

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 30, 2009

TO: Honorable David Dewhurst, Lieutenant Governor, Senate
Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3461 by Orr (Relating to the powers and duties of the School Land Board and the commissioner of the General Land Office.), **Conference Committee Report**

No significant fiscal implication to the State is anticipated.

The bill would allow the School Land Board (SLB) to meet at a time and location to be designated by the board and delete the requirement to meet at the land office. The bill would also revise the procedures for bidding related to the collection of a fee associated with bids for land sales and modify language related to the purpose of the trade of land held by the SLB. In addition, the bill would shift rulemaking authority from the Land Commissioner to the SLB.

The bill would modify the provisions that provide a neighboring land owner the first option to purchase land that is approved for sale by the SLB. Amendments include a modification of the stipulation that if surrounding land was owned by more than one person, the owners of land with a common boundary with a tract of 1,200 acres or less that was for sale would have a preference right to purchase. The modification would eliminate the qualification that the tract be of 1,200 acres or less.

The bill would repeal provisions related to the classification and sale of leased and forfeited land that currently prohibit the sale of land before it is advertised. The bill would revise provisions regarding the attorney ad litem in the sale of vacant land. These amendments would require the Land Commissioner to investigate ownership interests to ensure that all necessary parties had been identified and located. The investigation would be required to conclude within 60 days of the application to purchase the vacant land. The Land Commissioner would be required to provide the attorney ad litem with all documents submitted by the applicant and the results of the investigation.

The bill also would subject the SLB to the Sunset review process. Unless continued, the SLB would be abolished on September 1, 2017.

The bill would provide that oil and gas underlying land that is owned by the state, was acquired to construct or maintain a highway, road, street, or alley, is located in an oil and gas producing area, and is subject to an oil or gas lease may be pooled or unitized (available for lease); however, the bill does not authorize drilling or other operations on the surface of land during which the land is used by the state as a highway, road, street, or alley. The amount of revenue that the state might gain from the bill's passage would depend on the number of leases taken and the amount of production of a lease.

The bill would provide that a requirement to keep a beach open for vehicular traffic may not apply to any beach or segment of beach within 3,100 feet of a natural science laboratory in a county with a population of 40,000 or less.

None of the changes contemplated by the bill are expected to have a significant fiscal impact on the General Land Office, the Permanent School Fund, or the Sunset Advisory Commission.

Local Government Impact

The bill would allow the board to waive the special fee on land sales to a political subdivision, or other governmental entity. The fiscal impact to a local governmental entity could vary depending on the amount of land an entity purchased, and whether or not the fee was waived by the board.

Source Agencies: 116 Sunset Advisory Commission, 305 General Land Office and Veterans' Land Board,
701 Central Education Agency

LBB Staff: JOB, SD, TL, SZ, TP