

By: Staples

S.B. No. 1121

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 for consideration.

1           (7) "Governor's report" means the annual report  
2 prepared by 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. Subchapter A, Chapter 31, Natural Resources

1 Code, is amended by adding Section 31.002 to read as follows:

2 Sec. 31.002. APPLICABILITY. (a) Unless otherwise provided  
3 by law, this chapter applies to any real estate transaction  
4 involving real property owned by the state.

5 (b) The provisions of this chapter governing real estate  
6 transactions authorized by the governor apply only to real estate  
7 transactions involving real property owned by the state. Real  
8 estate transactions under this subsection are subject to land  
9 office review under Section 31.155(d).

10 SECTION 3. Section 31.011, Natural Resources Code, is  
11 amended to read as follows:

12 Sec. 31.011. LAND OFFICE ESTABLISHED. There shall be one  
13 General Land Office located in Austin, which shall register all  
14 real property [~~land~~] titles emanating from the state if not  
15 prohibited by the constitution.

16 SECTION 4. Section 31.013(b), Natural Resources Code, is  
17 amended to read as follows:

18 (b) Any bonds required by law to be executed by employees of  
19 the land office shall be executed and approved in the manner  
20 provided for the commissioner in Subsection (a) of this section.  
21 The land office shall pay the expenses necessary and incidental to  
22 the execution of the bonds.

23 SECTION 5. Sections 31.016 and 31.017, Natural Resources  
24 Code, are amended to read as follows:

25 Sec. 31.016. ABSTRACT CLERK. The commissioner shall  
26 designate one of his clerks as the abstract clerk and shall assign  
27 to him the special duty to correct the abstracts of patented,

1 titled, and surveyed real property [~~land~~] required to be kept in the  
2 land office to reflect errors, changes caused by cancellation of  
3 patents and in county lines, and the creation of new counties and to  
4 add new patented surveys on the date they are patented.

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

8 (b) The receiver [~~receiving clerk~~] shall execute a bond for  
9 \$25,000.

10 SECTION 6. Section 31.018(c), Natural Resources Code, is  
11 amended to read as follows:

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

16 SECTION 7. Section 31.019, Natural Resources Code, is  
17 amended to read as follows:

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

21 (b) The chief surveyor [~~draftsman~~] and his assistant  
22 surveyors [~~draftsmen~~] shall draw and complete county maps.

23 (c) The chief surveyor [~~draftsman~~] and his assistant  
24 surveyors [~~draftsmen~~] shall perform drafting and other duties  
25 required by the commissioner for the benefit of the state or  
26 individuals.

27 SECTION 8. Section 31.051, Natural Resources Code, is

1 amended to read as follows:

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

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

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

9 (3) make and enforce suitable rules consistent with  
10 the law; and

11 (4) give information when required to the governor and  
12 the legislature relating to public real property [~~land~~] and the  
13 land office.

14 SECTION 9. Section 31.052(a), Natural Resources Code, is  
15 amended to read as follows:

16 (a) Books, accounts, records, papers, maps, and original  
17 documents relating to real property [~~land~~] titles which are termed  
18 archives by law shall be the books and papers of the land office  
19 under the control and custody of the commissioner. These documents  
20 constitute prima facie evidence of the boundaries of the patents  
21 and titles to the real property described in the documents.

22 SECTION 10. Sections 31.054, 31.055, 31.056, 31.057,  
23 31.058, 31.059, and 31.060, Natural Resources Code, are amended to  
24 read as follows:

25 Sec. 31.054. PUBLIC ACCESS TO AND REMOVAL OF PAPERS. (a)  
26 Any person who desires to examine any paper, record, or file must  
27 make a written request on a form and according to procedures

1 prescribed by the commissioner. The commissioner may establish  
2 procedures as reasonably necessary to maintain the integrity of the  
3 records. [~~obtain the written consent of the commissioner or the~~  
4 ~~chief clerk and an order for the detail of a clerk to be present and~~  
5 ~~superintend the examination.~~]

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

9 [Sec. 31.055. REMOVING PAPERS. (a)] No transfer or deed  
10 which may be a link in any chain of title to any certificate on file  
11 in the land office may be removed by any person, but the  
12 commissioner shall deliver to the interested person on demand  
13 certified copies which shall have the same force and effect as the  
14 originals.

15 (c) [~~(b)~~] If the genuineness of any original paper is  
16 questioned in a suit, the commissioner, on order of the court in  
17 which the suit is pending, shall deliver the original paper to the  
18 proper person and shall retain a certified copy of the paper which  
19 will have the same force and effect as the original if the original  
20 is lost.

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

25 Sec. 31.056. REVISION, [AND] COMPILATION, AND PRINTING OF  
26 ABSTRACTS. (a) The commissioner shall prepare a revision and  
27 compilation of the various volumes of the abstracts of patented,

1 titled, and surveyed real property [~~land~~] which were previously  
2 made by the land office.

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

7 (c) The commissioner may distribute to the officers of the  
8 state who require its use but have not previously received a set,  
9 one complete set of the abstracts, as supplemented, of patented,  
10 titled, and surveyed real property. The commissioner may  
11 distribute to officers of counties who are required to use  
12 abstracts copies of supplementary abstracts [~~land and may sell the~~  
13 ~~surplus volumes to any persons who apply for them at a price that is~~  
14 ~~not less than the cost to the state~~].

15 (d) The commissioner may provide the abstracts and  
16 supplementary abstracts electronically [~~Any money received from~~  
17 ~~the sale of surplus volumes shall be deposited in the general~~  
18 ~~revenue fund~~].

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

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

25 (g) Copies of the abstracts and supplementary abstracts  
26 [~~None of the provisions of this section affect the provisions of~~  
27 ~~Section 31.057 of this code.~~

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

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

10           ~~[(c)]~~ The commissioner shall deposit any money received  
11 from the sale of surplus volumes and supplementary abstracts ~~[the~~  
12 ~~copies of the State Treasury]~~ to the credit of the General Revenue  
13 Fund.

14           Sec. 31.058. RECEIVING FUNDS. (a) The receiver ~~[receiving~~  
15 ~~clerk]~~ shall receive funds required by law to be paid to the  
16 commissioner and on request shall give to each person who deposits  
17 money a receipt ~~[certificate of deposit]~~ stating the amount, the  
18 name of the person, and a description of the purpose of the  
19 remittance ~~[the type of claim on which the deposit was made].~~

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

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

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

- 27           (1) each deposit separately; and



1           (2) the name of the person~~[, and~~  
2           ~~[(3) the number of the claim and the location of the~~  
3 ~~land to be perfected].~~

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

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

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

15           (e) On removal from office or resignation, the receiver  
16 ~~[receiving clerk]~~ shall turn over the ~~[his]~~ books of the office,  
17 accounts, and money to the appointed ~~[his]~~ successor ~~[if he has~~  
18 ~~qualified]~~ or to the commissioner and shall receive a receipt for  
19 them.

20           Sec. 31.060. FINANCIAL REPORT. On or before the meeting of  
21 the legislature, the commissioner ~~[receiving clerk]~~ shall prepare  
22 and furnish to the governor ~~[through the commissioner]~~ a correct  
23 report of the condition of the ~~[his]~~ office, including the amount of  
24 money received, the type of claim, the amount of money paid out, and  
25 the type of payment.

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

1           Sec. 31.064.   SETTING AND COLLECTING FEES.  The commissioner  
2 shall set and collect, for the use of the state, reasonable fees in  
3 amounts [~~determined by the commissioner~~] for filing fees,  
4 preparation of certificates of fact, certified copies, maps,  
5 reproduction of maps and sketches, Spanish translations, patents  
6 and deeds of acquittance, and for other miscellaneous services,  
7 including but not limited to shipping in a mailing tube and typed  
8 transcriptions or taped copies of tapes or other sound recordings,  
9 and any other provided services and products.

10           SECTION 12.  Section 31.065(c), Natural Resources Code, is  
11 amended to read as follows:

12           (c)  If the commissioner determines that the real property  
13 acquired by the state by gift, devise, or bequest is not suitable  
14 for the purpose for which the gift, devise, or bequest was  
15 originally made, the commissioner together with the agency, board,  
16 commission, department, or other state entity designated to  
17 possess, administer, or use the real property may exchange the real  
18 property for real property that is suitable for such purpose.

19           SECTION 13.  Section 31.066(b), Natural Resources Code, is  
20 amended to read as follows:

21           (b)  Following state assumption of ownership, the Texas  
22 Commission on Environmental Quality [~~Natural Resource Conservation~~  
23 ~~Commission~~] shall provide for maintenance of the real property,  
24 including necessary environmental monitoring, consistent with  
25 terms of contracts and cooperative agreements with the federal  
26 government entered in accordance with the Water Code and Chapter  
27 361, Health and Safety Code.

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

3 Sec. 31.067. AUTHORITY TO SELL [~~CERTAIN~~] AGENCY REAL  
4 PROPERTY [~~LANDS~~]. (a) The [~~asset management~~] division [~~of the~~  
5 ~~General Land Office~~] is authorized to sell any real property  
6 acquired on behalf of the state pursuant to Section 402.025,  
7 Government Code. Sale of such real property shall be conducted in  
8 accordance with the provisions of Section 31.158 of this code  
9 unless otherwise provided by law. Proceeds of sale shall be  
10 deposited in the General Revenue Fund as specified in Section  
11 402.025, Government Code.

12 (b) Any state agency or political subdivision may directly  
13 sell or exchange real property with the School Land Board for the  
14 benefit of the permanent school fund if the sale or exchange is for  
15 market value. Section 272.001, Local Government Code, does not  
16 apply to an exchange under this section.

17 (c) The division may directly sell real property owned by  
18 the state to a political subdivision if the commissioner determines  
19 the sale is in the best interest of the state. The governor must  
20 approve any sale of real property negotiated under this section.  
21 Failure of the governor to approve the sale constitutes a veto of  
22 the transaction.

23 (d) A sale of real property under this chapter must be for  
24 market value and under other terms and conditions the commissioner  
25 determines to be in the best interest of the state.

26 SECTION 15. Section 31.068(a), Natural Resources Code, is  
27 amended to read as follows:

1 (a) The commissioner and the attorney general have standing  
2 to enforce a:

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

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

7 (3) statutory restriction on the sale or lease of real  
8 property [~~land~~] patented or leased by the state to a navigation  
9 district, including a restriction provided by Section 61.116 or  
10 61.117, Water Code.

11 SECTION 16. Sections 31.153, 31.154, 31.155, 31.156,  
12 31.157, and 31.1571, Natural Resources Code, are amended to read as  
13 follows:

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

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

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

25 (2) the date of purchase of the real property, if  
26 applicable;

27 (3) the purchase price of the real property, if

1 applicable;

2 (4) the name of the state agency holding title to the  
3 real property for the state;

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

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

9 (c) If the description of real property required under [~~by~~]  
10 this section is excessively voluminous, [~~as in the case of~~  
11 ~~parkland,~~] the division may direct the agency in possession of the  
12 real property to furnish the description only in summary form, as  
13 agreed to by the division and the state agency involved.

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

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

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

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

26 Sec. 31.154. REAL PROPERTY INVENTORY. The division shall  
27 review and keep inventory records of all real property owned by the

1 state. The division shall compile the inventory records from the  
2 information submitted [~~to the division~~] under Sections 31.153 and  
3 31.155 of this subchapter.

4 Sec. 31.155. SPECIAL STATUS OF CERTAIN AGENCIES. (a) The  
5 division is not responsible for maintaining the inventory records,  
6 as provided by Section 31.154, of the real property administered by  
7 the Texas Department of Transportation, [~~the Texas National~~  
8 ~~Research Laboratory Commission, and~~] an institution of higher  
9 education, the Employees Retirement System of Texas, or the Teacher  
10 Retirement System of Texas. The agencies administering the real  
11 property shall maintain those records.

12 (b) The Texas Department of Transportation, [~~or the Texas~~  
13 ~~National Research Laboratory Commission,~~] on the request of the  
14 division, shall submit its real property inventory records to the  
15 division. The real property inventory records of an institution of  
16 higher education, the Employees Retirement System of Texas, and the  
17 Teacher Retirement System of Texas, on the request of the division,  
18 but not more than semiannually, shall be submitted to the division  
19 for information purposes only. The division shall maintain the  
20 inventory records of the former Texas National Research Laboratory  
21 Commission, to the extent possible, and is responsible for the  
22 disposal of any real property interests held by the former  
23 commission as provided by Subchapter G.

24 (c) The division may [~~shall~~] review and verify the  
25 department's records [~~or the commission's records~~] and make  
26 recommendations regarding the department's real property [~~or the~~  
27 ~~commission's real property~~], and the commissioner shall prepare a

1 report involving the department's real property to the same extent  
2 that the division and commissioner perform these functions with  
3 regard to the records and real property of other state agencies.

4 (d) The duty under this subchapter of the division to review  
5 and verify real property records and to make recommendations  
6 regarding real property and of the commissioner to prepare a report  
7 involving real property does not apply to:

8 (1) the real property of an institution of higher  
9 education;

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

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

15 (4) the real property of the Teacher Retirement System  
16 of Texas.

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

20 (1) the real property of the Texas Historical  
21 Commission;

22 (2) the real property comprising the Alamo;

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

24 (4) the real property comprising the Governor's  
25 Mansion;

26 (5) the real property comprising the State Cemetery  
27 located in Travis County; and

1           (6) the real property administered by the State  
2 Preservation Board.

3           Sec. 31.156. REAL PROPERTY REVIEW. (a) The division shall  
4 review the real property inventory of each state agency not less  
5 than every four years, and a review shall be made during the  
6 calendar year before the agency is scheduled for abolition under  
7 the Texas Sunset Act (Chapter 325, Government Code). The division  
8 may verify the accuracy of inventory records provided by an agency.

9           (b) The division shall:

10           (1) identify real property owned or controlled by the  
11 state that is not being used or is being substantially underused;  
12 and[-

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

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

22           (2) make recommendations to the commissioner  
23 regarding the use of the real property or [regarding] a real estate  
24 transaction involving the real property.

25           ~~[(e) If the Texas Department of Housing and Community~~  
26 ~~Affairs designates a property as suitable for affordable and~~  
27 ~~accessible housing, the division's recommendations must include a~~



1 ~~recommendation that title to the property be transferred to an~~  
2 ~~appropriate political subdivision for use as affordable and~~  
3 ~~accessible housing.]~~

4 (c) [~~(f)~~] The division's recommendations must include an  
5 analysis of the highest and best use to which the real property may  
6 legally be placed ~~and~~ [~~It~~] shall also include [~~recommendations~~  
7 ~~for~~] alternative uses of the real property addressing potential for  
8 commercial or agricultural lease of the real property or any other  
9 real estate transaction or use that the division may deem to be in  
10 the best interest of the state. [~~The division shall solicit~~  
11 ~~proposals and shall accept any unsolicited proposals about real~~  
12 ~~estate transactions involving the property that would be of~~  
13 ~~significant benefit to the state.]~~

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

23 (e) [~~(h)~~] In any year that the division will evaluate real  
24 property under the management and control of the adjutant general's  
25 department or the Texas Military Facilities Commission, the  
26 division [~~Texas National Guard Armory Board, the division~~] shall  
27 notify the [~~adjutant general's~~] department and the commission

1 before the division begins the evaluation.

2           Sec. 31.157. EVALUATION REPORT. (a) The commissioner  
3 shall prepare a draft evaluation report addressing all [~~of a~~  
4 ~~proposed real estate transaction involving the~~] real property owned  
5 by the state that incorporates [~~incorporating~~] the results and  
6 findings of the evaluation of the real property under Section  
7 31.156.

8           (b) The draft report shall be submitted to the Texas  
9 Building and Procurement [~~State Purchasing and General Services~~]  
10 Commission, which shall further evaluate the potential use of the  
11 real property by another state agency, and to the Texas Department  
12 of Housing and Community Affairs, which shall evaluate the real  
13 property for the potential suitability for affordable housing. On  
14 request, the land office shall also provide the department with any  
15 other information related to real property included in [~~ex~~  
16 ~~department. The draft report shall also be submitted, at the same~~  
17 ~~time as it is furnished to the commission, to each agency that owns~~  
18 ~~or holds in trust property that is the subject of~~] the draft report.  
19 The land office shall submit a draft report to each state agency  
20 that owns or holds in trust real property that is the subject of the  
21 draft report. The Texas Building and Procurement Commission and  
22 Texas Department of Housing and Community Affairs [~~commission may~~  
23 ~~comment on any findings or recommendations made by the commissioner~~  
24 ~~and~~] may make additional recommendations regarding the use of the  
25 real property. The state agency that owns or controls real property  
26 named in the report may comment on any findings or recommendations  
27 made by the commissioner. The Texas Building and Procurement

1 Commission, the Texas Department of Housing and Community Affairs,  
2 and any state agency that owns or controls real property named in  
3 the report [~~commission~~] shall complete a [~~the~~] review of the draft  
4 report within 60 days of the receipt of the report and forward all  
5 recommendations and [~~the~~] comments to the commissioner.

6 (c) The commissioner shall prepare and issue a final  
7 evaluation report that[+]

8 [~~(1)~~] incorporates any recommendations of the Texas  
9 Building and Procurement Commission regarding the potential use of  
10 the real property by another state agency, any recommendations of  
11 the Texas Department of Housing and Community Affairs [~~division~~]  
12 regarding the transfer of title to real [~~the~~] property to a  
13 political subdivision for use as affordable and accessible housing,  
14 [+] and any comments from any state agency that owns or controls  
15 property named in the report

16 [~~(2) incorporates any recommendations of the~~  
17 ~~commission regarding the use of the property and addresses any~~  
18 ~~comments received from the commission)].~~

19 (d) If under the adjutant general's report submitted as  
20 provided by Section 431.030, Government Code, the adjutant general  
21 determines that real property under the management and control of  
22 the adjutant general's department or the Texas Military Facilities  
23 Commission [~~National Guard Armory Board~~] is used for military  
24 purposes, the commissioner may not recommend a real estate  
25 transaction involving that real property in the final report  
26 submitted as provided by Subsection (e).

27 (e) The final report shall be submitted to the governor, the

1 presiding officers of both houses of the legislature, the  
2 Legislative Budget Board, and the governor's budget office not  
3 later than September 1 of each year. [~~If the report contains an~~  
4 ~~evaluation of a sale of property, it must also contain an evaluation~~  
5 ~~of the lease potential of the property.~~]

6 (f) Properties reported as not being used or being  
7 substantially underused under this section may not be annexed by a  
8 political subdivision of the state without prior written approval  
9 of the commissioner.

10 (g) A [~~Sec. 31.1571. DISPOSAL OF UNUSED OR UNDERUSED~~  
11 ~~PROPERTY. (a) Notwithstanding any other law, after the division~~  
12 ~~has reported a property unused or underused and the commissioner~~  
13 ~~has made a recommendation to the governor for a real estate~~  
14 ~~transaction involving the property, the] state agency that owns or  
15 controls real property named in the report shall notify the land  
16 office 30 days before any planned development, acquisition,  
17 disposition, lease, or exchange of the real property, including any  
18 planned construction of new improvements or a major modification to  
19 an existing improvement.~~

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

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

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

1           (3) any plans the agency that owns the real property  
2 has to convert the use or dispose of each real property.

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

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

11           (b) After the commissioner recommends a real estate  
12 transaction to the governor under this section, the commissioner  
13 shall notify the state agency that owns or controls the real  
14 property and the Texas Department of Housing and Community Affairs.  
15 Not later than the 60th day after the date the written  
16 recommendation is received, the state agency and the Texas  
17 Department of Housing and Community Affairs may file with the  
18 governor their comments on or objections to the recommendation.

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

25           (1) the date the governor rejects a recommended real  
26 estate transaction involving the real property [~~pursuant to~~  
27 ~~Subchapter I~~]; or

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

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

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

25           SECTION 17. Subchapter E, Chapter 31, Natural Resources  
26 Code, is amended by adding Section 31.1572 to read as follows:

27           Sec. 31.1572. REAL ESTATE TRANSACTIONS AUTHORIZED BY THE

1 GOVERNOR. (a) The land office shall take charge and control of  
2 real property as necessary to conduct and close a real estate  
3 transaction authorized by the governor.

4 (b) The expenses incurred by the land office in conducting a  
5 real estate transaction, including the payment of reasonable  
6 brokerage fees, may be deducted from the proceeds of the  
7 transaction before the proceeds are deposited. The land office may  
8 adopt rules relating to the payment of reasonable brokerage fees.

9 (c) Unless dedicated by the Texas Constitution, the  
10 proceeds of the transaction shall be deposited:

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

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

17 (3) notwithstanding Subdivisions (1) and (2), as  
18 otherwise directed under the procedures of Chapter 317, Government  
19 Code.

20 (d) The grant of an interest in real property owned or held  
21 in trust by the state under this section must:

22 (1) comply with the requirements of Section 31.158 to  
23 the extent the requirements do not conflict with a recommendation  
24 in the governor's report under Section 31.1571; and

25 (2) be conveyed by an instrument signed by the  
26 commissioner and, if the governor's approval is required, by the  
27 governor.

1 SECTION 18. Subchapter E, Chapter 31, Natural Resources  
2 Code, is amended by amending Section 31.158 and adding Section  
3 31.1581 to read as follows:

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

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

20 (c) Unless the enabling legislation or general law  
21 authorizing the real estate transaction specifies a different  
22 procedure, the division shall transact the sale or lease of state  
23 real property [~~land~~] in the following manner:

24 (1) The sale or lease shall be by sealed bid or public  
25 auction; provided, however, prior to the bid sale or auction, the  
26 School Land Board shall have the first option to purchase such real  
27 property pursuant to Section 31.159 of this code.



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

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

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

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

17          (6) If the award of a bid does not result in a closed  
18 transaction as provided by the sales contract, the land office may  
19 solicit proposals and negotiate the sale, exchange, or lease of the  
20 real property, provided that the sales price may not be less than  
21 market value.

22          (7) If, after proper notice has been posted, no bids  
23 meeting the minimum requirements are received at the appointed time  
24 and place for the sale or lease, the division may solicit proposals  
25 and negotiate the sale, exchange, or lease of the real property to  
26 any person, provided that the sales price may not be less than the  
27 market [~~appraised~~] value of the real property [~~land~~]. The governor

1 must approve any ~~[the]~~ sale or lease of ~~[any]~~ real property  
2 negotiated under this section ~~[through a negotiated transaction]~~.  
3 Failure of the governor to approve the sale or lease constitutes a  
4 veto of the transaction.

5 (8) ~~[(7)]~~ Each grant of an interest in real property  
6 made pursuant to this section shall be made by an instrument signed  
7 by the commissioner ~~[of the General Land Office]~~ and, if the  
8 governor's approval is required, by the governor.

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

15 (10) ~~[(9)]~~ These procedures will not apply to sales or  
16 leases of real property ~~[land]~~ that are possessed by an agency that  
17 under Chapter 2201, Government Code, is ineligible to use the Texas  
18 capital trust fund or real property ~~[land]~~ which belongs to the  
19 permanent school fund, except as provided in Section 31.1571.

20 (11) ~~[(10)]~~ Prior to the actual sale or lease, the  
21 state representative and state senator in the district where the  
22 subject real property is located shall be notified of all efforts to  
23 sell or lease the real property and shall be provided with copies of  
24 all brokerage contacts relating to the sale or lease.

25 Sec. 31.1581. TRANSFER OF REAL PROPERTY FOR USE AS  
26 AFFORDABLE AND ACCESSIBLE HOUSING AUTHORIZED BY THE LEGISLATURE.

27 (a) ~~[(a)]~~ If the legislature authorizes the transfer of title to

1 real property to an entity [~~a political subdivision~~] for use as  
2 affordable and accessible housing, the division shall take  
3 possession and control of the real property and shall conduct the  
4 transaction as provided by the policy adopted under Subsection (b)  
5 [~~(e)~~].

6 (b) [~~(e)~~] The division shall adopt a policy regarding the  
7 method of transferring title to real property designated as  
8 suitable for affordable and accessible housing to an entity [~~a~~  
9 ~~political subdivision~~] for use as affordable and accessible  
10 housing. The policy must include monitoring and enforcement  
11 provisions to ensure that the real property is used for affordable  
12 and accessible housing.

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

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

26 (b) The division shall inform the School Land Board of the  
27 proposed sale and its first option to purchase state agency real

1 property. If the board decides to exercise its option under this  
2 section, the division shall appoint an appraiser not later than the  
3 30th day after the date the board notifies the division of its  
4 decision.

5 (c) The School Land Board must complete the cash purchase  
6 not later than the 120th day after the date the board exercises its  
7 first option to purchase. If the School Land Board fails to  
8 complete the purchase within the time permitted, the division may  
9 extend the time for completing the purchase or disposing of the real  
10 property as authorized by the legislature.

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

26 (e) The division may appoint an appraiser employed by the  
27 land office for the performance of any one of the required

1 appraisals. Any other appraiser employed under this section must  
2 be selected in accordance with Subchapter A, Chapter 2254,  
3 Government Code. The party requesting the appraisal shall award  
4 the appraisal services contract to the provider of professional  
5 services after considering the factors identified in Chapter 2254,  
6 Government Code. The division shall pay the expenses of appraisal.

7 ~~[(a) If the real estate transaction authorized by the legislature~~  
8 ~~is a sale of real property, the School Land Board has a first option~~  
9 ~~to purchase the real property by cash purchase at current fair~~  
10 ~~market value as determined by an independent appraisal.~~

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

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

27 ~~[(d)(1) Current fair market value shall be determined in~~

1 ~~accordance with the procedure prescribed by this subsection.~~  
2 ~~Within 21 days after the day the School Land Board receives the~~  
3 ~~notice given to the board under Subsection (b) of this section, the~~  
4 ~~School Land Board shall appoint a second appraiser. If the School~~  
5 ~~Land Board fails to appoint the second appraiser, the division~~  
6 ~~shall appoint a second appraiser within 21 days after the~~  
7 ~~expiration of said 21-day period in which the board could have~~  
8 ~~appointed an appraiser. The two appraisers shall meet promptly and~~  
9 ~~shall attempt to reach agreement on the current fair market value.~~  
10 ~~If the two appraisers so selected do not reach agreement within 10~~  
11 ~~days of such meeting, a third appraiser shall be appointed by the~~  
12 ~~division to reconcile the two previous appraisals. The~~  
13 ~~determination of value by the third appraiser may not be less than~~  
14 ~~the lower or more than the higher of the first two appraisals. The~~  
15 ~~value determined by the third appraiser shall be final and binding~~  
16 ~~on all parties.~~

17 ~~[(2) Each appraiser shall be qualified and~~  
18 ~~disinterested and shall have M.A.I. or other comparable~~  
19 ~~professional designation. The division may appoint an appraiser~~  
20 ~~employed by the General Land Office for any one of the required~~  
21 ~~appraisals. The appointment of any other appraiser shall be made by~~  
22 ~~the appointing party following receipt of at least three~~  
23 ~~competitive bids, and if the cost of the appraisal is reasonably~~  
24 ~~expected to exceed \$10,000, the appointing party shall utilize the~~  
25 ~~notification procedure set out in Subchapter B, Chapter 2254,~~  
26 ~~Government Code, and all time periods described in this Act shall~~  
27 ~~be extended for the number of days necessary to comply with said~~

1 ~~notification procedure. The appointing party shall award the~~  
2 ~~appraisal services contract to the bidder submitting the lowest and~~  
3 ~~best bid, and in determining who has submitted the lowest and best~~  
4 ~~bid, the appointing party shall consider the factors set out in~~  
5 ~~Sections 2156.007(d)(1)-(9), Government Code. Expense of the~~  
6 ~~appraisal shall be paid by the division.]~~

7 SECTION 20. Section 31.161, Natural Resources Code, is  
8 amended to read as follows:

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

21 (b) The purpose of a development plan is to conserve and  
22 enhance the value of real property [~~land~~] belonging to the state,  
23 taking into consideration the preservation of the health, safety,  
24 and general welfare of the communities in which the real property  
25 [~~land~~] is situated.

26 (c) The plan shall address local land use planning  
27 ordinances, which may include the following [~~such provisions as are~~

1 ~~necessary to implement the purposes of this section, including~~  
2 ~~provisions for]:~~

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

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

7 (3) the timing and rate of development;

8 (4) timely delivery of adequate facilities and  
9 services, including water, wastewater collection and treatment  
10 systems, parks and public recreational facilities, drainage  
11 facilities, school sites, and roads and transportation facilities;  
12 or [~~and~~]

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

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

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

21 (a) If the division is requested to prepare a development  
22 plan under Section 31.161, the division shall notify the local  
23 government to which the plan will be submitted under Section 31.162  
24 of the division's intent to prepare a development plan. The  
25 division shall provide the local government with information  
26 relating to:

27 (1) the location of the real property to be offered for



1 sale or lease;

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

5 (3) the process for preparing the development plan  
6 under Section 31.161 and the process provided under Sections 31.165  
7 and 31.166 for the special board of review.

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

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

21 (1) a presentation by the division relating to the  
22 division's classification of the real property as unused or  
23 substantially underused [~~or unused~~] and the division's  
24 recommendation of the highest and best use to which the real  
25 property may legally be placed;

26 (2) a presentation by the local government relating to  
27 relevant local plans, development principles, and ordinances that

1 may affect the development of the real property; and

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

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

7 (a) The plan shall be submitted to any local government  
8 having jurisdiction over the real property [~~land~~] in question for  
9 consideration.

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

14 (e) If the plan is rejected by the affected local  
15 government, the [~~asset management~~] division may modify the plan to  
16 conform to the ordinances specifically identified by the local  
17 government and resubmit the plan for approval, or the commissioner  
18 [~~it~~] may apply for necessary rezoning or variances from the local  
19 ordinances.

20 (f) Failure by the local government to act within the  
21 120-day period prescribed by Subsection (b) [~~six months~~] will be  
22 deemed an acceptance by the local government of the plan.

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

25 Sec. 31.163. REZONING. (a) If the plan would require  
26 zoning inconsistent with any existing zoning or other land use  
27 regulation, the [~~asset management~~] division or its designated

1 representative may at any time submit a request for rezoning to the  
2 local government with jurisdiction over the real property [~~lands~~]  
3 in question.

4 (b) The rezoning or variance request shall be submitted in  
5 the same manner as any such request is submitted to the affected  
6 local government; provided, however, the local government must take  
7 final action on the request no later than the 120th day [~~six months~~]  
8 after the date the request for rezoning or variance is submitted.

9 (c) Failure by the local government to act within the  
10 120-day [~~six-month~~] period prescribed by Subsection (b) will be  
11 deemed an approval of the rezoning request by the local government.

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

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

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

18 (2) the chairman of the governing board of the agency  
19 or institution possessing the real property or his or her  
20 designated representative; and

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

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

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

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

6 (d) If the real property [~~land~~] is not located within the  
7 corporate boundaries or the extraterritorial jurisdiction of a city  
8 or town, the board shall consist of the members of the School Land  
9 Board, the agency chairman, and the county judge, with the  
10 commissioner serving as chairman.

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

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

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

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

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

25 (f) If after the hearings, the special board of review  
26 determines that local zoning requirements are detrimental to the  
27 best interest of the state, it shall issue an order establishing a

1 development plan to govern the use of the real property [~~land~~] as  
2 provided in this section.

3 (g) Development of the real property [~~land~~] shall be in  
4 accordance with the plan and must comply with all local rules,  
5 regulations, orders, or ordinances except as specifically  
6 identified in an order of the special board of review issued  
7 pursuant to Subsection (f) of this section. In the event that  
8 substantial progress is not made toward development of the tract  
9 within five years of the date of adoption by the special board of  
10 review, local development policies and procedures shall become  
11 applicable to development of the tract, unless the special board of  
12 review promulgates a new plan.

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

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

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

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

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

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

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

20 (c) Unless the instrument of conveyance provides otherwise,  
21 a conveyance of the surface estate of real property [~~land~~] by the  
22 state under this subchapter includes the conveyance of the  
23 subsurface estate to the extent of the state's interest in the  
24 subsurface estate.

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

27 Sec. 31.309. PREFERENCE RIGHT TO PURCHASE CERTAIN REAL

1 PROPERTY [~~LAND~~]. (a) A person or the person's heirs who conveyed  
2 real property [~~land~~] to the state for use by the superconducting  
3 super collider research facility has a preference right to purchase  
4 the same tract of real property [~~land~~] previously conveyed before  
5 the tract is offered for sale by the state to any other person.

6 (b) A person who has a preference right under this section  
7 must pay at least the [~~fair~~] market value for the real property  
8 [~~land~~] as determined by an appraisal conducted by the land office.

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

11 (d) The commissioner may adopt rules necessary to implement  
12 this section.

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

15 Sec. 11.0111. LOCATION OF COASTAL BOUNDARIES. (a) The  
16 commissioner shall:

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

19 (2) locate and set the boundary lines between the  
20 coastal counties from the coastline to the Three Marine League  
21 line.

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

25 (c) The legal description of the boundary lines set between  
26 the counties from the coastline to the continental shelf shall be  
27 filed and recorded in the office of the county clerk of the affected

1 county.

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

4 SUBCHAPTER J. GRANTS

5 Sec. 51.501. APPLICATION FOR GRANT. A lessee of real  
6 property owned by the permanent school fund and used for grazing or  
7 agricultural purposes may apply to the commissioner for a grant to  
8 construct a permanent improvement on the leased property.

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

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

16 (b) If the appraiser finds that the improvement will  
17 increase the value of the real property in an amount at least equal  
18 to the amount the improvement will cost, the commissioner may  
19 authorize the disbursement of money to construct the improvement.

20 Sec. 51.504. EVIDENCE OF EXPENDITURE REQUIRED. The  
21 commissioner shall require each lessee who receives a grant to  
22 provide copies of receipts, vouchers, or other evidence of  
23 expenditures for the improvement.

24 Sec. 51.505. IMPROVEMENTS: REAL PROPERTY OF PERMANENT  
25 SCHOOL FUND. Any improvement constructed with money disbursed  
26 under this subchapter is the real property of the permanent school  
27 fund.



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

5       Sec. 51.507. RULES. The commissioner shall adopt rules as  
6 necessary to administer this subchapter, including rules  
7 establishing a procedure for applying for a grant under Section  
8 51.501 and for monitoring the maintenance of the improvement.

9       SECTION 32. The following laws are repealed:

10           (1) Sections 31.061, 31.062, 31.063, 31.151, 31.152,  
11 31.160, 31.301, 31.302, 31.303, 31.304, 31.305, and 31.306, Natural  
12 Resources Code;

13           (2) Subchapter F, Chapter 31, Natural Resources Code;

14           (3) Subchapter H, Chapter 31, Natural Resources Code;

15 and

16           (4) Subchapter I, Chapter 31, Natural Resources Code.

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