

## **BILL ANALYSIS**

H.B. 2184  
By: Keffer  
Energy Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that over the years Texans have donated mineral interests to charitable trusts, nonprofit corporations, and other charitable entities and that even though the donated mineral interests in many cases are relatively small, they collectively generate millions of dollars in royalty income for Texas charities, including nonprofit welfare agencies, colleges and universities, hospitals, libraries, zoos, and other charitable enterprises. The parties contend that the use of a certain law permitting a joint owner to compel a partition and force the sale of jointly owned property threatens the ability of charitable organizations in Texas to retain ownership of these mineral interests. The parties further contend that Texas charities may not be able to provide the same level of services they presently provide if they lose this income, and the parties note that these are services the state would otherwise have to provide. The parties assert charitable trusts are likely to be divested of all of their mineral interests over time without legislative protection. H.B. 2184 seeks to address this issue by prohibiting the compelled partition of any mineral interest owned or claimed by a charitable trust by a joint owner or claimant.

### **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**

H.B. 2184 amends the Property Code to prohibit a joint owner or claimant of any mineral interest owned or claimed by a charitable trust from compelling a partition of the mineral interest. The bill defines, among other terms, "mineral interest" as an interest in oil, gas, or other mineral substance in place or that otherwise constitutes real property without regard to the depth at which such mineral substance is found.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.