 (f) The land office shall pay the cost of the abstracts and
8 the supplementary abstracts from its appropriated funds. [~~Printing~~
9 ~~and binding shall be done exclusively in the State of Texas.~~]

10 (g) Copies of the abstracts and supplementary abstracts
11 [~~None of the provisions of this section affect the provisions of~~
12 ~~Section 31.057 of this code.~~

13 [~~Sec. 31.057. PRINTING SUPPLEMENTARY ABSTRACTS. (a) The~~
14 ~~commissioner may have not more than 1,500 copies of the~~
15 ~~supplementary abstracts of patented, titled, and surveyed land~~
16 ~~printed and bound annually for distribution to the officers of the~~
17 ~~state and counties whose duties require them to use it, and surplus~~
18 ~~copies~~] may be sold at a reasonable price to any person who applies
19 for a copy.

20 [~~(b) The cost incurred in printing the copies shall be paid~~
21 ~~from the land office appropriation for printing.~~

22 [~~(c)~~] The commissioner shall deposit any money received
23 from the sale of surplus volumes and supplementary abstracts [~~the~~
24 ~~copies of the State Treasury~~] to the credit of the General Revenue
25 Fund.

26 Sec. 31.058. RECEIVING FUNDS. (a) The receiver [~~receiving~~
27 ~~clerk~~] shall receive funds required by law to be paid to the

1 commissioner and on request shall give to each person who deposits
2 money a receipt [~~certificate of deposit~~] stating the amount, the
3 name of the person, and a description of the purpose of the
4 remittance [~~the type of claim on which the deposit was made~~].

5 (b) If funds are received which are of a general character
6 in advance of fees and dues, it shall be stated.

7 (c) The receiver [~~clerk~~] shall be responsible to the state
8 or individual for the funds.

9 Sec. 31.059. RECEIVER'S [~~RECEIVING CLERK'S~~] BOOKS. (a) The
10 receiver [~~receiving clerk~~] shall keep books in which the following
11 [~~he~~] shall be entered [~~enter~~]:

12 (1) each deposit separately; and

13 (2) the name of the person[, ~~and~~

14 [~~(3) the number of the claim and the location of the~~
15 ~~land to be perfected~~].

16 (b) The receiver [~~He~~] shall keep letters and other vouchers
17 filed in neat and regular order and number corresponding with the
18 [~~his~~] books of the office.

19 (c) The receiver [~~receiving clerk~~] shall report to the
20 comptroller and pay in kind [~~on the last day of each month~~] funds in
21 the receiver's [~~his~~] possession which are due to the state in
22 accordance with the Government Code [~~and shall receive a receipt in~~
23 ~~his own name~~].

24 (d) In the [~~his~~] books of the office, the receiver
25 [~~receiving clerk~~] shall keep separate columns indicating the amount
26 of [~~specie or the amount of currency or other~~] funds paid [~~to him~~].

27 (e) On removal from office or resignation, the receiver

1 ~~[receiving clerk]~~ shall turn over the ~~[his]~~ books of the office,
2 accounts, and money to the appointed ~~[his]~~ successor ~~[if he has~~
3 ~~qualified]~~ or to the commissioner and shall receive a receipt for
4 them.

5 Sec. 31.060. FINANCIAL REPORT. On or before the meeting of
6 the legislature, the commissioner ~~[receiving clerk]~~ shall prepare
7 and furnish to the governor ~~[through the commissioner]~~ a correct
8 report of the condition of the ~~[his]~~ office, including the amount of
9 money received, the type of claim, the amount of money paid out, and
10 the type of payment.

11 SECTION 9. Section 31.064, Natural Resources Code, is
12 amended to read as follows:

13 Sec. 31.064. SETTING AND COLLECTING FEES. The commissioner
14 shall set and collect, for the use of the state, reasonable fees in
15 amounts ~~[determined by the commissioner]~~ for filing fees,
16 preparation of certificates of fact, certified copies, maps,
17 reproduction of maps and sketches, Spanish translations, patents
18 and deeds of acquittance, and for other miscellaneous services,
19 including but not limited to shipping in a mailing tube and typed
20 transcriptions or taped copies of tapes or other sound recordings,
21 and any other provided services and products.

22 SECTION 10. Section 31.065(c), Natural Resources Code, is
23 amended to read as follows:

24 (c) If the commissioner determines that the real property
25 acquired by the state by gift, devise, or bequest is not suitable
26 for the purpose for which the gift, devise, or bequest was
27 originally made, the commissioner together with the agency, board,

1 commission, department, or other state entity designated to
2 possess, administer, or use the real property may exchange the real
3 property for real property that is suitable for such purpose.

4 SECTION 11. Section 31.066(b), Natural Resources Code, is
5 amended to read as follows:

6 (b) Following state assumption of ownership, the Texas
7 Commission on Environmental Quality [~~Natural Resource Conservation~~
8 ~~Commission~~] shall provide for maintenance of the real property,
9 including necessary environmental monitoring, consistent with
10 terms of contracts and cooperative agreements with the federal
11 government entered in accordance with the Water Code and Chapter
12 361, Health and Safety Code.

13 SECTION 12. Section 31.067, Natural Resources Code, is
14 amended to read as follows:

15 Sec. 31.067. AUTHORITY TO SELL CERTAIN AGENCY REAL PROPERTY
16 [~~LANDS~~]. The [~~asset management~~] division [~~of the General Land~~
17 ~~Office~~] is authorized to sell any real property acquired on behalf
18 of the state pursuant to Section 402.025, Government Code. Sale of
19 such real property shall be conducted in accordance with the
20 provisions of Section 31.158 of this code unless otherwise provided
21 by law. Proceeds of sale shall be deposited in the General Revenue
22 Fund as specified in Section 402.025, Government Code.

23 SECTION 13. Subchapter C, Chapter 31, Natural Resources
24 Code, is amended by adding Sections 31.0671 and 31.0672 to read as
25 follows:

26 Sec. 31.0671. AGENCY AUTHORITY TO SELL OR EXCHANGE REAL
27 PROPERTY. Any state agency or political subdivision may directly

1 sell or exchange real property to which it holds title with the
2 School Land Board for the benefit of the permanent school fund if
3 the sale or exchange is for market value. Section 272.001, Local
4 Government Code, does not apply to an exchange under this section.

5 Sec. 31.0672. AUTHORITY TO CONDUCT CERTAIN REAL PROPERTY
6 TRANSACTIONS. (a) The division may directly sell to a political
7 subdivision any real property owned by the state that the
8 legislature has authorized or the governor has approved for sale
9 under Subchapter E if the commissioner determines the sale is in the
10 best interest of the state.

11 (b) The governor must approve any sale of real property
12 under this section. Failure of the governor to approve the sale
13 constitutes a veto of the transaction.

14 (c) A sale of real property under this chapter must be for
15 market value and under other terms and conditions the commissioner
16 determines to be in the best interest of the state.

17 SECTION 14. Section 31.068(a), Natural Resources Code, is
18 amended to read as follows:

19 (a) The commissioner and the attorney general have standing
20 to enforce a:

21 (1) restrictive covenant affecting real property
22 owned by the permanent school fund or a state agency;

23 (2) restriction expressed in a transfer document or
24 legislative act conveying real property then owned by the state; or

25 (3) statutory restriction on the sale or lease of real
26 property [~~land~~] patented or leased by the state to a navigation
27 district, including a restriction provided by Section 61.116 or

1 61.117, Water Code.

2 SECTION 15. Sections 31.153, 31.154, 31.155, 31.156,
3 31.157, and 31.1571, Natural Resources Code, are amended to read as
4 follows:

5 Sec. 31.153. REAL PROPERTY ACCOUNTING AND RECORDS. (a) All
6 real property owned by the state shall be accounted for by the state
7 agency that possesses the real property.

8 (b) Each state agency shall maintain a record of each item
9 of real property it possesses. The record must include the
10 following information and~~[, on the request of the division,]~~ shall
11 be furnished to the division:

12 (1) a description of each item of real property by
13 reference to a volume number, and page or image number or numbers of
14 the official public records of real property in a particular
15 county, or if not applicable, by a legal description;

16 (2) the date of purchase of the real property, if
17 applicable;

18 (3) the purchase price of the real property, if
19 applicable;

20 (4) the name of the state agency holding title to the
21 real property for the state;

22 (5) a description of the current uses of the real
23 property and of the projected future uses of the real property
24 ~~[during the next 15 years];~~ and

25 (6) a description of each building or other
26 improvement located on the real property.

27 (c) If the description of real property required under ~~[by]~~

1 this section is excessively voluminous, [~~as in the case of~~
2 ~~parkland,~~] the division may direct the agency in possession of the
3 real property to furnish the description only in summary form, as
4 agreed to by the division and the state agency involved.

5 (d) Each state agency, annually at the time set by the
6 division, shall furnish the Texas Historical Commission with a
7 photograph and information that specifies and identifies the age of
8 each building:

9 (1) that was acquired by the agency after the date of
10 the preceding annual submission and that is at least 45 years old on
11 the date of the current submission; or

12 (2) that is possessed by the agency and has become 45
13 years old since the date the information was previously submitted.

14 (e) On request, each state agency shall provide the division
15 with any photographs and information furnished to the Texas
16 Historical Commission under this section.

17 Sec. 31.154. REAL PROPERTY INVENTORY. The division shall
18 review and keep inventory records of all real property owned by the
19 state. The division shall compile the inventory records from the
20 information submitted [~~to the division~~] under Sections 31.153 and
21 31.155 of this subchapter.

22 Sec. 31.155. SPECIAL STATUS OF CERTAIN AGENCIES. (a) The
23 division is not responsible for maintaining the inventory records,
24 as provided by Section 31.154, of the real property administered by
25 the Texas Department of Transportation, [~~the Texas National~~
26 ~~Research Laboratory Commission,~~] an institution of higher
27 education, the Employees Retirement System of Texas, or the Teacher

1 Retirement System of Texas. The agencies administering the real
2 property shall maintain those records.

3 (b) The Texas Department of Transportation, [~~or the Texas~~
4 ~~National Research Laboratory Commission,~~] on the request of the
5 division, shall submit its real property inventory records to the
6 division. The real property inventory records of an institution of
7 higher education, the Employees Retirement System of Texas, and the
8 Teacher Retirement System of Texas, on the request of the division,
9 but not more than semiannually, shall be submitted to the division
10 for information purposes only. The division shall maintain the
11 inventory records of the former Texas National Research Laboratory
12 Commission, to the extent possible, and is responsible for the
13 disposal of any real property interests held by the former
14 commission as provided by Subchapter G.

15 (c) The division may [~~shall~~] review and verify the
16 department's records [~~or the commission's records~~] and make
17 recommendations regarding the department's real property [~~or the~~
18 ~~commission's real property~~], and the commissioner shall prepare a
19 report involving the department's real property to the same extent
20 that the division and commissioner perform these functions with
21 regard to the records and real property of other state agencies.

22 (d) The duty under this subchapter of the division to review
23 and verify real property records and to make recommendations
24 regarding real property and of the commissioner to prepare a report
25 involving real property does not apply to:

26 (1) the real property of an institution of higher
27 education;

1 (2) the real property that is part of a fund created or
2 specifically authorized by the constitution of this state and that
3 is administered by or with the assistance of the land office;

4 (3) the real property of the Employees Retirement
5 System of Texas; and [~~or~~]

6 (4) the real property of the Teacher Retirement System
7 of Texas.

8 (e) The duties of the division to make recommendations
9 regarding real property and of the commissioner to prepare a report
10 involving real property under this subchapter do not apply to:

11 (1) the real property of the Texas Historical
12 Commission;

13 (2) the real property comprising the Alamo;

14 (3) the real property comprising the French Legation;

15 (4) the real property comprising the Governor's
16 Mansion;

17 (5) the real property comprising the Texas State
18 Cemetery, more specifically described as 17.376 acres located at
19 801 Comal, Lot 5, Division B, City of Austin, Travis County, Texas;

20 (6) the real property administered by the State
21 Preservation Board; and

22 (7) highway rights-of-way owned by the Texas
23 Department of Transportation.

24 Sec. 31.156. REAL PROPERTY REVIEW. (a) The division shall
25 review the real property inventory of each state agency not less
26 than every four years, and a review shall be made during the
27 calendar year before the agency is scheduled for abolition under

1 the Texas Sunset Act (Chapter 325, Government Code). The division
2 may verify the accuracy of inventory records provided by an agency.

3 (b) The division shall:

4 (1) identify real property owned or controlled by the
5 state that is not being used or is being substantially underused;
6 and

7 ~~[(c) The division shall provide a list and an appraisal of
8 properties described by Subsection (b) to the Texas Department of
9 Housing and Community Affairs. Not later than the 60th day after the
10 date of receipt of the list and appraisal, the department shall make
11 recommendations to the division regarding the suitability of those
12 properties for affordable and accessible housing.~~

13 ~~[(d) For each property identified as not being used or as
14 being substantially underused under Subsection (b), the division
15 shall]~~

16 (2) make recommendations to the commissioner
17 regarding the use of the real property or ~~[regarding]~~ a real estate
18 transaction involving the real property.

19 (c) ~~[(c) If the Texas Department of Housing and Community
20 Affairs designates a property as suitable for affordable and
21 accessible housing, the division's recommendations must include a
22 recommendation that title to the property be transferred to an
23 appropriate political subdivision for use as affordable and
24 accessible housing.~~

25 ~~[(f)]~~ The division's recommendations must include an
26 analysis of the highest and best use to which the real property may
27 legally be placed ~~and~~ ~~[. It]~~ shall also include ~~[recommendations~~

1 ~~for~~] alternative uses of the real property addressing potential for
 2 commercial or agricultural lease of the real property or any other
 3 real estate transaction or use that the division may deem to be in
 4 the best interest of the state[~~. The division shall solicit~~
 5 ~~proposals and shall accept any unsolicited proposals about real~~
 6 ~~estate transactions involving the property that would be of~~
 7 ~~significant benefit to the state].~~

8 (d) [~~(g)~~] The division shall[~~, on completion of a review,~~]
 9 submit to the commissioner any information pertinent to the
 10 evaluation of a real estate transaction involving the real
 11 property, including the [~~current~~] market value of the real
 12 property, current market conditions, and [~~including~~] an evaluation
 13 of any proposals received from private parties that would be of
 14 significant benefit to the state[~~. If the division submits an~~
 15 ~~evaluation of a sale of property, it must also submit an evaluation~~
 16 ~~of the lease potential of the property].~~

17 (e) [~~(h)~~] In any year that the division will evaluate real
 18 property under the management and control of the adjutant general's
 19 department or the Texas Military Facilities Commission, the
 20 division [~~Texas National Guard Armory Board, the division~~] shall
 21 notify the [~~adjutant general's~~] department and the commission
 22 before the division begins the evaluation.

23 Sec. 31.157. EVALUATION REPORT. (a) The commissioner
 24 shall prepare a draft evaluation report, which shall include [~~of a~~
 25 ~~proposed real estate transaction involving the real property~~
 26 ~~incorporating~~] the results and findings of the evaluation of the
 27 real property owned by the state required under Section 31.156.

1 (b) The draft report shall be submitted to the Texas
2 Building and Procurement [~~State Purchasing and General Services~~]
3 Commission, which shall further evaluate the potential use of the
4 real property by another state agency [~~or department~~]. The land
5 office shall submit a draft report [~~shall also be submitted, at the~~
6 ~~same time as it is furnished to the commission,~~] to each agency that
7 owns or holds in trust property that is the subject of the draft
8 report. The Texas Building and Procurement Commission [~~commission~~
9 ~~may comment on any findings or recommendations made by the~~
10 ~~commissioner and~~] may make additional recommendations regarding
11 the use of the real property. The state agency that owns or
12 controls real property named in the report may comment on any
13 findings or recommendations made by the commissioner. The Texas
14 Building and Procurement Commission and any state agency that owns
15 or controls real property named in the report [~~commission~~] shall
16 complete a the review of the draft report within 60 days of the
17 receipt of the report and forward all recommendations and [~~the~~]
18 comments to the commissioner.

19 (c) The commissioner shall prepare and issue a final
20 evaluation report that [+

21 [~~(1)~~] incorporates any recommendations of the Texas
22 Building and Procurement Commission regarding the potential use of
23 the real property by another state agency [~~division regarding the~~
24 ~~transfer of title to the property to a political subdivision for use~~
25 ~~as affordable and accessible housing,~~] and any comments from any
26 state agency that owns or controls property named in the report

27 [~~(2)~~] incorporates any recommendations of the

1 ~~commission regarding the use of the property and addresses any~~
2 ~~comments received from the commission].~~

3 (d) If under the adjutant general's report submitted as
4 provided by Section 431.030, Government Code, the adjutant general
5 determines that real property under the management and control of
6 the adjutant general's department or the Texas Military Facilities
7 Commission [~~National Guard Armory Board~~] is used for military
8 purposes, the commissioner may not recommend a real estate
9 transaction involving that real property in the final report
10 submitted as provided by Subsection (e).

11 (e) The final report shall be submitted to the governor, the
12 presiding officers of both houses of the legislature, the
13 Legislative Budget Board, and the governor's budget office not
14 later than September 1 of each year.

15 (f) Properties reported as not being used or being
16 substantially underused under this section may not be annexed by a
17 political subdivision of the state without prior written approval
18 of the commissioner.

19 (g) A [~~If the report contains an evaluation of a sale of~~
20 ~~property, it must also contain an evaluation of the lease potential~~
21 ~~of the property.~~

22 [~~Sec. 31.1571. DISPOSAL OF UNUSED OR UNDERUSED PROPERTY.~~
23 ~~(a) Notwithstanding any other law, after the division has reported~~
24 ~~a property unused or underused and the commissioner has made a~~
25 ~~recommendation to the governor for a real estate transaction~~
26 ~~involving the property, the] state agency that owns or controls
27 real property identified in the evaluation report as not being used~~

1 or being substantially underused shall notify the land office 30
2 days before any planned development, acquisition, disposition,
3 lease, or exchange of the real property, including any planned
4 construction of new improvements or a major modification to an
5 existing improvement.

6 (h) Each state agency owning real property identified in the
7 evaluation report as unused or substantially underused shall
8 provide to the land office, within 30 days of the land office's
9 request, information on the status of those properties. The report
10 shall include a list of:

11 (1) the individual properties recommended for an
12 alternative use or a real estate transaction by the land office;

13 (2) the status of those individual properties; and

14 (3) any plans the agency owning the real property has
15 to convert the use of or dispose of each real property.

16 (i) The division may solicit proposals and shall accept
17 unsolicited proposals regarding real estate transactions involving
18 real property that would be of significant benefit to the state.

19 Sec. 31.1571. GOVERNOR'S REPORT. (a) At any time, the
20 commissioner may make a report to the governor recommending real
21 estate transactions or other actions involving any real property
22 included in the most recent evaluation report and identified as not
23 used or substantially underused.

24 (b) After the commissioner recommends a real estate
25 transaction to the governor under this section, the commissioner
26 shall notify the state agency that owns or controls the real
27 property and the Texas Department of Housing and Community Affairs.

1 Not later than the 60th day after the date the written
2 recommendation is received, the state agency and the Texas
3 Department of Housing and Community Affairs may file with the
4 governor their comments on or objections to the recommendation.

5 (c) If the commissioner recommends a real estate
6 transaction to the governor involving real property identified as
7 not used or substantially underused and the division's analysis of
8 the highest and best use for the real property is determined to be
9 residential, the Texas Department of Housing and Community Affairs
10 shall evaluate the property and identify any property suitable for
11 affordable housing. The Texas Department of Housing and Community
12 Affairs shall submit comments concerning any property suitable for
13 affordable housing and any documents supporting the comments to the
14 governor not later than the 60th day after the date it receives the
15 report prepared under this section.

16 (d) Notwithstanding any other law, real property that the
17 commissioner has reported as unused or substantially underused and
18 recommended for a real estate transaction may not be developed,
19 sold, or otherwise disposed of by the state agency that owns or
20 controls [~~the property may not develop, sell, or otherwise dispose~~
21 ~~of~~] the real property before the earlier of:

22 (1) the date the governor rejects a recommended real
23 estate transaction involving the real property [~~pursuant to~~
24 ~~Subchapter I~~]; or

25 (2) two years from the date the recommendation is
26 approved, unless extended by the governor [~~by operation of law~~
27 ~~under Subchapter I~~].

1 (e) [(b)] If a state agency that owns or controls real
 2 property [~~that the division has~~] reported as unused or
 3 substantially underused intends to dispose of or change the use of
 4 the real property prior to the time provided by Subsection (d), the
 5 governor may require [~~(a), the state agency shall submit to the~~
 6 ~~governor~~] a general development plan for future use of the real
 7 property or any other information. At any time, the governor may
 8 request that the state agency provide its general development plan
 9 or any other information to the land office for evaluation and may
 10 consult with the commissioner. The plan shall be submitted no later
 11 than 30 days prior to the time that the real estate transaction
 12 would be approved by operation of law if not disapproved by the
 13 governor [~~pursuant to Subchapter I~~]. The governor may take such
 14 plan into consideration in determining whether to reject the
 15 commissioner's recommendation.

16 (f) The commissioner may conduct the transaction unless the
 17 governor gives the commissioner written notice disapproving the
 18 recommendation. The governor must provide written notice of
 19 disapproval under this subsection not later than the 90th day after
 20 the date the governor receives the commissioner's written
 21 recommendation.

22 SECTION 16. Subchapter E, Chapter 31, Natural Resources
 23 Code, is amended by adding Sections 31.1572 and 31.1573 to read as
 24 follows:

25 Sec. 31.1572. MINERAL CONVEYANCE REQUIRED FOR CERTAIN
 26 SALES. If the Texas Parks and Wildlife Department enters into a
 27 contract to sell real property it owns or is under its control to a

1 private entity, the Texas Parks and Wildlife Department shall
2 convey the mineral rights to the property by an appropriate
3 instrument of transfer to the permanent school fund before
4 transferring title to the property to the private entity.

5 Sec. 31.1573. REAL ESTATE TRANSACTIONS AUTHORIZED BY
6 GOVERNOR. (a) The land office shall take charge and control of
7 real property as necessary to conduct and close a real estate
8 transaction authorized by the governor.

9 (b) The expenses incurred by the land office in conducting a
10 real estate transaction, including the payment of reasonable
11 brokerage fees, may be deducted from the proceeds of the
12 transaction before the proceeds are deposited. The land office may
13 adopt rules relating to the payment of reasonable brokerage fees.

14 (c) Unless otherwise dedicated by the Texas Constitution,
15 the proceeds of the transaction shall be deposited:

16 (1) to the credit of the Texas capital trust fund if
17 the agency is eligible under Chapter 2201, Government Code, to
18 participate in that fund;

19 (2) in the state treasury to the credit of the affected
20 agency if the agency is not eligible under Chapter 2201, Government
21 Code, to participate in the Texas capital trust fund; or

22 (3) notwithstanding Subdivisions (1) and (2), as
23 otherwise directed under the procedures of Chapter 317, Government
24 Code.

25 (d) The grant of an interest in real property owned by the
26 state under this section must:

27 (1) comply with the requirements of Section 31.158 to

1 the extent the requirements do not conflict with a recommendation
2 in the governor's report under Section 31.1571; and

3 (2) be conveyed by an instrument signed by the
4 commissioner and, if the governor's approval is required, by the
5 governor.

6 SECTION 17. Subchapter E, Chapter 31, Natural Resources
7 Code, is amended by amending Section 31.158 and adding Section
8 31.1581 to read as follows:

9 Sec. 31.158. REAL ESTATE TRANSACTIONS [~~TRANSACTION~~]
10 AUTHORIZED BY LEGISLATURE. (a) If the legislature authorizes a
11 real estate transaction involving real property owned [~~or held in~~
12 ~~trust~~] by the state, the division shall take possession and control
13 of the real property and shall negotiate and close such real estate
14 transaction on behalf of the state. In performing such duties, the
15 division shall act on behalf of the state agency which owns or
16 controls the subject state real property [~~land~~]. Proceeds from the
17 real estate transaction shall be deposited in the Texas capital
18 trust fund unless the proceeds are dedicated by the constitution of
19 this state to another fund or unless the enabling legislation
20 ordering the real estate transaction provides otherwise.

21 (b) The division may not take possession and control under
22 this section of real property administered by a state agency that,
23 under Chapter 2201, Government Code, is ineligible to benefit from
24 the Texas capital trust fund.

25 (c) Unless the enabling legislation or general law
26 authorizing the real estate transaction specifies a different
27 procedure, the division shall transact the sale or lease of state

1 real property [~~land~~] in the following manner:

2 (1) The sale or lease shall be by sealed bid, by [~~or~~]
3 public auction, or as provided by Subsection (d); provided,
4 however, [~~prior to the bid sale or auction,~~] the School Land Board
5 shall have the first option to purchase such real property pursuant
6 to Section 31.159 of this code. Subdivisions (2)-(7) apply only to
7 a sale or lease by sealed bid or public auction.

8 (2) Notice of the sale or lease shall be published at
9 least 30 days prior to the date of sale or lease in at least three
10 issues of four daily newspapers in the state. One of the papers
11 must be of general circulation in the county where the real property
12 [~~land~~] is located.

13 (3) The notice shall state that real property is to be
14 offered for sale or lease on a certain date and that lists
15 describing the real property and terms of sale or lease can be
16 obtained from the division.

17 (4) No bid [~~bids~~] may be accepted that does [~~do~~] not
18 meet the minimum value established by the commissioner, which shall
19 not be less than market value [~~for the real property by an appraisal~~
20 ~~conducted by an appraiser employed by the General Land Office~~].

21 (5) The division may reject any and all bids, but if
22 the division elects not to reject any and all bids, it is required
23 to accept the best bid submitted.

24 (6) If the award of a bid does not result in a final
25 transaction with the bidder, the land office may solicit proposals,
26 negotiate, and sell, exchange, or lease the real property, provided
27 that the sales price may not be less than market value.

1 (7) If, after proper notice has been posted, no bids
2 meeting the minimum requirements are received at the appointed time
3 and place for the sale or lease, the division may solicit proposals
4 and negotiate the sale, exchange, or lease of the real property to
5 any person, provided that the sales price may not be less than the
6 market [~~appraised~~] value of the real property [~~land~~]. The governor
7 must approve any [~~the~~] sale or lease of [~~any~~] real property
8 negotiated under this section [~~through a negotiated transaction~~].
9 Failure of the governor to approve the sale or lease constitutes a
10 veto of the transaction.

11 (8) [~~(7)~~] Each grant of an interest in real property
12 made pursuant to this section shall be made by an instrument signed
13 by the commissioner [~~of the General Land Office~~] and, if the
14 governor's approval is required, by the governor.

15 (9) [~~(8)~~] The expenses incurred by the division in
16 conducting the sale, exchange, or lease, including the payment of
17 reasonable brokerage fees, may be deducted from the proceeds of the
18 sale prior to deposit in the Texas capital trust fund or other
19 appropriate depository account. The division may promulgate rules
20 relating to the payment of reasonable brokerage fees.

21 (10) [~~(9)~~] These procedures will not apply to sales or
22 leases of real property [~~land~~] that are possessed by an agency that
23 under Chapter 2201, Government Code, is ineligible to use the Texas
24 capital trust fund or real property [~~land~~] which belongs to the
25 permanent school fund.

26 (11) [~~(10)~~] Prior to the actual sale or lease, the
27 state representative and state senator in the district where the

1 subject real property is located shall be notified of all efforts to
2 sell or lease the real property and shall be provided with copies of
3 all brokerage contacts relating to the sale or lease.

4 (d) The division may contract for the services of a real
5 estate broker or a private brokerage or real estate firm in the
6 course of a real estate transaction under this section if the
7 commissioner determines contracting for those services is in the
8 best interest of the state.

9 Sec. 31.1581. TRANSFER OF REAL PROPERTY FOR USE AS
10 AFFORDABLE HOUSING. (a) If the legislature authorizes or the
11 governor approves the transfer of title to real property to an
12 entity [~~a political subdivision~~] for use as affordable [~~and~~
13 ~~accessible~~] housing, the division shall take possession and control
14 of the real property and shall conduct the transaction as provided
15 by the policy adopted under Subsection (b) [~~(e)~~].

16 (b) [~~(e)~~] The division shall adopt a policy regarding the
17 method of transferring title to real property designated as
18 suitable for affordable [~~and accessible~~] housing to an entity [~~a~~
19 ~~political subdivision~~] for use as affordable [~~and accessible~~]
20 housing. The policy must include monitoring and enforcement
21 provisions to ensure that the real property is used for affordable
22 [~~and accessible~~] housing.

23 SECTION 18. Subchapter E, Chapter 31, Natural Resources
24 Code, is amended by adding Section 31.1585 to read as follows:

25 Sec. 31.1585. CERTAIN PROCEEDS. Notwithstanding any other
26 law, proceeds from the sale of real property purchased with general
27 revenue funds that was recommended for sale by the division and not

1 disapproved for sale by the governor during the calendar years 1995
2 through 2002 shall be deposited in the unobligated portion of the
3 general revenue fund and may only be appropriated to the state
4 agency that possessed the property at the time of the sale for use
5 by the state agency in performing its duties.

6 SECTION 19. Section 31.159, Natural Resources Code, is
7 amended to read as follows:

8 Sec. 31.159. FIRST OPTION TO PURCHASE. (a) The School Land
9 Board has a first option to purchase real property authorized for
10 sale by the legislature or the governor. The board may exercise its
11 option by tendering cash for market value as mutually agreed on by
12 the board and the state agency that owns the real property, but the
13 purchase price may not be less than market value. For purposes of
14 this section, the division may request more than one appraisal to
15 determine market value. If the parties cannot agree on a value, the
16 board and the state agency that owns the real property shall follow
17 the procedures provided by Subsections (d) and (e). The board may
18 not pay more than market value.

19 (b) The division shall inform the School Land Board of the
20 proposed sale and its first option to purchase state agency real
21 property. If the board decides to exercise its option under this
22 section, the division shall appoint an appraiser not later than the
23 30th day after the date the board notifies the division of its
24 decision.

25 (c) The School Land Board must complete the cash purchase
26 not later than the 120th day after the date the board exercises its
27 first option to purchase. If the School Land Board fails to

1 complete the purchase within the time permitted, the division may
2 extend the time for completing the purchase or disposing of the real
3 property as authorized by the legislature or approved by the
4 governor.

5 (d) If the state agency that owns the real property disputes
6 the market value, the School Land Board shall request a second
7 appraisal. If the School Land Board fails to request a second
8 appraisal, the division shall appoint a second appraiser not later
9 than the 21st day after the date the state agency notifies the
10 School Land Board that it disputes the market value. On completion
11 of the second appraisal, the two appraisers shall meet promptly and
12 attempt to reach agreement on the market value. If the two
13 appraisers fail to reach agreement within 10 days of the meeting,
14 the land office shall request a third appraiser to reconcile the two
15 previous appraisals. The determination of value by the third
16 appraiser may not be less than the lower or more than the higher of
17 the first two appraisals. The market value determined by the third
18 appraiser is final and binding on all parties.

19 (e) The division may appoint an appraiser employed by the
20 land office for the performance of any one of the required
21 appraisals. Any other appraiser employed under this section must
22 be selected in accordance with Subchapter A, Chapter 2254,
23 Government Code. The party requesting the appraisal shall award
24 the appraisal services contract to the provider of professional
25 services after considering the factors identified in Chapter 2254,
26 Government Code. The division shall pay the expenses of appraisal.

27 ~~[(a) If the real estate transaction authorized by the legislature~~

1 ~~is a sale of real property, the School Land Board has a first option~~
2 ~~to purchase the real property by cash purchase at current fair~~
3 ~~market value as determined by an independent appraisal.~~

4 ~~[(b) After the legislature authorizes the sale of real~~
5 ~~property, the division must give to the School Land Board a written~~
6 ~~notice of the proposed sale. To exercise the option, the School~~
7 ~~Land Board, not later than the 30th day after the date the notice~~
8 ~~can first be considered by the board at a regular meeting, must give~~
9 ~~written notice to the division stating that the board has decided to~~
10 ~~exercise the option. If the School Land Board decides to exercise~~
11 ~~its option under this section, the division shall appoint an~~
12 ~~appraiser after complying with Subdivision (2) of Subsection (d) of~~
13 ~~this section. The School Land Board must complete the cash purchase~~
14 ~~not later than the 120th day after the date the division receives~~
15 ~~the notice from the board.~~

16 ~~[(c) If the School Land Board fails to complete the purchase~~
17 ~~within the time permitted, the division may extend the time for~~
18 ~~completing the purchase or dispose of the real property as~~
19 ~~authorized by the legislature.~~

20 ~~[(d)(1) Current fair market value shall be determined in~~
21 ~~accordance with the procedure prescribed by this subsection.~~
22 ~~Within 21 days after the day the School Land Board receives the~~
23 ~~notice given to the board under Subsection (b) of this section, the~~
24 ~~School Land Board shall appoint a second appraiser. If the School~~
25 ~~Land Board fails to appoint the second appraiser, the division~~
26 ~~shall appoint a second appraiser within 21 days after the~~
27 ~~expiration of said 21-day period in which the board could have~~

1 ~~appointed an appraiser. The two appraisers shall meet promptly and~~
2 ~~shall attempt to reach agreement on the current fair market value.~~
3 ~~If the two appraisers so selected do not reach agreement within 10~~
4 ~~days of such meeting, a third appraiser shall be appointed by the~~
5 ~~division to reconcile the two previous appraisals. The~~
6 ~~determination of value by the third appraiser may not be less than~~
7 ~~the lower or more than the higher of the first two appraisals. The~~
8 ~~value determined by the third appraisal shall be final and binding~~
9 ~~on all parties.~~

10 ~~[(2) Each appraiser shall be qualified and~~
11 ~~disinterested and shall have M.A.I. or other comparable~~
12 ~~professional designation. The division may appoint an appraiser~~
13 ~~employed by the General Land Office for any one of the required~~
14 ~~appraisals. The appointment of any other appraiser shall be made by~~
15 ~~the appointing party following receipt of at least three~~
16 ~~competitive bids, and if the cost of the appraisal is reasonably~~
17 ~~expected to exceed \$10,000, the appointing party shall utilize the~~
18 ~~notification procedure set out in Subchapter B, Chapter 2254,~~
19 ~~Government Code, and all time periods described in this Act shall be~~
20 ~~extended for the number of days necessary to comply with said~~
21 ~~notification procedure. The appointing party shall award the~~
22 ~~appraisal services contract to the bidder submitting the lowest and~~
23 ~~best bid, and in determining who has submitted the lowest and best~~
24 ~~bid, the appointing party shall consider the factors set out in~~
25 ~~Sections 2156.007(d)(1)-(9), Government Code. Expense of the~~
26 ~~appraisal shall be paid by the division.]~~

27 SECTION 20. Section 31.161, Natural Resources Code, is

1 amended to read as follows:

2 Sec. 31.161. DEVELOPMENT PLAN. (a) If the state intends to
3 conduct a [~~legislature authorizes the~~] sale or lease for
4 nongovernmental purposes of real property [~~land~~] belonging to the
5 state, to the permanent school fund, or to any of the dedicated
6 funds of the state, other than the permanent university fund, or any
7 other real property [~~lands~~] subject to the administration and
8 control of the board of regents of The University of Texas System,
9 [~~the governing board or chief executive officer of the agency or~~
10 ~~institution possessing the land may request~~] the [~~asset management~~]
11 division may [~~of the General Land Office to~~] promulgate a
12 development plan on the real property [~~land before it is offered for~~
13 ~~sale or lease~~].

14 (b) The purpose of a development plan is to conserve and
15 enhance the value of real property [~~land~~] belonging to the state,
16 taking into consideration the preservation of the health, safety,
17 and general welfare of the communities in which the real property
18 [~~land~~] is situated.

19 (c) The plan shall address local land use planning
20 ordinances, which may include the following [~~such provisions as are~~
21 ~~necessary to implement the purposes of this section, including~~
22 ~~provisions for~~]:

23 (1) allocation and location of specific uses of the
24 real property [~~land~~], including residential, commercial,
25 industrial, recreational, or other appropriate uses;

26 (2) densities and intensities of designated land uses;

27 (3) the timing and rate of development;

1 (4) timely delivery of adequate facilities and
2 services, including water, wastewater collection and treatment
3 systems, parks and public recreational facilities, drainage
4 facilities, school sites, and roads and transportation facilities;
5 or [~~and~~]

6 (5) needed zoning and other land use regulations.

7 (d) The plan shall comply with existing rules, regulations,
8 orders, or ordinances for real property [~~land~~] development to the
9 extent such rules, regulations, orders, or ordinances are not
10 detrimental to the interests of the state as determined by the
11 special board of review.

12 SECTION 21. Sections 31.1611(a), (b), and (d), Natural
13 Resources Code, are amended to read as follows:

14 (a) If the division is requested to prepare a development
15 plan under Section 31.161, the division shall notify the local
16 government to which the plan will be submitted under Section 31.162
17 of the division's intent to prepare a development plan. The
18 division shall provide the local government with information
19 relating to:

20 (1) the location of the real property to be offered for
21 sale or lease;

22 (2) the highest and best use of [~~to which~~] the real
23 property [~~may legally be placed~~] as provided in the division's
24 report under Section 31.157; and

25 (3) the process for preparing the development plan
26 under Section 31.161 and the process provided under Sections 31.165
27 and 31.166 for the special board of review.

1 (b) Not later than the 30th day after the date the local
2 government receives the notice provided under Subsection (a), the
3 local government may request the division to hold a public hearing
4 to solicit public comment. If requested by the local government,
5 the division shall hold a public hearing. The local government
6 shall provide notice of the hearing to real property owners in at
7 least the same manner that notice is provided for adopting zoning
8 regulations or subdivision requirements in the local government's
9 jurisdiction. The division shall set the agenda for the hearing,
10 which must be completed no [~~and must complete the hearing not~~] later
11 than the 120th day after the date [~~the~~] notice is provided under
12 Subsection (a).

13 (d) A public hearing under this section may include:

14 (1) a presentation by the division relating to the
15 division's classification of the real property as unused or
16 substantially underused [~~or unused~~] and the division's
17 recommendation of the highest and best use to which the real
18 property may legally be placed;

19 (2) a presentation by the local government relating to
20 relevant local plans, development principles, and ordinances that
21 may affect the development of the real property; and

22 (3) oral comments and presentations of information by
23 and written comments received from other persons relating to the
24 development of the real property.

25 SECTION 22. Sections 31.162(a), (b), (e), and (f), Natural
26 Resources Code, are amended to read as follows:

27 (a) The plan shall be submitted to any local government

1 having jurisdiction over the real property [~~land~~] in question for
2 consideration.

3 (b) The local government shall evaluate the plan and either
4 accept or reject the plan no later than the 120th day [~~six months~~]
5 after the date [~~the submission of the plan by~~] the [~~asset~~
6 ~~management~~] division submits the plan.

7 (e) If the plan is rejected by the affected local
8 government, the [~~asset management~~] division may modify the plan to
9 conform to the ordinances specifically identified by the local
10 government and resubmit the plan for approval, or the commissioner
11 [~~it~~] may apply for necessary rezoning or variances from the local
12 ordinances.

13 (f) Failure by the local government to act within the
14 120-day period prescribed by Subsection (b) [~~six months~~] will be
15 deemed an acceptance by the local government of the plan.

16 SECTION 23. Section 31.163, Natural Resources Code, is
17 amended to read as follows:

18 Sec. 31.163. REZONING. (a) If the plan would require
19 zoning inconsistent with any existing zoning or other land use
20 regulation, the [~~asset management~~] division or its designated
21 representative may at any time submit a request for rezoning to the
22 local government with jurisdiction over the real property [~~lands~~]
23 in question.

24 (b) The rezoning or variance request shall be submitted in
25 the same manner as any such request is submitted to the affected
26 local government; provided, however, the local government must take
27 final action on the request no later than the 120th day [~~six months~~]

1 after the date the request for rezoning or variance is submitted.

2 (c) Failure by the local government to act within the
3 120-day [~~six-month~~] period prescribed by Subsection (b) will be
4 deemed an approval of the rezoning request by the local government.

5 SECTION 24. Section 31.165, Natural Resources Code, is
6 amended to read as follows:

7 Sec. 31.165. SPECIAL BOARD OF REVIEW. (a) If the local
8 government denies the rezoning request, the matter may be appealed
9 to a special board of review consisting of the following members:

10 (1) the members of the School Land Board;

11 (2) the chairman of the governing board of the agency
12 or institution possessing the real property or his or her
13 designated representative; [~~and~~]

14 (3) the mayor of the city or town within whose
15 corporate boundaries or extraterritorial jurisdiction the real
16 property [~~land~~] is located; and

17 (4) the county judge of the county within which the
18 real property [~~land~~] is located.

19 (b) The commissioner [~~Commissioner of the General Land~~
20 ~~Office~~] shall serve as chairman of the special board of review.

21 (c) If the plan involves real property [~~land~~] belonging to
22 the permanent school fund, the special board of review shall
23 consist of the members of the School Land Board and the local
24 officials, with the commissioner [~~Commissioner of the General Land~~
25 ~~Office~~] serving as chairman.

26 (d) If the real property [~~land~~] is not located within the
27 corporate boundaries or the extraterritorial jurisdiction of a city

1 or town, the board shall consist of the members of the School Land
2 Board, the agency chairman, and the county judge, with the
3 commissioner serving as chairman.

4 SECTION 25. Sections 31.166(b), (c), (d), (e), (f), and
5 (g), Natural Resources Code, are amended to read as follows:

6 (b) Hearings shall be conducted in accordance with rules
7 promulgated by the land office [~~General Land Office~~] for conduct of
8 such special review.

9 (c) If real property [~~land~~] is located in more than one city
10 or town, the hearings on any single tract of real property [~~land~~]
11 may be combined.

12 (d) Any political subdivision in which the tract in question
13 is located and the appropriate central appraisal district shall
14 receive written notice of board hearings at least 14 days prior to
15 the hearing.

16 (e) At least one hearing shall be conducted in the county
17 where the real property [~~land~~] is located.

18 (f) If after the hearings, the special board of review
19 determines that local zoning requirements are detrimental to the
20 best interest of the state, it shall issue an order establishing a
21 development plan to govern the use of the real property [~~land~~] as
22 provided in this section.

23 (g) Development of the real property [~~land~~] shall be in
24 accordance with the plan and must comply with all local rules,
25 regulations, orders, or ordinances except as specifically
26 identified in an order of the special board of review issued
27 pursuant to Subsection (f) of this section. In the event that

1 substantial progress is not made toward development of the tract
2 within five years of the date of adoption by the special board of
3 review, local development policies and procedures shall become
4 applicable to development of the tract, unless the special board of
5 review promulgates a new plan.

6 SECTION 26. Sections 31.167(a) and (c), Natural Resources
7 Code, are amended to read as follows:

8 (a) Except as provided by this subsection, a development
9 plan promulgated by the special board of review and any plan
10 accepted by a local government shall be final and binding on the
11 state, its lessees, successors in interest and assigns, and
12 affected local governments or political subdivisions unless
13 revised by the special board of review. If the division does not
14 receive a bid or auction solicitation for the real property subject
15 to the development plan, the division, at the direction of the
16 commissioner, may revise the development plan to conserve and
17 enhance the value and marketability of the real property.

18 (c) The special board of review must file a copy of the
19 development plan in the deed records of the county in which the real
20 property [~~land~~] is located.

21 SECTION 27. Section 31.307, Natural Resources Code, is
22 amended to read as follows:

23 Sec. 31.307. DEDICATION OF ROADS. The commissioner may
24 dedicate roads located on the real property [~~land~~] used as the site
25 for the superconducting super collider research facility to the
26 county in which the roads are located if the commissioner believes
27 that the dedication will enhance the value of remaining state real

1 property [~~land~~].

2 SECTION 28. Sections 31.308(b) and (c), Natural Resources
3 Code, are amended to read as follows:

4 (b) The commissioner shall convey the state's interest in
5 the subsurface estate underlying the surface estate of real
6 property [~~land~~] used as the site for the superconducting super
7 collider research facility if the owner of the surface estate pays a
8 sum equal to the [~~fair~~] market value of the subsurface estate as
9 determined by the commissioner. After the state conveys its
10 interest in the subsurface estate as provided by this subsection,
11 title to the subsurface estate is reunited with the title to the
12 surface estate.

13 (c) Unless the instrument of conveyance provides otherwise,
14 a conveyance of the surface estate of real property [~~land~~] by the
15 state under this subchapter includes the conveyance of the
16 subsurface estate to the extent of the state's interest in the
17 subsurface estate.

18 SECTION 29. Section 31.309, Natural Resources Code, is
19 amended to read as follows:

20 Sec. 31.309. PREFERENCE RIGHT TO PURCHASE CERTAIN REAL
21 PROPERTY [~~LAND~~]. (a) A person or the person's heirs who conveyed
22 real property [~~land~~] to the state for use by the superconducting
23 super collider research facility has a preference right to purchase
24 the same tract of real property [~~land~~] previously conveyed before
25 the tract is offered for sale by the state to any other person.

26 (b) A person who has a preference right under this section
27 must pay at least the [~~fair~~] market value for the real property

1 ~~[land]~~ as determined by an appraisal conducted by the land office.

2 (c) This section does not apply to a subsurface estate as
3 defined by Section 31.308.

4 (d) The commissioner may adopt rules necessary to implement
5 this section.

6 SECTION 30. Subchapter B, Chapter 11, Natural Resources
7 Code, is amended by adding Section 11.0111 to read as follows:

8 Sec. 11.0111. LOCATION OF COASTAL BOUNDARIES. (a) The
9 commissioner shall:

10 (1) have the area between the coastline of the Gulf of
11 Mexico and the Three Marine League line compiled and platted; and

12 (2) locate and set the boundary lines between the
13 coastal counties from the coastline to the Three Marine League
14 line.

15 (b) The commissioner shall locate and set the boundary lines
16 between the counties from the coastline to the Three Marine League
17 line in accordance with established engineering practice.

18 (c) The legal description of the boundary lines set between
19 the counties from the coastline to the continental shelf shall be
20 filed and recorded in the office of the county clerk of the affected
21 county.

22 SECTION 31. Chapter 51, Natural Resources Code, is amended
23 by adding Subchapter J to read as follows:

24 SUBCHAPTER J. GRANTS

25 Sec. 51.501. APPLICATION FOR GRANT. A lessee of real
26 property owned by the permanent school fund and used for grazing or
27 agricultural purposes may apply to the commissioner for a grant to

1 construct a permanent improvement on the leased property.

2 Sec. 51.502. SOURCE OF GRANT MONEY. A grant under this
3 subchapter shall be made from money collected for surface damages
4 under Sections 52.297 and 53.155.

5 Sec. 51.503. APPRAISAL REQUIRED. (a) Before a grant is
6 made under Section 51.501, an appraiser employed by the land office
7 must appraise the effect of the improvement for which a grant is
8 sought on the value of the permanent school fund property.

9 (b) If the appraiser finds that the improvement will
10 increase the value of the real property in an amount at least equal
11 to the amount the improvement will cost, the commissioner may
12 authorize the disbursement of money to construct the improvement.

13 Sec. 51.504. EVIDENCE OF EXPENDITURE REQUIRED. The
14 commissioner shall require each lessee who receives a grant to
15 provide copies of receipts, vouchers, or other evidence of
16 expenditures for the improvement.

17 Sec. 51.505. IMPROVEMENTS: REAL PROPERTY OF PERMANENT
18 SCHOOL FUND. Any improvement constructed with money disbursed
19 under this subchapter is the real property of the permanent school
20 fund.

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

25 Sec. 51.507. RULES. The commissioner shall adopt rules as
26 necessary to administer this subchapter, including rules
27 establishing a procedure for applying for a grant under Section

1 51.501 and for monitoring the maintenance of the improvement.

2 SECTION 32. The following laws are repealed:

3 (1) Sections 31.061, 31.062, 31.063, 31.151, 31.152,
4 31.160, 31.301, 31.302, 31.303, 31.304, 31.305, and 31.306, Natural
5 Resources Code;

6 (2) Subchapter F, Chapter 31, Natural Resources Code;
7 and

8 (3) Subchapter I, Chapter 31, Natural Resources Code.

9 SECTION 33. This Act takes effect immediately if it
10 receives a vote of two-thirds of all the members elected to each
11 house, as provided by Section 39, Article III, Texas Constitution.
12 If this Act does not receive the vote necessary for immediate
13 effect, this Act takes effect September 1, 2003.