

By: Duncan

S.B. No. 986

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the board of regents of the Texas Tech University System.

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

SECTION 1. The heading to Subchapter A, Chapter 109, Education Code, is amended to read as follows:

SUBCHAPTER A. GENERAL AND ADMINISTRATIVE PROVISIONS

SECTION 2. Section 109.001, Education Code, is amended by adding Subsection (d) to read as follows:

(d) The board may 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.

SECTION 3. Sections 109.21, 109.22, and 109.23, Education Code, are transferred to Subchapter A, Chapter 109, Education Code, redesignated as Sections 109.002, 109.003, and 109.004, Education Code, and amended to read as follows:

Sec. 109.002 [~~109.21~~]. BOARD OF REGENTS. The government, control, and direction of the policies of the university system and the component institutions are vested in a board of nine regents, who shall be appointed by the governor with the advice and consent of the senate.

Sec. 109.003 [~~109.22~~]. BOARD MEMBERS: TERMS, VACANCIES.

1 Members of the board will [~~Except for the initial appointees,~~
2 ~~members~~] hold office for staggered [~~of~~] terms of six years, with the
3 terms of three members expiring on January 31 of odd-numbered
4 years. [~~In making the initial appointments, the governor shall~~
5 ~~designate three for terms expiring in 1971, three for terms~~
6 ~~expiring in 1973, and three for terms expiring in 1975.~~] Any
7 vacancy shall be filled for the unexpired portion of the term by
8 appointment by the governor with the advice and consent of the
9 senate.

10 Sec. 109.004 [~~109.23~~]. CHIEF EXECUTIVE OFFICER:
11 SELECTION, DUTIES. The board shall appoint [~~provide~~] a chief
12 executive officer, who shall devote the officer's [~~his~~] attention
13 to the executive management of the university system and who shall
14 be directly accountable to the board for the conduct of the
15 university system. The board, when required by law to be the
16 governing body of any other state educational institution or
17 facility, shall also direct the chief executive officer to be
18 directly responsible for the executive management of that other
19 institution or facility.

20 SECTION 4. The heading to Subchapter B, Chapter 109,
21 Education Code, is amended to read as follows:

22 SUBCHAPTER B. POWERS AND DUTIES [~~ADMINISTRATIVE PROVISIONS~~]

23 SECTION 5. Sections 109.41, 109.42, 109.48, and 109.54,
24 Education Code, are transferred to Subchapter B, Chapter 109,
25 Education Code, redesignated as Sections 109.051, 109.052,
26 109.053, and 109.054, Education Code, and amended to read as
27 follows:

1 Sec. 109.051 [~~109.41~~]. EMINENT DOMAIN. The board of
2 regents has the power of eminent domain to acquire land and
3 improvements needed to carry out the purposes of the university
4 system and the component institutions.

5 Sec. 109.052 [~~109.42~~]. RESIDENCES FOR CHANCELLOR AND
6 PRESIDENTS [~~RESIDENCE FOR PRESIDENT~~]. The board may purchase a
7 house or may purchase land and construct a house suitable for the
8 residence of the chancellor of the university system or a president
9 of a component [~~the~~] university.

10 Sec. 109.053 [~~109.48~~]. UTILITIES EASEMENTS. On terms,
11 conditions, stipulations, and compensation as determined by the
12 board, the board may convey, dedicate, or use any other appropriate
13 method of conveyance to grant, convey, or dedicate rights, title,
14 rights-of-way, or easements involving or in connection with the
15 furnishing or providing of electricity, water, sewage disposal,
16 natural gas, telephone, telegraph, or other utility service on,
17 over, or through the campuses [~~campus~~] of the Texas Tech University
18 System and the component institutions [~~in Lubbock County~~]. The
19 chairman of the board may execute and deliver conveyances or
20 dedications on behalf of the university system and the component
21 institutions [~~Texas Tech University~~].

22 Sec. 109.054 [~~109.54~~]. MANAGEMENT OF LANDS. The board has
23 the sole and exclusive management and control of lands set aside and
24 appropriated to or acquired by the institutions under its
25 governance. The board may lease, sell, exchange, acquire, dispose
26 of, and otherwise manage, control, and use the lands in any manner
27 and at prices and under terms and conditions the board deems best

1 for the interest of the institutions. However, the board may not
2 sell any of the original main campus of Texas Tech University
3 located in Lubbock, Lubbock County, unless the sale is approved by
4 act of the legislature. No grazing lease shall be made for a period
5 of more than five years.

6 SECTION 6. The heading to Subchapter C, Chapter 109,
7 Education Code, is amended to read as follows:

8 SUBCHAPTER C. TEXAS TECH UNIVERSITY [~~POWERS AND DUTIES~~]

9 SECTION 7. Section 109.01, Education Code, is transferred
10 to Subchapter C, Chapter 109, Education Code, and redesignated as
11 Section 109.101, Education Code, to read as follows:

12 Sec. 109.101 [~~109.01~~]. TEXAS TECH UNIVERSITY. Texas Tech
13 University is a coeducational institution of higher education
14 located in the city of Lubbock.

15 SECTION 8. Sections 109.43, 109.45, and 109.52, Education
16 Code, are redesignated as Sections 109.102, 109.103, and 109.104,
17 Education Code, and amended to read as follows:

18 Sec. 109.102 [~~109.43~~]. DORMITORIES: RULES AND
19 REGULATIONS. The board may adopt rules and regulations it deems
20 advisable requiring any class or classes of students to reside in
21 university dormitories or other buildings.

22 Sec. 109.103 [~~109.45~~]. [~~CITY~~] MUSEUM. (a) The board may
23 establish [~~rent, lease, or convey, for a sum of money to be~~
24 ~~determined by the board, a part of the campus, not to exceed four~~
25 ~~acres, to the city of Lubbock for the sole purpose of building, with~~
26 ~~bonds or current city taxes, and maintaining with city tax money,~~]
27 history, science, and art museum.

1 (b) The board may provide [~~rent or lease~~] a building or any
2 part of a building [~~on the parcel of land to the city of Lubbock~~] for
3 the sole purpose of maintaining a history, science, and art museum
4 [~~for a sum of money to be determined by the board~~].

5 [~~(c) The board may dedicate for public use a street or~~
6 ~~streets leading to and connecting the parcel of land and building~~
7 ~~and to provide ingress and egress to and from a public highway and~~
8 ~~to and from adjacent parking lots.~~

9 [~~(d) The board, at its discretion, may contract with the~~
10 ~~city of Lubbock for the staffing, operation, and maintenance of a~~
11 ~~history and art museum with funds provided by the city of Lubbock.~~

12 [~~(e) The board may enter into contracts and agreements which~~
13 ~~are necessary and proper for carrying out the provisions of this~~
14 ~~section, provided that no expenditure of money by the board shall be~~
15 ~~made except as may be appropriated by the legislature.]~~

16 Sec. 109.104 [~~109.52~~]. DONATIONS, GIFTS, GRANTS, AND
17 ENDOWMENTS. The board may accept donations, gifts, grants, and
18 endowments for Texas Tech University to be held for the benefit of
19 the institution [~~in trust~~] and administered by the board.

20 SECTION 9. Subchapter D, Chapter 109, Education Code, is
21 amended to read as follows:

22 SUBCHAPTER D. MINERAL DEVELOPMENT IN UNIVERSITY LAND

23 Sec. 109.151 [~~109.61~~]. MINERAL LEASES; DISPOSITION OF
24 PROCEEDS. (a) The board may lease for oil, gas, sulphur, or other
25 mineral development to the highest bidder at public auction all or
26 part of the lands under the exclusive control of the board owned by
27 the State of Texas and acquired for the use of Texas Tech University

1 and its divisions.

2 (b) Any money received by virtue of this section shall be
3 deposited in a special fund managed by the board to be known as the
4 Texas Tech University special mineral fund. Money in the fund is
5 considered to be institutional funds, as defined by Section 51.009,
6 of the university and is to be used exclusively for the university
7 [~~and its branches and divisions~~]. All deposits in and investments
8 of the fund shall be made in accordance with Section 51.0031.
9 Section 34.017, Natural Resources Code, does not apply to the fund.

10 Sec. 109.152 [~~109.62~~]. MAJORITY OF BOARD TO ACT. A
11 majority of the board has power to act in all cases under this
12 subchapter except as otherwise provided in this subchapter.

13 Sec. 109.153 [~~109.63~~]. SUBDIVISION OF LAND; TITLES.
14 (a) The board may have the lands surveyed or subdivided into
15 tracts, lots, or blocks which, in its [~~their~~] judgment, will be most
16 conducive and convenient to an advantageous sale or lease of oil,
17 gas, sulphur, or other minerals in and under and that may be
18 produced from the lands; and the board may make maps and plats which
19 it deems necessary to carry out the purposes of this subchapter.

20 (b) The board may obtain authentic abstracts of title to the
21 lands from time to time as it deems necessary and may take necessary
22 steps to perfect a merchantable title to the lands.

23 Sec. 109.154 [~~109.64~~]. SALE OF LEASES; ADVERTISEMENTS;
24 PAYMENTS. (a) Whenever in the opinion of the board there is a
25 demand for the purchase of oil, gas, sulphur, or other mineral
26 leases on any tract or part of any tract of land which can be [~~will~~]
27 reasonably expected to result in [~~insure~~] an advantageous sale, the

1 board shall place the oil, gas, sulphur, or other mineral leases on
2 the land on the market in a tract or tracts, or any part of a tract,
3 which the board may designate.

4 (b) The board shall have advertised a brief description of
5 the land from which the oil, gas, sulphur, or other minerals is
6 proposed to be leased. The advertisement shall be made by
7 publishing [~~inserting~~] in two or more papers of general circulation
8 in this state, and in addition, the board may, in its discretion,
9 cause the advertisement to be placed in an oil and gas journal
10 published in and out of the state. The board may also mail copies of
11 the proposals to the county judge of the county where the lands are
12 located and to other persons the board believes would be
13 interested. The board may specify that publication of the offer by
14 electronic means, including an Internet posting, satisfies the
15 requirement for publication of the advertisement in at least two
16 papers of general circulation in this state.

17 (c) The board may sell the lease or leases to the highest
18 bidder at public auction [~~at the university in Lubbock at any hour~~
19 ~~between 10 a. m. and 5 p. m.~~].

20 (d) The highest bidder shall pay to the board on the day of
21 the sale 25 percent of the bonus bid, and the balance of the bid
22 shall be paid within 24 hours after the bidder is notified that the
23 bid has been accepted. Payments shall be made in cash, certified
24 check, [~~or~~] cashier's check, or electronic payment, as the board
25 directs. The failure of the bidder to pay the balance of the amount
26 bid will forfeit to the board the 25 percent of the bonus bid paid.

27 Sec. 109.155 [~~109.65~~]. SEPARATE BIDS; MINIMUM ROYALTY;

1 DELAY RENTAL. (a) A separate bid shall be made for each tract or
2 subdivision of a tract.

3 (b) No bid shall be accepted which offers a royalty of less
4 than one-eighth of the gross production of oil, gas, sulphur, and
5 other minerals in the land bid upon. The board may increase ~~[, and]~~
6 this minimum royalty ~~[may be increased]~~ at the discretion of the
7 board.

8 (c) Every bid shall carry the obligation to pay an amount
9 not less than \$5 ~~[\$1]~~ per acre for delay in drilling or development.
10 The amount shall be fixed by the board in advance of the
11 advertisement. The delay rental ~~[amount fixed]~~ shall be paid every
12 year for five years unless in the meantime production in paying
13 quantities is had upon the land or the land is released by the
14 lessee.

15 Sec. 109.156 ~~[109.66]~~. REJECTION OF BIDS; WITHDRAWAL OF
16 LAND. The board may reject any and all bids and may withdraw any
17 land advertised for lease.

18 Sec. 109.157 ~~[109.67]~~. ACCEPTANCE; CONDITIONS AND
19 PROVISIONS OF LEASE. (a) If, in the opinion of the board, ~~[any one~~
20 ~~of]~~ the highest bidder ~~[bidders]~~ has offered a reasonable and
21 proper price for any tract, which is not less than the price set by
22 the board, the lands advertised may be leased for oil, gas, sulphur,
23 and other mineral purposes under the terms of this section and
24 subject to regulations prescribed by the board which are not
25 inconsistent with the provisions of this section. In the event no
26 bid is accepted by the board at public auction, any subsequent
27 procedure for the sale of the leases shall be in the manner

1 prescribed in the preceding sections.

2 (b) No lease shall be made by the board which will permit the
3 drilling or mining for oil, gas, sulphur, or other minerals within
4 500 [~~300~~] feet of any building or structure on the land without the
5 consent of the board. In making any lease on any experimental
6 station or farm, the lease shall provide that the operations for
7 oil, gas, and other minerals shall not in any way interfere with use
8 of the land for university purposes and shall not cause the
9 abandonment of the property or its use for experimental farm
10 purposes. The lease shall also provide that the lessee operating
11 the property shall drill and carry on the lessee's [~~his~~] operations
12 in such a way as not to interfere with uses [~~cause the abandonment~~]
13 of the property for university purposes, and the leased property
14 shall be subject to the use by the state for all university
15 purposes [~~, and the board shall continue to operate the university~~].

16 Sec. 109.158 [~~109.68~~]. ACCEPTANCE AND FILING OF BIDS;
17 [~~YEARLY PAYMENTS,~~] TERMINATION OF LEASE. (a) If the board
18 determines that a satisfactory bid has been received for the oil,
19 gas, sulphur, or other mineral lands, it shall accept the bid and
20 reject all others and shall file the accepted bid in the general
21 land office.

22 (b) [~~Whenever the royalties shall amount to as much as the~~
23 ~~yearly payments fixed by the board, the yearly payments may be~~
24 ~~discontinued.~~

25 [~~(c)~~] If before the expiration of five years oil, gas,
26 sulphur, or other minerals have not been produced in paying
27 quantities, the lease shall terminate unless extended as provided

1 in Sections 109.160 [~~109.70~~] and 109.161 [~~109.71 of this code~~].

2 Sec. 109.159 [~~109.69~~]. AWARD AND FILING OF LEASE. If the
3 board determines that a satisfactory bid has been received for the
4 oil, gas, sulphur, or other minerals, it shall make an award to the
5 bidder offering the highest price, and a lease shall be filed in the
6 general land office.

7 Sec. 109.160 [~~109.70~~]. EXPLORATORY TERM OF LEASE;
8 EXTENSION; OTHER PROVISIONS. (a) The exploratory term of a lease
9 as determined by the board prior to the promulgation of the
10 advertisement shall not exceed five years, and each lease shall
11 provide that the lease will terminate at the expiration of its
12 exploratory term unless by unanimous vote of the board the lease is
13 extended for a period not to exceed [~~of~~] three years.

14 (b) [~~The lease may be extended if the board finds that there~~
15 ~~is a likelihood of oil, gas, sulphur, or other minerals being~~
16 ~~discovered by the lessees, and that the lessees have proceeded with~~
17 ~~diligence to protect the interest of the state.~~] If oil, gas,
18 sulphur, or other minerals are being produced in paying quantities
19 from the premises, the lease shall continue in force and effect as
20 long as the oil, gas, sulphur, or other minerals are being so
21 produced. No extension may be made by the board until the last 30
22 days of the original term of the lease.

23 (c) The lease shall include additional provisions and
24 regulations prescribed by the board to preserve the interest of the
25 state, not inconsistent with the provisions of this subchapter.

26 Sec. 109.161 [~~109.71~~]. EXTENSION OF LEASES. When in the
27 discretion of the board it is deemed for the best interest of the

1 state to extend a lease issued by the board, the board may by
2 unanimous vote extend the lease for a period not to exceed three
3 years, on the condition that the lessee shall continue to pay yearly
4 rental as provided in the lease and shall comply with any additional
5 terms [~~which~~] the board requires [~~may see fit and proper to demand~~].
6 The board may extend the lease and execute an extension agreement.

7 Sec. 109.162 [~~109.72~~]. CONTROL OF DRILLING AND PRODUCTION.
8 The drilling for and the production of oil, gas, and other minerals
9 from the lands shall be governed and controlled by the Railroad
10 Commission of Texas and other applicable regulatory bodies which
11 govern and control other fields in this state.

12 Sec. 109.163 [~~109.73~~]. DRILLING OPERATIONS: SUSPENSION OF
13 RENT; CONTINUANCE OF LEASE; DUTY TO PREVENT DRAINAGE. (a) If
14 during the term of a lease issued under the provisions of this
15 subchapter the lessee is engaged in actual drilling operations for
16 the discovery of oil, gas, sulphur, or other minerals, no rentals
17 shall be payable as to the tract on which the operations are being
18 conducted as long as the operations are proceeding in a good and
19 workmanlike manner in a good faith attempt to produce oil, gas,
20 sulphur, or other minerals from the well [~~faith~~].

21 (b) In the event oil, gas, sulphur, or other minerals are
22 discovered in paying quantities on any tract of land covered by a
23 lease, then the lease as to that tract shall remain in force as long
24 as oil, gas, sulphur, or other minerals are produced in paying
25 quantities from the tract.

26 (c) In the event of the discovery of oil, gas, sulphur, or
27 other minerals on any tract covered by a lease or on any land

1 adjoining the tract, the lessee shall conduct such operations as
2 may be necessary to prevent drainage from the tract covered by the
3 lease to properly develop the same to the extent that a reasonably
4 prudent individual [~~man~~] would do under the same and similar
5 circumstances.

6 Sec. 109.164 [~~109.74~~]. TITLE TO RIGHTS PURCHASED;
7 ASSIGNMENT; RELINQUISHMENT. (a) Title to all rights purchased may
8 be held by the lessee [~~owners~~] as long as the area produces oil,
9 gas, sulphur, or other minerals in paying quantities.

10 (b) All rights purchased may be assigned. All assignments
11 shall be filed in the general land office as prescribed by rule,
12 accompanied by 10 cents per acre for each acre assigned and the
13 filing fee as prescribed by rule. An assignment shall not be
14 effective unless filed as required by rule.

15 (c) All rights to all or any part of a leased tract may be
16 released to the state at any time by recording a release instrument
17 in the county or counties in which the tract is located. Releases
18 shall also be filed with the chairman of the board and the general
19 land office, accompanied by the filing fee prescribed by rule. A
20 release shall not relieve the lessee [~~owner~~] of any obligations or
21 liabilities incurred prior to the release.

22 (d) The board shall authorize any required infrastructure,
23 including [~~the laying of pipeline and telephone line and~~] the
24 opening of roads deemed reasonably necessary in carrying out the
25 purposes of this subchapter.

26 Sec. 109.165 [~~109.75~~]. PAYMENT OF ROYALTIES; RECORDS;
27 REPORT OF RECEIPTS. (a) If oil, gas, or other minerals are

1 developed on any of the lands leased by the board, the royalty as
2 stipulated in the sale shall be paid to the general land office in
3 Austin on or before the last day of each month for the preceding
4 month during the life of the rights purchased. The royalty payments
5 shall be set aside as specified in Section 109.151 [~~109.61~~] and used
6 as provided in that section.

7 (b) The royalty paid to the general land office shall be
8 accompanied by the sworn statement of the lessee [~~owner~~], manager,
9 or other authorized agent showing the gross amount of oil, gas,
10 sulphur, or other minerals produced and sold off the premises and
11 the market value of the minerals, together with a copy of all daily
12 gauges, or vats, tanks, gas meter readings, pipeline receipts, gas
13 line receipts, and other checks and memoranda of the amounts
14 produced and put into pipelines, vats, tanks, or pool and gas lines
15 or gas storage. The books and accounts, receipts and discharges of
16 all wells, tanks, vats, pools, meters, and pipelines, and all
17 contracts and other records pertaining to the production,
18 transportation, sale, and marketing of the oil, gas, sulphur, or
19 other minerals shall at all times be subject to inspection and
20 examination by any member of the board or any duly authorized
21 representative of the board.

22 (c) The commissioner of the general land office shall tender
23 to the board on or before the 10th day of each month a report of all
24 receipts that are collected from the lease or sale of oil, gas,
25 sulphur, or other minerals and that are deposited in the special
26 fund as provided by Section 109.151 [~~109.61~~] during the preceding
27 month.

1 Sec. 109.166 [~~109.76~~]. PROTECTION FROM DRAINAGE;
2 FORFEITURE OF RIGHTS. (a) In every case where the area in which
3 oil, gas, sulphur, or other minerals sold is contiguous or adjacent
4 to lands which are not lands belonging to and held by the
5 university, the acceptance of the bid and the sale made thereby
6 shall constitute an obligation of the lessee [~~owner~~] to adequately
7 protect the land leased from drainage from the adjacent lands to the
8 extent that a reasonably prudent operator would do under the same
9 and similar circumstances.

10 (b) In cases where the area in which the oil, gas, sulphur,
11 or other minerals sold is contiguous to other lands belonging to and
12 held by the university which have been leased or sold at a lesser
13 royalty, the lessee [~~owner~~] shall protect the land from drainage
14 from the lands leased or sold for a lesser royalty.

15 (c) On failure to protect the land from drainage as provided
16 in this section, the sale and all rights acquired may be forfeited
17 by the board in the manner provided in Section 109.167 [~~109.77 of~~
18 ~~this code~~] for forfeitures.

19 Sec. 109.167 [~~109.77~~]. FORFEITURE AND OTHER REMEDIES;
20 LIENS. (a) Leases granted under the provisions of this chapter
21 are subject to forfeiture by the board by an order entered in the
22 minutes of the board reciting the acts or omissions constituting a
23 default and declaring a forfeiture.

24 (b) Any of the following acts or omissions constitutes a
25 default:

26 (1) the failure or refusal by the lessee [~~owner~~] of the
27 rights acquired under this chapter to make a payment of a sum due,

1 either as rental or royalty on production, within 30 days after the
2 payment becomes due;

3 (2) the making of a false return or false report
4 concerning production, royalty, drilling, or mining by the lessee
5 [~~owner~~] or the lessee's [~~his~~] authorized agent;

6 (3) the failure or refusal of the lessee [~~owner~~] or the
7 lessee's [~~his~~] agent to drill an offset well or wells in good faith,
8 as required by the lease;

9 (4) the refusal of the lessee [~~owner~~] or the lessee's
10 [~~his~~] agent to allow the proper authorities access to the records
11 and other data pertaining to the operations authorized in this
12 subchapter;

13 (5) the failure or refusal of the lessee [~~owner~~] or the
14 lessee's [~~his~~] authorized agent to give correct information to the
15 proper authorities, or to furnish the log of any well within 30 days
16 after production is found in paying quantities; or

17 (6) the violation by the lessee [~~owner~~] of any
18 material term of the lease.

19 (c) The board may, if it so desires, have suit for
20 forfeiture instituted through the attorney general.

21 (d) On proper showing by the forfeiting lessee [~~owner~~]
22 within 30 days after the declaration of forfeiture, the lease may be
23 reinstated at the discretion of the board and upon terms prescribed
24 by the board.

25 (e) In case of violation by the lessee [~~owner~~] of the lease
26 contract, the remedy of forfeiture shall not be the exclusive
27 remedy, and the state may institute suit for damages or specific

1 performance or both.

2 (f) The state shall have a first lien on oil, gas, sulphur,
3 or other minerals produced or that may be produced in the leased
4 area, and on all rigs, tanks, vats, pipelines, telephone lines, and
5 machinery and appliances used in the production and handling of
6 oil, gas, sulphur, or other minerals produced, to secure the amount
7 due from the lessee [~~owner of the lease~~].

8 Sec. 109.168 [~~109.78~~]. FILING OF DOCUMENTS AND PAYMENT OF
9 ROYALTIES, FEES, AND RENTALS. (a) All surveys, files, copies of
10 sale and lease contracts, and other records pertaining to the sales
11 and leases authorized in this subchapter shall be filed in the
12 general land office and shall constitute archives.

13 (b) Payment of all royalties, lease fees, rentals for delay
14 in drilling or mining, filing fees for assignments and
15 relinquishments, and all other payments shall be made to the
16 commissioner of the general land office at Austin. The
17 commissioner shall transmit all payments received to the board for
18 deposit to the credit of the Texas Tech University special mineral
19 fund as provided by Section 109.151 [~~109.61~~].

20 Sec. 109.169 [~~109.79~~]. FORMS, REGULATIONS, RULES, AND
21 CONTRACTS. The board shall adopt proper forms, regulations, rules,
22 and contracts which, in its judgment, will protect the income from
23 lands leased pursuant to this subchapter.

24 Sec. 109.170 [~~109.80~~]. MANAGEMENT OF SURFACE AND MINERAL
25 ESTATES. (a) The board may lease for oil, gas, sulphur, ore,
26 water, and other mineral development all land under its exclusive
27 control for the use of the university. The board may make and enter

1 into pooling agreements, division orders, or other contracts
2 necessary in the management and development of its land.

3 (b) All leases, pooling agreements, division orders, or
4 other contracts entered into by the board shall be on terms that the
5 board considers in the best interest of the university. The board
6 may not sell a lease for less than the royalty and rental terms
7 demanded at that time by the General Land Office in connection with
8 the sale of oil, gas, and other mineral leases of the public lands
9 of this state.

10 (c) All money received under the leases and contracts
11 executed for the management and development of the land, except
12 revenue pledged to the payment of revenue bonds or notes, shall be
13 deposited to the credit of a special fund created by the board. The
14 board shall designate a depository for the special fund and protect
15 the money deposited in it by the pledging of assets of the
16 depository in the same manner as is required for the protection of
17 public funds. Money deposited in the special fund may be used by
18 the board for the administration of the university, for payment of
19 principal of and interest on revenue bonds or notes issued by the
20 board, and for any other purpose that in the judgment of the board
21 may be for the good of the university.

22 SECTION 10. Sections 110.01, 110.02, and 110.11, Education
23 Code, are amended to read as follows:

24 Sec. 110.01. SEPARATE INSTITUTION. Texas Tech University
25 Health Sciences Center is a separate institution and not a
26 department, school, or branch of Texas Tech University but is under
27 the direction, management, and control of the Texas Tech University

1 System Board of Regents. The center is composed of a medical school
2 and other components assigned by law or by the coordinating board.

3 Sec. 110.02. CONCURRENT AND SEPARATE POWERS. The board of
4 regents has the same powers of governance, control, jurisdiction,
5 and management [~~direction, management, and control~~] over the Health
6 Sciences Center as it exercises [~~they exercise~~] over Texas Tech
7 University System and its components. However, the board shall act
8 separately and independently on all matters affecting the Health
9 Sciences Center as a separate institution.

10 Sec. 110.11. MEDICAL SCHOOL ADMISSION POLICIES. The board
11 of regents [~~Board of Regents~~] shall promulgate appropriate rules
12 and regulations pertaining to the admission of students to the
13 medical school [~~which will provide for admission of those students~~
14 ~~to its entering class each year who are equally or as well qualified~~
15 ~~as all other students and who have entered a contract with or~~
16 ~~received a commitment for a stipend, grant, loan or scholarship~~
17 ~~from the State Rural Medical Education Board. The State Rural~~
18 ~~Medical Education Board may contract with medical students~~
19 ~~providing for such students to engage in a general or family~~
20 ~~practice of medicine for not less than four years after licensing~~
21 ~~and a period of medical residency, as determined by the rules and~~
22 ~~regulations established by the State Rural Medical Education Board,~~
23 ~~in cities of Texas which have a population of less than 5,000 or in~~
24 ~~rural areas, as that term may be defined by the State Rural Medical~~
25 ~~Education Board, and said Board is hereby given the authority to~~
26 ~~define and from time to time redefine the term rural area, at the~~
27 ~~time the medical practice is commenced. This contract shall~~

1 ~~provide for a monthly stipend of at least \$100 to be granted by the~~
2 ~~State Rural Medical Education Board to each person under contract~~
3 ~~with the State while enrolled as a medical school student].~~

4 SECTION 11. The following provisions of the Education Code
5 are repealed:

- 6 (1) Section 109.44;
- 7 (2) Section 109.46;
- 8 (3) Section 109.47;
- 9 (4) Section 109.49;
- 10 (5) Section 110.04; and
- 11 (6) Section 110.14.

12 SECTION 12. This Act takes effect immediately if it
13 receives a vote of two-thirds of all the members elected to each
14 house, as provided by Section 39, Article III, Texas Constitution.
15 If this Act does not receive the vote necessary for immediate
16 effect, this Act takes effect September 1, 2013.