

By: Keffer

H.B. No. 2590

A BILL TO BE ENTITLED

AN ACT

relating to the foreclosure sale of property subject to certain agreements related to the production or sale of oil or gas.

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

SECTION 1. Chapter 51, Property Code, is amended by adding Section 51.010 to read as follows:

Sec. 51.010. SALE OF PROPERTY SUBJECT TO CERTAIN AGREEMENTS RELATED TO PRODUCTION OR SALE OF OIL OR GAS. (a) Notwithstanding any other law, an oil or gas lease or other agreement related to the production or sale of oil or gas from real property subject to a security interest that is being foreclosed remains in effect after the foreclosure sale and has priority over the foreclosed lien regardless of whether the agreement was recorded in the real property records of the county before the date the security interest was recorded if the agreement:

(1) was recorded in the real property records of the county before the foreclosure sale; and

(2) has not terminated or expired on its own terms.

(b) Any royalty payment due to the owner of the real property under an agreement described by Subsection (a) shall be paid to the purchaser of the foreclosed real property.

SECTION 2. Section 51.010, Property Code, as added by this Act, applies only to a security interest recorded in the real property records of a county on or after the effective date of this

1 Act. A security interest recorded before the effective date of this
2 Act is governed by the law in effect immediately before the
3 effective date of this Act, and that law is continued in effect for
4 that purpose.

5 SECTION 3. This Act takes effect September 1, 2013.