

AN ACT

relating to procedures for the management, sale, or lease of certain state-owned real property and the management or collection of related funds, including disputed oil and gas royalties owed to the state.

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

SECTION 1. Section 31.1573(d), Natural Resources Code, is amended to read as follows:

(d) The grant of an interest in real property owned by the state under this section must:

(1) comply with the requirements of Section 31.158 to the extent the requirements do not conflict with a recommendation in the governor's report under Section 31.1571; and

(2) be conveyed by an instrument signed by the commissioner and, if the transaction was conducted under Section 31.158(c)(7) [~~governor's approval is required~~], by the governor.

SECTION 2. Section 31.167(c), Natural Resources Code, is amended to read as follows:

(c) The special board of review must file a copy of the development plan in the deed records of the county in which the real property is located. Revisions to the development plan are governed by local development policies and procedures if the revisions [~~that~~] are requested after the later of:

(1) the 10th anniversary of the date on which the

1 development plan was promulgated by the special board of review; or
2 (2) the date on which the state no longer holds a
3 financial or property interest in the real property subject to the
4 plan [~~are governed by local development policies and procedures~~].

5 SECTION 3. Section 32.106, Natural Resources Code, is
6 amended to read as follows:

7 Sec. 32.106. DESCRIPTION OF LAND. The description of
8 public school land offered for sale, lease, or commitment to a
9 contract for development shall be in accord with the description
10 which may be found in the School Land Registry or other records in
11 the land office.

12 SECTION 4. Section 33.136(c), Natural Resources Code, is
13 amended to read as follows:

14 (c) Within 30 days after the date the commissioner approves
15 a coastal boundary survey under this section, the commissioner
16 shall provide notice of that approval by:

- 17 (1) publication in the Texas Register;
- 18 (2) publication for two consecutive weeks on the
19 Internet website of the land office [~~in a newspaper of general~~
20 ~~circulation in the county or counties in which the land depicted in~~
21 ~~the survey is located~~]; and

22 (3) filing a copy of the approval in the archives and
23 records division of the land office.

24 SECTION 5. Subchapter C, Chapter 51, Natural Resources
25 Code, is amended by adding Section 51.068 to read as follows:

26 Sec. 51.068. FUND ACCOUNTS. (a) Payments of principal,
27 interest, and lease rental shall be accounted for in a similar form

1 but separate from first payments on land.

2 (b) The comptroller shall deposit 90 percent of the payments
3 on land received each month to the probable fund to which the
4 payments belong as indicated by the commissioner and shall hold the
5 remaining 10 percent of the payments in the suspense account until
6 the comptroller receives notice from the commissioner indicating
7 the proper fund for the payments. After notice is received, the
8 comptroller shall credit the full amount to the proper fund.

9 (c) The commissioner and comptroller shall keep an account
10 with each fund according to advices given by them and shall retain
11 the advices as permanent records.

12 SECTION 6. Section 51.3021(c), Natural Resources Code, is
13 amended to read as follows:

14 (c) The notice required by Subsection (b) [~~of this section~~]
15 must be given:

16 (1) by service in person or by registered or certified
17 mail, return receipt requested; or

18 (2) if personal service cannot be obtained or the
19 address of the person responsible is unknown, by posting a copy of
20 the notice on the facility or structure and by publishing notice on
21 the Internet website of the land office and in the Texas Register
22 for [~~in a newspaper with general circulation in the county in which~~
23 ~~the facility or structure is located two times within]~~ 10
24 consecutive days.

25 SECTION 7. The heading to Section 52.137, Natural Resources
26 Code, is amended to read as follows:

27 Sec. 52.137. SUIT AFTER PROTEST [~~PAYMENT~~].

1 SECTION 8. Sections 52.137(a) and (c), Natural Resources
2 Code, are amended to read as follows:

3 (a) If a lessee, who has received an audit deficiency
4 assessment and has waived the right to request a hearing before the
5 commissioner or who is required by final order of the commissioner
6 following a hearing to pay additional royalties, contends that such
7 audit deficiency assessment is unlawful or that the commissioner
8 may not legally demand or collect such royalties, and the lessee
9 ~~[shall pay to the commissioner the amount claimed by the~~
10 ~~commissioner, and if the lessee]~~ intends to bring suit under this
11 section, the lessee must submit ~~[with the payment]~~ a protest in
12 writing stating fully and in detail each reason why it contends such
13 royalty is not due. Such protest ~~[payment]~~ shall be made to the
14 commissioner within 30 days of the date of receipt of the audit
15 billing notice or of the date of receipt of the final order of the
16 commissioner following a hearing, as the case may be. All such
17 mailings shall be by certified mail, return receipt requested.

18 (c) ~~[A suit may be brought under this section against the~~
19 ~~commissioner to recover the payment under protest.]~~ A suit under
20 this section is barred unless brought in the district courts of
21 Travis County within 90 days after the date of the protest ~~[payment]~~
22 or within 90 days after the date of the final order of the
23 commissioner following hearing, whichever is later.

24 SECTION 9. Section 52.139(a), Natural Resources Code, is
25 amended to read as follows:

26 (a) If an audit billing notice has been issued under Section
27 52.135 and any outstanding audit deficiency assessment has been

1 paid either:

2 (1) voluntarily;

3 (2) after a hearing was requested and the commissioner
4 has entered a final non-appealable order concerning the assessment;
5 or

6 (3) after a final non-appealable judgment has been
7 rendered by a court after [~~payment of an audit assessment under~~
8 ~~protest and~~] filing of a suit [~~for refund~~] under Section 52.137 [~~of~~
9 ~~this code~~], then the commissioner may not issue another deficiency
10 assessment which covers the same issues, time periods, and leases
11 as those covered by the previous assessment.

12 SECTION 10. The following provisions of the Natural
13 Resources Code are repealed:

14 (1) Section 32.102;

15 (2) Section 52.137(b); and

16 (3) Section 52.138.

17 SECTION 11. The changes in law made by Sections 52.137 and
18 52.139(a), Natural Resources Code, as amended by this Act, and by
19 the repeal of Section 52.138, Natural Resources Code, apply only to
20 an audit billing notice or a final commissioner's order, as
21 applicable, received by a lessee on or after the effective date of
22 this Act. An audit billing notice or a final commissioner's order,
23 as applicable, received by a lessee before the effective date of
24 this Act is governed by the law in effect on the date the notice or
25 order was received, and the former law is continued in effect for
26 that purpose.

27 SECTION 12. This Act takes effect September 1, 2015.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 903 passed the Senate on April 16, 2015, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 903 passed the House on April 23, 2015, by the following vote: Yeas 139, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor