

By: King of Uvalde

H.B. No. 1882

A BILL TO BE ENTITLED

AN ACT

relating to the management of university land by The University of Texas System.

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

SECTION 1. Section 66.41, Education Code, is amended to read as follows:

Sec. 66.41. MANAGEMENT OF UNIVERSITY LANDS. The board of regents of The University of Texas System has the sole and exclusive management and control of the lands set aside and appropriated to, or acquired by, the permanent university fund. The board may sell, lease, and otherwise manage, control, and use the lands in any manner and at prices and under terms and conditions the board deems best for the interest of the permanent university fund, not in conflict with the constitution or this chapter. However, the land shall not be sold at a price less per acre than that at which the same class of other public land may be sold under the statutes. No grazing lease shall be made for a period of more than 10 years.

SECTION 2. Section 66.46, Education Code, is amended by amending Subsections (d) and (m) and adding Subsections (d-1), (n), and (o) to read as follows:

(d) An easement under this section may not be granted for a term that is longer than 10 years, but the easement may be renewed by the board of regents. The rent to be charged for an easement under this section shall be:

1           (1) an amount agreed to by the grantee and the board;  
2 or

3           (2) if applicable, the amount determined as provided  
4 by Subsection (n).

5           (d-1) Notwithstanding Subsection (d), the board of regents  
6 may grant or renew an easement or other interest in university land  
7 for a term longer than 10 years, and may charge below market rate  
8 rent for the interest, if:

9           (1) the interest is granted or renewed to a  
10 municipality, a river authority, an electric cooperative organized  
11 under Chapter 161, Utilities Code, or a nonprofit organization; and

12           (2) the terms of the interest:

13           (A) require the grantee to use the land in a  
14 manner that primarily promotes a public purpose of the board and  
15 benefits the land; and

16           (B) include provisions under which the board is  
17 granted sufficient control to ensure that the public purpose is  
18 accomplished and the board receives the return benefit.

19           (m) The board of regents shall establish procedures by which  
20 a person seeking an easement or other interest under this section  
21 may seek relief from a rate or damage schedule or from the rent or  
22 other amount to be charged for the interest being sought that the  
23 person believes does not represent the fair market value of the  
24 interest ~~[being sought]~~. The procedures must require:

25           (1) the fair market value of the interest to be  
26 conclusively determined by an appraisal obtained by the person  
27 seeking relief and conducted by an appraiser licensed or certified

1 under Chapter 1103, Occupations Code, applying standards generally  
2 applicable to the assessment of damages for the condemnation of an  
3 easement under Chapter 21, Property Code; and

4 (2) if requested by the person seeking relief, binding  
5 arbitration to be conducted by a mutually agreeable impartial third  
6 party, as described by Section 2009.053, Government Code.

7 (n) If an appraisal conducted as provided by Subsection  
8 (m)(1) establishes the fair market value of an easement or other  
9 interest in property at an amount that is not more than five percent  
10 above or below the rate or damage schedule or the rent or other  
11 amount to be charged for the interest, as applicable, the board of  
12 regents shall charge for the interest an amount equal to the  
13 interest's fair market value as determined by that appraisal.

14 (o) If binding arbitration is requested under Subsection  
15 (m)(2), the fees and expenses of the impartial third party must be  
16 paid:

17 (1) equally by the board of regents and the person  
18 seeking relief; or

19 (2) by the nonprevailing party if the fair market  
20 value of the easement or other interest in property being sought is  
21 determined to be the same as or approximately the same as the amount  
22 requested by the prevailing party, as determined by the impartial  
23 third party conducting the arbitration.

24 SECTION 3. This Act takes effect September 1, 2017.