

By: Duncan, et al.
(Keffer)

S.B. No. 1240

Substitute the following for S.B. No. 1240:

By: Dale

C.S.S.B. No. 1240

A BILL TO BE ENTITLED

AN ACT

relating to the partition of mineral interests of a charitable trust.

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

SECTION 1. Subtitle C, Title 9, Property Code, is amended by adding Chapter 124 to read as follows:

CHAPTER 124. PARTITION OF MINERAL INTERESTS OF CHARITABLE TRUST

Sec. 124.001. DEFINITIONS. In this chapter:

(1) "Charitable entity" means a corporation, trust, community chest, fund, foundation, or other entity organized for scientific, educational, philanthropic, or environmental purposes, social welfare, the arts and humanities, or another civic or public purpose described by Section 501(c)(3), Internal Revenue Code of 1986.

(2) "Charitable trust" means a charitable entity, a trust the stated purpose of which is to benefit a charitable entity, or an inter vivos or testamentary gift to a charitable entity.

(3) "Mineral interest" means 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.

Sec. 124.002. COMPULSORY DIVESTMENT PROHIBITED. In a suit or other judicial proceeding the object or effect of which is to compel the partition of a mineral interest owned or claimed by a

1 charitable trust, a sale or other action that would divest the
2 charitable trust of the trust's ownership of a mineral interest may
3 not be ordered unless the trust has refused to execute a mineral
4 lease, the terms of which are fair and reasonable, to the plaintiff
5 or petitioner in the proceeding.

6 SECTION 2. The change in law made by this Act applies only
7 to a proceeding commenced on or after the effective date of this
8 Act.

9 SECTION 3. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2013.