

BILL ANALYSIS

C.S.H.B. 4540
By: Raymond
Border & Intergovernmental Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Constitution governs a county's management and disposition of public school land held in trust for the county permanent school fund and the county available school fund. The commissioners court of a county which maintains such a trust is currently authorized to sell the land, establish an irrevocable trust for the proceeds of the sale, and invest the principal of a trust in any investment permitted for other county funds under the Public Funds Investment Act. The commissioners court is required to be the sole trustee, and as such the commissioners court is prohibited from delegating the authority to manage or invest money in the fund.

The commissioners court of Webb County is interested in developing land held in trust for the school districts within the county, but as the law currently stands the commissioners court could not recover development expenses even if the venture was successful.

C.S.H.B. 4540 authorizes the commissioners court of Webb County to recover expenses from a profitable venture involving land held in trust for a school district if the school district within the county agrees to the arrangement.

RULEMAKING AUTHORITY

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

ANALYSIS

C.S.H.B. 4540 amends the Education Code to authorize the commissioners court of Webb County to develop or sell the rights to natural resources or minerals in lands held in trust by Webb County under provisions of the Texas Constitution relating to county school lands, proceeds of sales, investment and the available school fund; and to enter into an agreement as prescribed by provisions of the Texas Constitution relating to the distribution of proceeds from such a disposition.

EFFECTIVE DATE

December 1, 2009, if the constitutional amendment proposed by H.J.R. 142 is approved by the voters.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 4540 differs from the original by replacing a population bracket description of a county with the name of Webb County. The substitute differs from the original by replacing the authorization of a county to obtain from proceeds from the sale or development of lands held in trust for a school district reimbursement of the county's reasonable and necessary expenses incurred by the disposition of such lands, with a reference to provisions of the Texas Constitution and Webb County specifically.