

By: Perry

S.B. No. 907

A BILL TO BE ENTITLED

AN ACT

relating to the powers and duties of the board of regents of the Texas Tech University System and to workers' compensation coverage for employees of the system's components.

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 of regents of the Texas Tech University System 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.

1 Sec. 109.003 [~~109.22~~]. BOARD MEMBERS: TERMS, VACANCIES.
2 Members of the board will [~~Except for the initial appointees,~~
3 ~~members~~] hold office for staggered [~~of~~] terms of six years, with the
4 terms of three members expiring on January 31 of odd-numbered
5 years. [~~In making the initial appointments, the governor shall~~
6 ~~designate three for terms expiring in 1971, three for terms~~
7 ~~expiring in 1973, and three for terms expiring in 1975.~~] Any
8 vacancy shall be filled for the unexpired portion of the term by
9 appointment by the governor with the advice and consent of the
10 senate.

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

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

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

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

1 follows:

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

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

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

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

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

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

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

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

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

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

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

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

1 history, science, and art museum.

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

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

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

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

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

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

23 SUBCHAPTER D. MINERAL DEVELOPMENT IN UNIVERSITY LAND

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

1 the State of Texas and acquired for the use of Texas Tech University
2 and its divisions.

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

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

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

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

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

1 reasonably expected to result in [~~insure~~] an advantageous sale, the
2 board shall place the oil, gas, sulphur, or other mineral leases on
3 the land on the market in a tract or tracts, or any part of a tract,
4 which the board may designate.

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

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

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

25 Sec. 109.155 [~~109.65~~]. SEPARATE BIDS; MINIMUM ROYALTY;
26 DELAY RENTAL. (a) A separate bid shall be made for each tract or
27 subdivision of a tract.

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

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

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

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

27 (b) No lease shall be made by the board which will permit the

1 drilling or mining for oil, gas, sulphur, or other minerals within
 2 500 [~~300~~] feet of any building or structure on the land without the
 3 consent of the board. In making any lease on any experimental
 4 station or farm, the lease shall provide that the operations for
 5 oil, gas, and other minerals shall not in any way interfere with use
 6 of the land for university purposes and shall not cause the
 7 abandonment of the property or its use for experimental farm
 8 purposes. The lease shall also provide that the lessee operating
 9 the property shall drill and carry on the lessee's [~~his~~] operations
 10 in such a way as not to interfere with uses [~~cause the abandonment~~]
 11 of the property for university purposes, and the leased property
 12 shall be subject to the use by the state for all university
 13 purposes [~~, and the board shall continue to operate the university~~].

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

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

23 [~~(c)~~] If before the expiration of five years oil, gas,
 24 sulphur, or other minerals have not been produced in paying
 25 quantities, the lease shall terminate unless extended as provided
 26 in Sections 109.160 [~~109.70~~] and 109.161 [~~109.71 of this code~~].

27 Sec. 109.159 [~~109.69~~]. AWARD AND FILING OF LEASE. If the

1 board determines that a satisfactory bid has been received for the
2 oil, gas, sulphur, or other minerals, it shall make an award to the
3 bidder offering the highest price, and a lease shall be filed in the
4 general land office.

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

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

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

24 Sec. 109.161 [~~109.71~~]. EXTENSION OF LEASES. When in the
25 discretion of the board it is deemed for the best interest of the
26 state to extend a lease issued by the board, the board may by
27 unanimous vote extend the lease for a period not to exceed three

1 years, on the condition that the lessee shall continue to pay yearly
2 rental as provided in the lease and shall comply with any additional
3 terms [~~which~~] the board requires [~~may see fit and proper to demand~~].
4 The board may extend the lease and execute an extension agreement.

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

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

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

24 (c) In the event of the discovery of oil, gas, sulphur, or
25 other minerals on any tract covered by a lease or on any land
26 adjoining the tract, the lessee shall conduct such operations as
27 may be necessary to prevent drainage from the tract covered by the

1 lease to properly develop the same to the extent that a reasonably
2 prudent individual [~~man~~] would do under the same and similar
3 circumstances.

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

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

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

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

24 Sec. 109.165 [~~109.75~~]. PAYMENT OF ROYALTIES; RECORDS;
25 REPORT OF RECEIPTS. (a) If oil, gas, or other minerals are
26 developed on any of the lands leased by the board, the royalty as
27 stipulated in the sale shall be paid to the general land office in

1 Austin on or before the last day of each month for the preceding
2 month during the life of the rights purchased. The royalty payments
3 shall be set aside as specified in Section 109.151 [~~109.61~~] and used
4 as provided in that section.

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

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

26 Sec. 109.166 [~~109.76~~]. PROTECTION FROM DRAINAGE;
27 FORFEITURE OF RIGHTS. (a) In every case where the area in which

1 oil, gas, sulphur, or other minerals sold is contiguous or adjacent
2 to lands which are not lands belonging to and held by the
3 university, the acceptance of the bid and the sale made thereby
4 shall constitute an obligation of the lessee [~~owner~~] to adequately
5 protect the land leased from drainage from the adjacent lands to the
6 extent that a reasonably prudent operator would do under the same
7 and similar circumstances.

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

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

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

22 (b) Any of the following acts or omissions constitutes a
23 default:

24 (1) the failure or refusal by the lessee [~~owner~~] of the
25 rights acquired under this chapter to make a payment of a sum due,
26 either as rental or royalty on production, within 30 days after the
27 payment becomes due;

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

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

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

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

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

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

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

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

27 (f) The state shall have a first lien on oil, gas, sulphur,

1 or other minerals produced or that may be produced in the leased
2 area, and on all rigs, tanks, vats, pipelines, telephone lines, and
3 machinery and appliances used in the production and handling of
4 oil, gas, sulphur, or other minerals produced, to secure the amount
5 due from the lessee [~~owner of the lease~~].

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

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

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

22 Sec. 109.170 [~~109.80~~]. MANAGEMENT OF SURFACE AND MINERAL
23 ESTATES. (a) The board may lease for oil, gas, sulphur, ore,
24 water, and other mineral development all land under its exclusive
25 control for the use of the university. The board may make and enter
26 into pooling agreements, division orders, or other contracts
27 necessary in the management and development of its land.

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

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

20 SECTION 10. Sections [110.01](#), [110.02](#), [110.11](#), and [110.32](#),
21 Education Code, are amended to read as follows:

22 Sec. 110.01. TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER;
23 SEPARATE INSTITUTION. Texas Tech University Health Sciences Center
24 is a separate institution and not a department, school, or branch of
25 Texas Tech University but is under the direction, management, and
26 control of the Texas Tech University System Board of Regents. The
27 center is composed of a medical school and other components

1 assigned by law or by the coordinating board.

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

9 Sec. 110.11. MEDICAL SCHOOL ADMISSION POLICIES. The board
10 of regents [~~Board of Regents~~] shall promulgate appropriate rules
11 and regulations pertaining to the admission of students to the
12 medical school [~~which will provide for admission of those students~~
13 ~~to its entering class each year who are equally or as well qualified~~
14 ~~as all other students and who have entered a contract with or~~
15 ~~received a commitment for a stipend, grant, loan or scholarship~~
16 ~~from the State Rural Medical Education Board. The State Rural~~
17 ~~Medical Education Board may contract with medical students~~
18 ~~providing for such students to engage in a general or family~~
19 ~~practice of medicine for not less than four years after licensing~~
20 ~~and a period of medical residency, as determined by the rules and~~
21 ~~regulations established by the State Rural Medical Education Board,~~
22 ~~in cities of Texas which have a population of less than 5,000 or in~~
23 ~~rural areas, as that term may be defined by the State Rural Medical~~
24 ~~Education Board, and said Board is hereby given the authority to~~
25 ~~define and from time to time redefine the term rural area, at the~~
26 ~~time the medical practice is commenced. This contract shall~~
27 ~~provide for a monthly stipend of at least \$100 to be granted by the~~

1 ~~State Rural Medical Education Board to each person under contract~~
2 ~~with the State while enrolled as a medical school student].~~

3 Sec. 110.32. CONCURRENT POWERS. The board of regents has
4 the same powers of governance, control, jurisdiction, and
5 management [~~direction, management, and control~~] over the Texas Tech
6 University Health Sciences Center at El Paso as the board of regents
7 exercises over the other component institutions of the Texas Tech
8 University System.

9 SECTION 11. The heading to Section 501.022, Labor Code, is
10 amended to read as follows:

11 Sec. 501.022. EMPLOYEES OF COMPONENT INSTITUTIONS OR SYSTEM
12 ADMINISTRATION OF TEXAS TECH UNIVERSITY SYSTEM.

13 SECTION 12. Section 501.022, Labor Code, is amended by
14 amending Subsection (a) and adding Subsections (e) and (f) to read
15 as follows:

16 (a) An eligible employee of Texas Tech University, Texas
17 Tech University Health Sciences Center, Angelo State University,
18 Texas Tech University System Administration, Texas Tech University
19 Health Sciences Center at El Paso, or another agency under the
20 direction and control of the board of regents of Texas Tech
21 University System is entitled to participate in the workers'
22 compensation program for state employees provided under this
23 chapter.

24 (e) For purposes of this chapter, Texas Tech University
25 System Administration is a state agency and shall act in the
26 capacity of employer.

27 (f) For purposes of this chapter, Texas Tech University

1 Health Sciences Center at El Paso is a state agency and shall act in
2 the capacity of employer.

3 SECTION 13. The following provisions of the Education Code
4 are repealed:

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

11 SECTION 14. This Act takes effect immediately if it
12 receives a vote of two-thirds of all the members elected to each
13 house, as provided by Section 39, Article III, Texas Constitution.
14 If this Act does not receive the vote necessary for immediate
15 effect, this Act takes effect September 1, 2015.