

BILL ANALYSIS

S.B. 986
By: Duncan
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The board of regents of the Texas Tech University System governs Texas Tech University, Texas Tech University Health Sciences Center, and Angelo State University. Interested parties observe that current law relating to the university system and its board contains some unnecessary provisions and archaic language and might benefit from reorganization, particularly with regard to the powers and duties of the board for the component institutions. S.B. 986 seeks to provide for that reorganization, among other provisions.

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

S.B. 986 amends the Education Code to authorize the board of regents of the Texas Tech University System to accept, retain in depositories of its choosing, and administer, on terms and conditions acceptable to the board, gifts, grants, or donations of any kind, from any source, for use by the system or any of the component institutions of the system. The bill changes certain references to the university, with regard to provisions governing the university system and its board, to the university system or the university system and its component institutions, as applicable. The bill specifies that the six-year terms of office for board members are staggered, with the terms of three members expiring on January 31 of odd-numbered years.

S.B. 986 grants the board eminent domain power to acquire improvements, in addition to land, needed to carry out the purposes of the university system and its component institutions. The bill authorizes the board to purchase a house or to purchase land and construct a house suitable for the residence of the chancellor of the university system or a president of a component university, rather than the president of the university.

S.B. 986 authorizes the board to establish a history, science, and art museum, rather than building the museum by other means. The bill authorizes the board to provide a building for maintaining such a museum, rather than conveying a building by other means, and removes certain powers of the board to dedicate land or contract for services in relation to the museum. The bill authorizes the board to accept donations, gifts, grants, and endowments for Texas Tech University to be held for the benefit of the institution, rather than held in trust.

S.B. 986 removes the branches and divisions of Texas Tech University from purposes for which money in the Texas Tech University special mineral fund may be used. The bill authorizes the board to specify that publication of an advertisement of a mineral lease on university land by electronic means, including an Internet posting, satisfies the requirement for publication of the advertisement in at least two papers of general circulation in Texas. The bill removes the requirement that a public auction at which the lease or leases are sold take place at the university at any hour between 10 a.m. and 5 p.m. and includes electronic payment among the types of payments accepted for the purchase of the lease. The bill increases from \$1 per acre to \$5 per acre the minimum delay rental for delay in drilling or development with regard to a university mineral lease and authorizes lands to be leased for mineral purposes if, in the opinion of the

board, the highest bidder has offered a reasonable and proper price for any tract, rather than any one of the bidders. The bill increases from 300 feet to 500 feet the minimum distance from any building on the land on which the mineral lease resides within which drilling or mining for minerals is prohibited without board consent and includes structures in the minimum distance requirement. The bill requires a mineral lease to provide that the lessee operating the property shall carry on its operation in such a way as not to interfere with use of the property for university purposes, rather than as not to cause abandonment of the property for university purposes, and removes a requirement relating to the board's continued operation of the university. The bill removes a provision authorizing the discontinuation of yearly lease payments fixed by the board when royalty payments amount to as much as the yearly payments.

S.B. 986 clarifies that the period of three years for which the exploratory term of a mineral lease may be extended by a unanimous board vote is a maximum period and removes a provision authorizing the extension of a lease if the board finds that there is a likelihood of minerals being discovered by the lessees and that the lessees have proceeded with diligence to protect the state's interest. The bill changes the condition under which lease rentals may be suspended for actual drilling operations from the operations proceeding in good faith to the operations proceeding in a good and workmanlike manner in a good faith attempt to produce minerals from the well. The bill changes references to owners with regard to university mineral leases to lessees, expands the infrastructure the board is required to authorize for purposes of university mineral development, and grants the state a first lien on minerals that may be produced in a leased area, in addition to those produced.

S.B. 986 replaces the power of direction with the powers of governance and jurisdiction granted to the board over the Texas Tech University Health Sciences Center, removes certain provisions relating to the State Rural Medical Education Board, and removes language restricting the rules and regulations pertaining to the admission of students to the health sciences center's medical school required to be promulgated by the board of regents.

S.B. 986 repeals provisions relating to a research park at the university, leases of university land for a U.S. armory and a Texas National Guard armory, the sale of certain crops, the sale of obsolete medical equipment, and the chief executive officer's role at the health sciences center.

S.B. 986 repeals the following provisions of the Education Code:

- Section 109.44
- Section 109.46
- Section 109.47
- Section 109.49
- Section 110.04
- Section 110.14

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2013.