

BILL ANALYSIS

S.B. 214
By: Fraser
Land & Resource Management
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, the Natural Resources Code, authorizes the commissioner of the General Land Office (GLO) to make a report to the governor recommending real estate transactions or other actions involving any real property included in the most recent evaluation report and identified as not used or substantially underused. Yet, there is no statute that provides the means of selling mineral rights that are not used or are substantially underused.

Due to their small fraction, these mineral interests hold inconsequential value to the state, while their sale may offer considerable benefit to the landowner. The purchase of these mineral rights by the landowner may enable him or her to lease or sell the total mineral rights in contracts that require 100 percent ownership.

The purpose of S.B. 214 is to authorize the GLO to sell certain mineral rights owned by the state. Landowners that own greater than or equal to 31/32 fractional mineral rights to a piece of land that is 80 acres or less and is located in a county of a population under 11,000 will be able to buy the remaining fraction from the state at fair market value.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a State office, department, agency, or institution.

ANALYSIS

This bill amends Subchapter E, Chapter 31, Natural Resources Code, by adding Section 31.1582, to authorize the GLO, upon receiving an offer from a landowner to buy the state's interest in the mineral estate in real property to which the landowner holds title, to sell to the landowner, for fair market value, any fractional mineral interest held by the state that is a fractional mineral interest of 1/32 or less and is severed from a parcel of land that is 80 acres or less and is located in a county with a population under 11,000. This bill provides that this new section does not apply to land under the management and control of the board of regents of a public or private institution of higher education.

This bill provides for an effective date (upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007).

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.