

By: Kleinschmidt

H.B. No. 1285

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the payment by the holder of abandoned mineral proceeds
3 of the ad valorem taxes on the mineral interest to which the
4 proceeds are attributable.

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

6 SECTION 1. Section 74.301(a), Property Code, is amended to
7 read as follows:

8 (a) Except as provided by Subsection (c) of this section and
9 Section 74.3014, each holder who on June 30 holds property that is
10 presumed abandoned under Chapter 72, 73, or 75 shall deliver the
11 property to the comptroller on or before the following November 1
12 accompanied by the report required to be filed under Section
13 74.101.

14 SECTION 2. Subchapter D, Chapter 74, Property Code, is
15 amended by adding Section 74.3014 to read as follows:

16 Sec. 74.3014. PAYMENT OF AD VALOREM TAXES ON MINERAL
17 INTEREST OUT OF ABANDONED MINERAL PROCEEDS. (a) In this section,
18 "holder," "mineral," and "mineral proceeds" have the meanings
19 assigned by Section 75.001.

20 (b) Before delivering to the comptroller mineral proceeds
21 that are presumed abandoned under Chapter 75 and that are
22 attributable to an interest that is subject to ad valorem taxation,
23 a holder shall obtain a certificate under Section 31.08, Tax Code,
24 from the collector for each taxing unit that taxes the interest

1 showing the amount of delinquent taxes, penalties, interest, and
2 any known costs and expenses under Section 33.48, Tax Code, due the
3 unit on the property according to the unit's tax records.

4 (c) Out of the mineral proceeds held by the holder that are
5 presumed to be abandoned under Chapter 75, the holder shall pay to
6 the collector for each taxing unit the amount due the unit as shown
7 on the tax certificate issued to the holder by the collector.

8 (d) After making the payment required by Subsection (c), the
9 holder shall deliver to the comptroller the remaining amount of the
10 mineral proceeds held by the holder that are presumed abandoned
11 under Chapter 75, except that the holder may retain an amount equal
12 to the total amount of the fees paid by the holder to the collectors
13 for the taxing units for the tax certificates obtained under
14 Subsection (b).

15 (e) The holder shall file with the comptroller a
16 verification of money delivered under this section that complies
17 with Section 74.302.

18 (f) A claim for money paid to the collector for a taxing unit
19 under this section must be filed with the holder that delivered the
20 money. The holder shall forward the claim to the collector for the
21 taxing unit to which the money was delivered. Payment of the claim
22 is governed by Section 31.11, Tax Code.

23 (g) The comptroller shall prescribe forms and procedures
24 governing this section, including forms and procedures relating to:

- 25 (1) notice of presumed abandoned property;
26 (2) delivery of reported money to the collector for a
27 taxing unit; and

1 (3) filing of a claim.

2 SECTION 3. This Act takes effect September 1, 2011.