

1 AN ACT

2 relating to the powers and duties of the School Land Board and the
3 commissioner of the General Land Office.

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

5 SECTION 1. Section 32.001(4), Natural Resources Code, is
6 amended to read as follows:

7 (4) "Land" means:

8 (A) land dedicated to or acquired on behalf of
9 the permanent school fund and the asylum funds under [~~by~~] the
10 constitution and laws of this state;

11 (B) the mineral estate in areas within tidewater
12 limits, including islands, lakes, bays, and the bed of the sea which
13 belong to the state;

14 (C) the mineral estate in river beds and
15 channels; and

16 (D) land owned by the state or held in trust for
17 the use and benefit of the state or of a department, board, or
18 agency of the state.

19 SECTION 2. Section 32.002, Natural Resources Code, is
20 amended by amending Subsections (a) and (b) and adding Subsections
21 (a-1) and (f) to read as follows:

22 (a) This chapter does not apply to:

23 (1) land dedicated by the constitution or a law of this
24 state to The University of Texas System, land donated by a will or

1 instrument in writing or otherwise to The University of Texas
2 System, as trustee, for a scientific, educational, or other
3 charitable or public purpose, or any other land under the control of
4 the Board of Regents of The University of Texas System;

5 (2) land whose title is vested in the state for the use
6 and benefit of any part of The Texas A&M University System or land
7 under the control of the Board of Regents of The Texas A&M
8 University System;

9 (3) minerals subject to lease under Subchapter F,
10 Chapter 52, [~~of this code,~~] commonly known as the Relinquishment
11 Act, and Subchapters B and C, Chapter 53[~~, of this code~~];

12 (4) [~~oil and gas underlying land owned by the state~~
13 ~~that was acquired to construct or maintain a highway, road, street,~~
14 ~~or alley, which is located in a producing area, unless the oil or~~
15 ~~gas is leased for the specific purpose of drilling a horizontal~~
16 ~~well,~~

17 [~~(5) oil and gas underlying land owned by the state~~
18 ~~that was acquired to construct or maintain a highway, road, street,~~
19 ~~or alley if the Texas Transportation Commission has determined that~~
20 ~~such right-of-way is no longer needed for use by citizens as a road~~
21 ~~pursuant to Section 202.021, Transportation Code,~~

22 [(6)] land owned by the [Texas] Parks and Wildlife
23 Department; or

24 (5) [(7)] land owned by the Texas Board of Criminal
25 Justice.

26 (a-1) Oil and gas underlying land that is owned by this
27 state, was acquired to construct or maintain a highway, road,

1 street, or alley, is located in a producing area, and is subject to
2 an oil or gas lease may be pooled or unitized only prospectively and
3 is subject to Sections 32.201, 32.202, and 32.203.

4 (b) For purposes of Subsection (a-1) [~~Subsection (a)(4) of~~
5 ~~this section~~], land is located in a producing area if the closest
6 boundary line of the surface of such land is within 2,500 feet of a
7 well capable of producing oil or gas in paying quantities [~~as of~~
8 ~~January 1, 1985~~].

9 (f) This chapter does not authorize drilling or other
10 operations on the surface of land during the period in which the
11 land is used by this state as a highway, road, street, or alley.

12 SECTION 3. Subchapter A, Chapter 32, Natural Resources
13 Code, is amended by adding Section 32.003 to read as follows:

14 Sec. 32.003. APPLICATION OF SUNSET ACT. The School Land
15 Board is subject to Chapter 325, Government Code (Texas Sunset
16 Act). Unless continued in existence as provided by that chapter,
17 the board is abolished September 1, 2017.

18 SECTION 4. Section 32.016(a), Natural Resources Code, is
19 amended to read as follows:

20 (a) When necessary, the board shall meet on the first and
21 third Tuesdays of each month at a time and location to be designated
22 by the board [~~in the land office~~].

23 SECTION 5. Section 32.061, Natural Resources Code, is
24 amended to read as follows:

25 Sec. 32.061. BOARD'S GENERAL DUTIES. Except as provided by
26 Subchapter G, Chapter 51, of this code, the board shall:

27 (1) set the dates to open received bids for the sale of

1 [~~surveyed~~] land [~~dedicated to the permanent school fund~~], for the
2 lease of land for prospecting or exploring for, mining, producing,
3 storing, caring for, transporting, preserving, selling, or
4 disposing of oil, gas, or other minerals leased under this chapter,
5 and for the commitment of land to a contract for development;

6 (2) determine the prices and set the terms and
7 conditions under [~~of the contract for~~] which land shall be sold,
8 leased, or committed to a contract for development;

9 (3) consult with the president, chairman, or other
10 head of the department, board, or agency, as applicable, or with the
11 representative of the head, on each matter before the board that
12 affects land owned or held in trust for the use and benefit of a
13 department, board, or agency of the state; and

14 (4) perform any other duties which may be required by
15 law.

16 SECTION 6. Section 32.102, Natural Resources Code, is
17 amended to read as follows:

18 Sec. 32.102. LIST OF LAND. From time to time as requested
19 by the board, the commissioner shall furnish the board a list of
20 land areas subject to the provisions of this chapter.

21 SECTION 7. Section 32.105, Natural Resources Code, is
22 amended to read as follows:

23 Sec. 32.105. DATE FOR OPENING BIDS. The date for opening
24 bids for the sale, lease, or commitment to a contract for
25 development of land shall be:

26 (1) the first or third Tuesday of a [~~the~~] month in
27 which the board meets; or

1 (2) any date on which the board has a special meeting.

2 SECTION 8. Sections 32.107(a), (b), and (c), Natural
3 Resources Code, are amended to read as follows:

4 (a) The board shall publish notice that the board will
5 receive bids for the sale, lease, or commitment to a contract for
6 development of land in at least three issues of at least four daily
7 newspapers or other publications, two of which may be
8 Internet-based journals, trade publications, newsletters, or
9 similar news media, that are, in the opinion of the commissioner,
10 likely to reach the public interested in responding to the notice of
11 sale, lease, or commitment to a contract for development.

12 (b) The notice shall be published at least 30 days before
13 the date the bids are due [~~advertised to be opened~~].

14 (c) The notice shall state that land is to be offered for
15 sale, lease, or commitment to a contract for development on a
16 certain date and at a certain time and the method of the sale,
17 lease, or commitment to a contract for development and shall give
18 notice of how [~~that~~] a person may obtain additional information
19 concerning [~~publications from the land office that describe~~] the
20 land offered for sale, lease, or commitment to a contract for
21 development.

22 SECTION 9. Sections 32.110(a) and (c), Natural Resources
23 Code, are amended to read as follows:

24 (a) On land sales and mineral leases made by the board, the
25 purchaser or bidder is required to pay by separate check an amount
26 equal to one and one-half percent of the bid or sale amount payable
27 to the commissioner as a special fee. The board may waive the

1 special fee on land sales to any state agency, board, commission,
2 political subdivision, or other governmental entity.

3 (c) Failure to pay the special fee shall not void a bid, but
4 the commissioner shall demand payment of the fee before accepting
5 the bid and completing the transaction [~~a lease is issued to the~~
6 ~~best bidder. If the best bidder fails or refuses to make the~~
7 ~~payment within 30 days after demand by the commissioner, the bidder~~
8 ~~is not entitled to a sale of or a lease on the tract covered by that~~
9 ~~bid and the cash bonus shall be automatically forfeited to be~~
10 ~~deposited by the commissioner in the State Treasury to the credit of~~
11 ~~the permanent school fund or the appropriate special mineral fund.~~
12 ~~The board, at its option, may offer the tract for sale or lease to~~
13 ~~the next best bidder under the same terms as submitted by and as~~
14 ~~would have been granted to the best bidder].~~

15 SECTION 10. Section 32.203, Natural Resources Code, is
16 amended to read as follows:

17 Sec. 32.203. COMPENSATORY ROYALTY. Compensatory royalty
18 shall be paid to the state on any lease offered and granted under
19 Section 32.201 of this code if the lease is not being held by
20 production on the tract, by production from a pooled unit, or by
21 payment of shut-in royalties in accordance with the terms of the
22 lease, and if oil or gas is sold and delivered in paying quantities
23 from a well located within 2,500 feet of the leased premises and
24 completed in a producible reservoir underlying the state lease or
25 in any case in which drainage is occurring. Such compensatory
26 royalty shall be paid at the royalty rate provided in the state
27 lease based on the value of production from the well as provided in

1 the lease on which such well is located. The compensatory royalty
2 shall be paid in the same proportion that the acreage of the state
3 lease has to the acreage of the state lease plus the acreage of a
4 standard [the] proration unit under statewide field rules or, if
5 applicable, the special field rules adopted by the Railroad
6 Commission of Texas for the field in which [surrounding] the
7 [draining] well has been completed. The compensatory royalty is to
8 be paid monthly to the commissioner on or before the last day of the
9 month next succeeding the month in which the oil or gas is sold and
10 delivered from the well ~~[causing the drainage or from the well~~
11 ~~located within 2,500 feet of the leased premises and completed in a~~
12 ~~producing reservoir under the state lease]~~. Notwithstanding
13 anything herein to the contrary, compensatory royalty payable under
14 this section shall be no less than an amount equal to double the
15 annual rental payable under the state lease. Payment of
16 compensatory royalty shall maintain the state lease in force and
17 effect for so long as such payments are made as provided in this
18 section.

19 SECTION 11. Subchapter F, Chapter 32, Natural Resources
20 Code, is amended by adding Section 32.207 to read as follows:

21 Sec. 32.207. ADVERTISING FOR BIDS; POOLING. Section 52.076
22 applies to oil and gas under land owned by this state that was
23 acquired to construct or maintain a highway, road, street, or alley
24 in the same manner as that section applies to oil and gas under a
25 riverbed or channel.

26 SECTION 12. Section 32.253, Natural Resources Code, is
27 amended to read as follows:

1 Sec. 32.253. PURPOSE OF TRADE. Land dedicated to or
2 acquired for the use and benefit of the permanent school fund may be
3 traded to:

4 (1) aggregate sufficient acreage of contiguous land to
5 create a manageable unit;

6 (2) acquire land having unique biological,
7 geological, cultural, or recreational value; [~~or~~]

8 (3) create a buffer zone for the enhancement of
9 already existing public land, facilities, or amenities; or

10 (4) acquire land for the use and benefit of the
11 permanent school fund as determined by the board to be in the best
12 interest of the fund.

13 SECTION 13. Section 51.001, Natural Resources Code, is
14 amended by amending Subdivision (8) and adding Subdivision (12) to
15 read as follows:

16 (8) "Surveyed land" means all or part of any tract of
17 land surveyed either on the ground or by protraction and dedicated
18 to or acquired on behalf of the public school fund which is unsold
19 and for which field notes are on file in the land office or that may
20 be delineated on the maps of that office as such.

21 (12) "Sovereign land" means land that has not been
22 sold and severed by the sovereign.

23 SECTION 14. The heading to Section 51.013, Natural
24 Resources Code, is amended to read as follows:

25 Sec. 51.013. CLASSIFICATION [~~AND VALUATION~~] OF LAND.

26 SECTION 15. Section 51.013(b), Natural Resources Code, is
27 amended to read as follows:

1 (b) After the classification [~~and determination of market~~
2 ~~value~~] is entered on the records of the land office, no further
3 action needs to be taken by the commissioner and no notice is
4 required to be given to the county clerk for the classification [~~and~~
5 ~~determination of market value~~] to be effective.

6 SECTION 16. Section 51.014, Natural Resources Code, is
7 amended to read as follows:

8 Sec. 51.014. RULES. [~~(a)~~] The commissioner may adopt
9 rules necessary to carry out the provisions of this chapter and may
10 alter or amend the rules to protect the public interest.

11 [~~(b) Before rules are adopted under Subsection (a) of this~~
12 ~~section, the commissioner shall submit the rules to the governor~~
13 ~~for his approval.~~]

14 SECTION 17. Sections 51.052(e), (f), (g), (i), and (k),
15 Natural Resources Code, are amended to read as follows:

16 (e) The owner of land that surrounds [~~land in~~] a tract of of
17 land approved for sale by the board shall have a preference right to
18 purchase the tract before the land is made available for sale to any
19 other person, provided the person having the preference right pays
20 not less than the market value for the land as determined by the
21 board and the board finds use of the preference to be in the best
22 interest of the state. The board shall adopt rules to implement
23 this preference right.

24 (f) If the surrounding land is owned by more than one
25 person, the owners of land with a common boundary with a tract of
26 land approved [~~1,200 acres or less that is~~] for sale by the board
27 shall have a preference right to purchase the tract before it is

1 made available to any other person, provided the person with the
2 preference right pays not less than the market value of the land as
3 determined by the board and the board finds use of the preference to
4 be in the best interest of the state. The board shall adopt rules to
5 implement this preference right.

6 (g) If land is located within the boundaries of or adjacent
7 to any state park, refuge, natural area, or historical site subject
8 to the management and control of the Parks and Wildlife Department,
9 the department has a preference right to purchase the land before it
10 is made available [~~for sale~~] to any other person. A sale to the
11 department under this section may not be for less than the market
12 value of the land, as determined by the board.

13 (i) If no bid meeting minimum requirements is received for a
14 tract of land offered at a sealed bid sale under Subchapter D of
15 Chapter 32, or if the transaction involves commercial real estate
16 and the board determines that it is in the best interest of the
17 permanent school fund, the asset management division of the land
18 office may solicit proposals or negotiate a sale, exchange, or
19 lease of the land to any person. [~~The asset management division
20 may contract for the services of a real estate broker or of a
21 private brokerage or real estate firm to assist in a transaction
22 under this subsection.~~] The board must approve any negotiated
23 sale, exchange, or lease of any land under this section.

24 (k) The [~~If an award of a bid under this section does not
25 result in a final transaction, the~~] asset management division of
26 the land office may contract for the services of a real estate
27 broker or of a private brokerage or real estate firm to assist in

1 any sale, lease, or exchange of land under this subchapter [~~the real~~
2 ~~estate transaction~~].

3 SECTION 18. Section 51.056, Natural Resources Code, is
4 amended to read as follows:

5 Sec. 51.056. APPLICATION OR REQUEST TO PURCHASE LAND.

6 [~~(a)~~] A person who wants to purchase public school land shall
7 submit to the commissioner a [~~separate~~] written application or
8 request in a form designated by the commissioner [~~for each tract~~].

9 [~~(b)~~] ~~Each application shall:~~

10 [~~(1)~~] ~~designate the land to be purchased,~~

11 [~~(2)~~] ~~state the bid offered,~~

12 [~~(3)~~] ~~include an affidavit disclosing the names of all~~
13 ~~persons or entities either directly or indirectly interested in the~~
14 ~~purchase of the land.~~

15 [~~(c)~~] ~~The sale of the land is effective from the date of the~~
16 ~~receipt and filing of the application, affidavit, obligation, and~~
17 ~~the payment of the initial portion of the price offered.~~

18 [~~(d)~~] ~~The application to purchase and the notice of award~~
19 ~~shall state that the land is sold without condition of settlement~~
20 ~~and with a reservation of minerals, as determined by the board.]~~

21 SECTION 19. Section 51.066, Natural Resources Code, is
22 amended to read as follows:

23 Sec. 51.066. LAND [~~NOTICE OF~~] AWARD. (a) The commissioner
24 shall prepare and issue a land [~~notice of~~] award for each tract of
25 sovereign land sold.

26 (b) Each land [~~notice of~~] award shall be appropriately
27 numbered and shall be worded in a manner that will constitute a

1 receipt for the first or full payment after it is signed by the
2 commissioner.

3 (c) One copy of the land [~~notice of~~] award shall be retained
4 in the land office and the other copy shall be sent to the
5 purchaser.

6 SECTION 20. The heading to Section 51.070, Natural
7 Resources Code, is amended to read as follows:

8 Sec. 51.070. UNPAID PRINCIPAL [~~AND INTEREST~~] ON PUBLIC
9 SCHOOL LAND SALES.

10 SECTION 21. Sections 51.070(a) and (b), Natural Resources
11 Code, are amended to read as follows:

12 (a) Unpaid and delinquent principal [~~and interest~~] on sales
13 of public school land shall bear interest at a rate set by the
14 board, which principal and interest shall be payable at the times
15 and on such terms as are established by the board [~~by rule or by~~
16 ~~contract~~].

17 (b) No patent may be issued for any public school land until
18 all [~~unpaid~~] principal, accrued [~~and compounded~~] interest, late
19 charges, and other fees and expenses are [~~is~~] paid in full [~~to the~~
20 ~~time of issuing the patent~~].

21 SECTION 22. Section 51.071, Natural Resources Code, is
22 amended to read as follows:

23 Sec. 51.071. FORFEITURE OF LAND. (a) If principal,
24 accrued [~~and~~] interest, late charges, and other fees and expenses
25 on a sale of sovereign land are [~~is~~] not paid when due as required by
26 the terms set by the board, the land is subject to forfeiture by the
27 commissioner by entry on the file [~~wrapper~~] containing the papers

1 "Land Forfeited" or similar words, the date of the forfeiture, and
2 the official signature of the commissioner.

3 (b) After the entry is made on the file [~~wrapper~~], the land
4 and all payments that have been made for it are forfeited to the
5 state, and the land may be resold in accordance with the provisions
6 of this subchapter [~~offered for sale on a subsequent sale date~~].

7 SECTION 23. Section 51.073, Natural Resources Code, is
8 amended to read as follows:

9 Sec. 51.073. CLASSIFICATION AND SALE OF LEASED AND
10 FORFEITED LAND. [~~(a)~~] Before it is sold, the commissioner shall
11 classify and determine the market value of land on which leases have
12 expired and land forfeited to the state.

13 [~~(b) Except as provided in Section 51.064 of this code, no~~
14 ~~land may be sold until it is advertised.~~]

15 SECTION 24. Section 51.086(a), Natural Resources Code, is
16 amended to read as follows:

17 (a) All sales of escheated land that is a part of the
18 permanent school fund must be made [~~to the highest bidder~~] at a
19 price that may not be less than [~~the greater of \$2.50 an acre or~~] the
20 minimum price set by the court under Section 71.107, Property Code,
21 and in the same manner as the sale of public school land as provided
22 by this chapter.

23 SECTION 25. Sections 51.172(4) and (7), Natural Resources
24 Code, are amended to read as follows:

25 (4) "Necessary party" means:

26 (A) an applicant or good-faith claimant whose
27 present legal interest in the surface or mineral estate of the land

1 claimed to be vacant may be adversely affected by a vacancy
2 determination;

3 (B) a person who asserts a right to or who claims
4 an interest in land claimed to be vacant;

5 (C) a person who asserts a right to or who claims
6 an interest in [~~land claimed to be vacant or in~~] land adjoining land
7 claimed to be vacant as shown in the records of the land office or
8 the county records, including tax records, of any county in which
9 all or part of the land claimed to be vacant is located;

10 (D) a person whose name appears in the records
11 described by Paragraph (C); or

12 (E) an attorney ad litem appointed under Section
13 51.180.

14 (7) "Vacancy application" means a form submitted to
15 the commissioner by an applicant to:

16 (A) initiate a determination by the commissioner
17 whether land claimed to be vacant is vacant; and

18 (B) purchase [~~vacant land,~~] or

19 [~~(C)~~] lease vacant land.

20 SECTION 26. Section 51.177(a), Natural Resources Code, is
21 amended to read as follows:

22 (a) Not later than the 45th day after the date the
23 commissioner accepts [applicant files] the duplicate copies as
24 properly filed by the applicant [with the commissioner] as provided
25 by Section 51.176(f), the commissioner shall:

26 (1) determine whether the vacancy application is
27 administratively complete; and

1 (2) provide to the applicant the notice required by
2 this section.

3 SECTION 27. Section 51.180, Natural Resources Code, is
4 amended to read as follows:

5 Sec. 51.180. ATTORNEY AD LITEM. (a) If the [~~The~~]
6 applicant cannot [~~must~~] provide evidence to the commissioner to
7 establish the applicant's ownership of all interests as defined by
8 Section 51.172 in the land surrounding the land claimed to be
9 vacant, the commissioner shall investigate the ownership interests
10 of the land claimed to be vacant and the surrounding land to ensure
11 that all necessary parties have been identified and located.

12 (b) The investigation must conclude not later than the 60th
13 day after the application commencement date. If the investigation
14 yields any [~~applicant fails to provide sufficient~~] evidence that a
15 necessary party may not have been identified and located, as
16 determined by the commissioner, the commissioner shall, not later
17 than the 30th day after the conclusion of the investigation
18 [~~application commencement date~~], appoint an attorney ad litem to [~~+~~

19 [~~(1)~~] identify and locate all necessary parties
20 [~~+~~ and

21 [~~(2)~~ represent the interests of any necessary party
22 that has not been located].

23 (c) The commissioner shall provide the attorney ad litem
24 with all documents submitted by the applicant and the results of the
25 investigation to identify necessary parties, and the attorney ad
26 litem shall search public land records and other available records
27 to identify and locate necessary parties.

1 (d) If any necessary party cannot be located, the attorney
2 ad litem shall represent the interests of that necessary party.

3 SECTION 28. Sections 51.181(a) and (b), Natural Resources
4 Code, are amended to read as follows:

5 (a) Not later than the 30th day after the application
6 commencement date, and at any time after that date that the
7 commissioner considers it necessary to notify an identified
8 necessary party, the commissioner shall provide to each necessary
9 party identified and located as of that date a written notice that:

10 (1) informs the necessary party that a vacancy
11 application has been filed;

12 (2) states the application commencement date; and

13 (3) includes:

14 (A) a copy of the vacancy application and any
15 attachments; and

16 (B) a form for requesting subsequent notices
17 regarding the application.

18 (b) If the attorney ad litem is unable to locate an
19 identified [~~identify each~~] necessary party, the attorney ad litem
20 shall notify the commissioner in writing, and the commissioner
21 [~~applicant~~] shall provide notice required under this section by
22 publication in the same manner prescribed by the Texas Rules of
23 Civil Procedure.

24 SECTION 29. Section 51.187(a), Natural Resources Code, is
25 amended to read as follows:

26 (a) If the commissioner has not issued a final order with a
27 finding of "Not Vacant Land" on or before the first anniversary of

1 the application commencement date and one or more exceptions have
2 been filed under Section 51.182(a) or 51.186(b), the commissioner
3 shall order a hearing to determine if a vacancy exists. A hearing
4 under this subchapter:

5 (1) shall be held not later than the 60th day after the
6 date the hearing is ordered;

7 (2) shall be conducted as a contested case hearing
8 subject to Chapter 2001, Government Code; and

9 (3) may be waived by written agreement of all
10 necessary parties and the commissioner.

11 SECTION 30. Section 51.188(a), Natural Resources Code, is
12 amended to read as follows:

13 (a) At any time during or after an investigation of or
14 hearing regarding a vacancy application, the commissioner may
15 determine that land claimed to be vacant is not vacant and issue a
16 final order with a finding of "Not Vacant Land[~~r~~]" or an order
17 finding a vacancy if a hearing is not required under Section 51.187.

18 SECTION 31. Section 51.194, Natural Resources Code, is
19 amended by amending Subsection (a) and adding Subsections (a-1) and
20 (a-2) to read as follows:

21 (a) A good-faith claimant who has been notified by the
22 commissioner that a vacancy exists under this subchapter has a
23 preferential right to purchase or lease the interest claimed in the
24 land before the land was declared vacant. The preferential right
25 may be exercised after a final judicial determination or after the
26 commissioner's final order and the period for filing an appeal has
27 expired.

1 (a-1) If a good-faith claimant does not apply to purchase or
2 lease the interest before the later of the 121st day after the date
3 the commissioner's order becomes final or the 60th day after the
4 date of the final judicial determination of an appeal under this
5 subchapter, then the good-faith claimant's preferential right
6 expires.

7 (a-2) If a good-faith claimant does not close a transaction
8 to purchase or lease the interest before the 121st day after the
9 date the terms and conditions are determined by the board, then the
10 good-faith claimant's preferential right expires.

11 SECTION 32. Section 61.021, Natural Resources Code, is
12 amended by adding Subsection (c) to read as follows:

13 (c) Any requirement to keep a beach open for vehicular
14 traffic under this subchapter or rules adopted under this
15 subchapter does not apply to a beach or segment of a beach within
16 3,100 feet of a natural science laboratory in a county with a
17 population of 40,000 or less.

18 SECTION 33. The following provisions of the Natural
19 Resources Code are repealed:

- 20 (1) Section 32.103;
- 21 (2) Section 51.052(a);
- 22 (3) Section 51.057;
- 23 (4) Section 51.058;
- 24 (5) Section 51.059;
- 25 (6) Section 51.060;
- 26 (7) Section 51.061;
- 27 (8) Section 51.062;

- 1 (9) Section 51.063;
- 2 (10) Section 51.064;
- 3 (11) Section 51.068;
- 4 (12) Section 51.084; and
- 5 (13) Section 51.086(b).

6 SECTION 34. Sections 32.002 and 32.203, Natural Resources
7 Code, as amended by this Act, and Section 32.207, Natural Resources
8 Code, as added by this Act, do not authorize:

9 (1) any person, including this state or a local
10 government, to claim damages relating to production from a legally
11 permitted and legally producing well the drilling of which was
12 commenced before the effective date of this Act; or

13 (2) a state or local taxing authority to reallocate
14 liability for severance or ad valorem taxes or increase the amount
15 of those taxes imposed based on production from or the value
16 attributable to production from a legally permitted and legally
17 producing well the drilling of which was commenced before the
18 effective date of this Act.

19 SECTION 35. This Act takes effect immediately if it
20 receives a vote of two-thirds of all the members elected to each
21 house, as provided by Section 39, Article III, Texas Constitution.
22 If this Act does not receive the vote necessary for immediate
23 effect, this Act takes effect September 1, 2009.

David Newkurt

President of the Senate

Jim Strawn

Speaker of the House

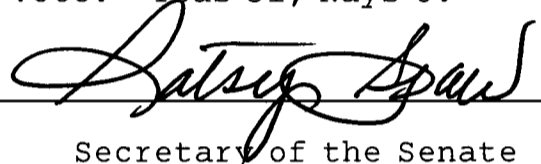
I certify that H.B. No. 3461 was passed by the House on April 30, 2009, by the following vote: Yeas 144, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 3461 on May 29, 2009, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 3461 on May 31, 2009, by the following vote: Yeas 143, Nays 1, 1 present, not voting.

Robert Haney

Chief Clerk of the House

H.B. No. 3461

I certify that H.B. No. 3461 was passed by the Senate, with amendments, on May 25, 2009, by the following vote: Yeas 30, Nays 1; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 3461 on May 31, 2009, by the following vote: Yeas 31, Nays 0.


Secretary of the Senate

APPROVED: 19 JUN '09

Date


Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

2 PM O'CLOCK

JUN 19 2009


Coley Shuter III