

By: Van Arsdale

H.B. No. 2884

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the conveyance of certain surface estates located above  
3 or over an inactive mineral estate.

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

5 SECTION 1. Subchapter A, Chapter 5, Property Code, is  
6 amended by adding Section 5.014 to read as follows:

7 Sec. 5.014. EFFECT OF CONVEYANCE OF SURFACE ESTATE IN  
8 CERTAIN COUNTIES. (a) This section applies only to property  
9 located in whole or in part within:

10 (1) a municipality that has a population of less than  
11 75,000 or in the municipality's extraterritorial jurisdiction; and

12 (2) a county having a population of 3.3 million or  
13 more.

14 (b) For purposes of this section, "inactive mineral estate"  
15 means a property interest in oil, gas, uranium, sulphur, lignite,  
16 coal, or any other substance that is naturally considered a mineral  
17 in this state that, for at least the preceding five years:

18 (1) has not yielded production; or

19 (2) does not appear on the tax rolls of the county in  
20 which the property is located.

21 (c) A person who conveys an interest in a surface estate  
22 geographically located over or above an inactive mineral estate  
23 owned by another person conveys title to an estate that is dominant  
24 to an interest in the inactive mineral estate if:

1           (1) at the time of conveyance, the surface estate has  
2 not been developed;

3           (2) the person to whom the surface estate is conveyed  
4 intends to develop the surface estate for residential or commercial  
5 purposes within one year of the conveyance; and

6           (3) the person conveying the surface estate gives the  
7 owner of the mineral estate notice as required by Subsection (d).

8           (d) A person who intends to convey an interest in a surface  
9 estate described by Subsection (c) shall:

10           (1) if the name and address of an owner of an interest  
11 in the inactive mineral estate is known, give the owner of an  
12 interest in the inactive mineral estate written notice of the sale  
13 of the surface estate in a manner described by Rule 21a, Texas Rules  
14 of Civil Procedure, as amended, not later than the 20th day before  
15 the date the conveyance is to be made; or

16           (2) if the name or address of an owner of an interest  
17 in the inactive mineral estate is not known, give the owner of the  
18 inactive mineral estate written notice of the sale of the surface  
19 estate in a manner described by Rule 647, Texas Rules of Civil  
20 Procedure, as amended.

21           (e) A notice required under Subsection (d) must contain:

22           (1) a brief description of the surface estate in which  
23 an interest is to be conveyed, including the address or physical  
24 location of the surface estate;

25           (2) the name and address of the person intending to  
26 convey an interest in the surface estate; and

27           (3) the date on which an interest in the surface estate

1 is to be conveyed.

2 (f) An owner of an interest in the inactive mineral estate  
3 who receives notice under Subsection (c) is entitled to recover  
4 from the person who conveys an interest in the surface estate the  
5 value of the owner's interest on the date the interest in the  
6 surface estate is conveyed.

7 (g) An owner described by Subsection (f) must file suit to  
8 recover the value of the owner's interest in the inactive mineral  
9 estate on or before the second anniversary of the date on which the  
10 interest in the surface estate was conveyed.

11 SECTION 2. This Act takes effect September 1, 2003.