

AN ACT

relating to the powers and duties of the General Land Office and the accounting and disposition of state-owned real property.

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

SECTION 1. Section 31.001, Natural Resources Code, is amended to read as follows:

Sec. 31.001. DEFINITIONS. In this chapter:

(1) "Appraiser" means a state-certified or state-licensed real estate appraiser who:

(A) is employed by or contracts with the land office; and

(B) performs professional valuation services completely and in a manner that is independent, impartial, and objective [~~"State" means the State of Texas~~].

(2) "Board" means the School Land Board.

(3) "Commissioner" means the Commissioner of the General Land Office.

(4) "Division" means the asset management division of the General Land Office or any other division delegated the duties of the asset management division by the commissioner.

(5) "Evaluation report" means the annual report prepared by the commissioner as provided by Subchapter E.

(6) "Exchange" means an exchange of equal value or an exchange of real property accompanied by consideration.

1 (7) "Governor's report" means the report prepared by
2 the commissioner as provided by Section 31.157.

3 (8) "Institution of higher education" means the Texas
4 State Technical College System, the Southwest Collegiate Institute
5 for the Deaf, or an institution of higher education, excluding a
6 public junior college, as defined by Section 61.003, Education
7 Code.

8 (9) [~~3~~] "Land office" means the General Land Office.

9 (10) "Market value" means the value of real property
10 determined by an appraisal of the real property performed by an
11 appraiser.

12 (11) "Political subdivision" means a municipality,
13 county, public school district, levee improvement district,
14 municipal utility district, or any other special purpose district
15 authorized by state law.

16 (12) "Real estate transaction" means a sale, lease,
17 trade, exchange, gift, grant, or other conveyance of a real
18 property interest.

19 (13) "Real property owned by the state" means any
20 interest in real property in the possession of the state or a state
21 agency, including real property held in trust by a state agency.

22 (14) "State" means the State of Texas.

23 (15) "State agency" means a board, commission,
24 department, institution, office, or other agency of state
25 government, including an institution of higher education but
26 excluding a special purpose district or authority.

27 SECTION 2. Section 31.013(b), Natural Resources Code, is

1 amended to read as follows:

2 (b) Any bonds required by law to be executed by employees of
3 the land office shall be executed and approved in the manner
4 provided for the commissioner in Subsection (a) of this section.
5 The land office shall pay the expenses necessary and incidental to
6 the execution of the bonds.

7 SECTION 3. Sections 31.016 and 31.017, Natural Resources
8 Code, are amended to read as follows:

9 Sec. 31.016. ABSTRACT CLERK. The commissioner shall
10 designate one of his clerks as the abstract clerk and shall assign
11 to him the special duty to correct the abstracts of patented,
12 titled, and surveyed real property [~~land~~] required to be kept in the
13 land office to reflect errors, changes caused by cancellation of
14 patents and in county lines, and the creation of new counties and to
15 add new patented surveys on the date they are patented.

16 Sec. 31.017. RECEIVER [~~RECEIVING CLERK~~]. (a) With the
17 consent of the governor, the commissioner shall appoint a suitable
18 person to serve as receiver [~~receiving clerk~~] for the land office.

19 (b) The receiver [~~receiving clerk~~] shall execute a bond for
20 \$25,000.

21 SECTION 4. Section 31.018(c), Natural Resources Code, is
22 amended to read as follows:

23 (c) The translator shall translate into English [~~and record~~
24 ~~in a book~~] any laws and public contracts relating to titles to real
25 property [~~land~~] and any original titles or papers which are written
26 in the Spanish language and which are filed in the land office.

27 SECTION 5. Section 31.019, Natural Resources Code, is

1 amended to read as follows:

2 Sec. 31.019. SURVEYORS [~~DRAFTSMEN~~]. (a) The commissioner
3 shall appoint a chief surveyor [~~draftsman~~] and as many assistant
4 surveyors [~~draftsmen~~] as authorized by law.

5 (b) The chief surveyor [~~draftsman~~] and the chief surveyor's
6 [~~his~~] assistant surveyors [~~draftsmen~~] shall draw and complete
7 county maps.

8 (c) The chief surveyor [~~draftsman~~] and the chief surveyor's
9 [~~his~~] assistant surveyors [~~draftsmen~~] shall perform drafting and
10 other duties required by the commissioner for the benefit of the
11 state or individuals.

12 SECTION 6. Section 31.051, Natural Resources Code, is
13 amended to read as follows:

14 Sec. 31.051. GENERAL DUTIES. The commissioner shall:

15 (1) superintend, control, and direct the official
16 conduct of subordinate officers of the land office;

17 (2) execute and perform all acts and other things
18 relating to public real property [~~land~~] of the state or rights of
19 individuals in public real property [~~land~~] which is required by
20 law;

21 (3) make and enforce suitable rules consistent with
22 the law; and

23 (4) give information when required to the governor and
24 the legislature relating to public real property [~~land~~] and the
25 land office.

26 SECTION 7. Section 31.052(a), Natural Resources Code, is
27 amended to read as follows:

1 (a) Books, accounts, records, papers, maps, and original
2 documents relating to real property [~~land~~] titles which are termed
3 archives by law shall be the books and papers of the land office
4 under the control and custody of the commissioner.

5 SECTION 8. Sections 31.054, 31.055, 31.056, 31.057, 31.058,
6 31.059, and 31.060, Natural Resources Code, are amended to read as
7 follows:

8 Sec. 31.054. PUBLIC ACCESS TO AND REMOVAL OF PAPERS. (a)
9 Any person who desires to examine any paper, record, or file must
10 make a written request on a form and according to procedures
11 prescribed by the commissioner. The commissioner may establish
12 procedures as reasonably necessary to maintain the integrity of the
13 records. [~~obtain the written consent of the commissioner or the~~
14 ~~chief clerk and an order for the detail of a clerk to be present and~~
15 ~~superintend the examination.~~]

16 (b) [~~After the examination, the clerk shall carefully~~
17 ~~examine the papers of the file and make sure that they are all in~~
18 ~~place.~~

19 [~~Sec. 31.055. REMOVING PAPERS. (a)~~] No transfer or deed
20 which may be a link in any chain of title to any certificate on file
21 in the land office may be removed by any person, but the
22 commissioner shall deliver to the interested person on demand
23 certified copies which shall have the same force and effect as the
24 originals.

25 (c) [(b)] If the genuineness of any original paper is
26 questioned in a suit, the commissioner, on order of the court in
27 which the suit is pending, shall deliver the original paper to the

1 proper person and shall retain a certified copy of the paper which
2 will have the same force and effect as the original if the original
3 is lost.

4 ~~[(c) If the commissioner has good reason to doubt the~~
5 ~~genuineness of any transfer, power of attorney, or other paper on~~
6 ~~file in his office, he shall not permit any person to obtain an~~
7 ~~official copy of the paper until the doubts have been removed.]~~

8 Sec. 31.056. REVISION, ~~[AND]~~ COMPILATION, AND PRINTING OF
9 ABSTRACTS. (a) The commissioner shall prepare a revision and
10 compilation of the various volumes of the abstracts of patented,
11 titled, and surveyed real property ~~[land]~~ which were previously
12 made by the land office.

13 (b) The various counties of the state shall be apportioned
14 into one of not more than eight districts for the purpose of
15 revising and compiling the abstracts and the abstracts of each of
16 the districts shall be compiled in a separate volume.

17 (c) The commissioner may distribute to the officers of the
18 state who require its use but have not previously received a set,
19 one complete set of the abstracts, as supplemented, of patented,
20 titled, and surveyed real property. The commissioner may
21 distribute to officers of counties who are required to use
22 abstracts copies of supplementary abstracts ~~[land and may sell the~~
23 ~~surplus volumes to any persons who apply for them at a price that is~~
24 ~~not less than the cost to the state].~~

25 (d) The commissioner may provide the abstracts and
26 supplementary abstracts electronically ~~[Any money received from~~
27 ~~the sale of surplus volumes shall be deposited in the general~~

1 ~~revenue fund~~].

2 (e) The commissioner may make available ~~have~~ a sufficient
3 number of volumes and supplementary abstracts of patented, titled,
4 and surveyed real property ~~printed~~ to meet the demand.

5 (f) The land office shall pay the cost of the abstracts and
6 the supplementary abstracts from its appropriated funds. ~~Printing~~
7 ~~and binding shall be done exclusively in the State of Texas.~~

8 (g) Copies of the abstracts and supplementary abstracts
9 ~~None of the provisions of this section affect the provisions of~~
10 ~~Section 31.057 of this code.~~

11 ~~Sec. 31.057. PRINTING SUPPLEMENTARY ABSTRACTS. (a) The~~
12 ~~commissioner may have not more than 1,500 copies of the~~
13 ~~supplementary abstracts of patented, titled, and surveyed land~~
14 ~~printed and bound annually for distribution to the officers of the~~
15 ~~state and counties whose duties require them to use it, and surplus~~
16 ~~copies] may be sold at a reasonable price to any person who applies~~
17 ~~for a copy.~~

18 ~~[(b) The cost incurred in printing the copies shall be paid~~
19 ~~from the land office appropriation for printing.~~

20 ~~[(c)]~~ The commissioner shall deposit any money received
21 from the sale of surplus volumes and supplementary abstracts ~~the~~
22 ~~copies of the State Treasury]~~ to the credit of the General Revenue
23 Fund.

24 Sec. 31.058. RECEIVING FUNDS. (a) The receiver ~~receiving~~
25 ~~clerk]~~ shall receive funds required by law to be paid to the
26 commissioner and on request shall give to each person who deposits
27 money a receipt ~~certificate of deposit]~~ stating the amount, the

1 name of the person, and a description of the purpose of the
 2 remittance [~~the type of claim on which the deposit was made~~].

3 (b) If funds are received which are of a general character
 4 in advance of fees and dues, it shall be stated.

5 (c) The receiver [~~clerk~~] shall be responsible to the state
 6 or individual for the funds.

7 Sec. 31.059. RECEIVER'S [~~RECEIVING CLERK'S~~] BOOKS. (a) The
 8 receiver [~~receiving clerk~~] shall keep books in which the following
 9 [he] shall be entered [~~enter~~]:

10 (1) each deposit separately; and

11 (2) the name of the person[~~, and~~

12 [~~(3) the number of the claim and the location of the~~
 13 ~~land to be perfected~~].

14 (b) The receiver [~~He~~] shall keep letters and other vouchers
 15 filed in neat and regular order and number corresponding with the
 16 [his] books of the office.

17 (c) The receiver [~~receiving clerk~~] shall report to the
 18 comptroller and pay in kind [~~on the last day of each month~~] funds in
 19 the receiver's [~~his~~] possession which are due to the state in
 20 accordance with the Government Code [~~and shall receive a receipt in~~
 21 ~~his own name~~].

22 (d) In the [~~his~~] books of the office, the receiver
 23 [~~receiving clerk~~] shall keep separate columns indicating the amount
 24 of [~~specie or the amount of currency or other~~] funds paid [~~to him~~].

25 (e) On removal from office or resignation, the receiver
 26 [~~receiving clerk~~] shall turn over the [~~his~~] books of the office,
 27 accounts, and money to the appointed [~~his~~] successor [~~if he has~~

1 ~~qualified~~] or to the commissioner and shall receive a receipt for
2 them.

3 Sec. 31.060. FINANCIAL REPORT. On or before the meeting of
4 the legislature, the commissioner [~~receiving clerk~~] shall prepare
5 and furnish to the governor [~~through the commissioner~~] a correct
6 report of the condition of the [~~his~~] office, including the amount of
7 money received, the type of claim, the amount of money paid out, and
8 the type of payment.

9 SECTION 9. Section 31.064, Natural Resources Code, is
10 amended to read as follows:

11 Sec. 31.064. SETTING AND COLLECTING FEES. The commissioner
12 shall set and collect, for the use of the state, reasonable fees in
13 amounts [~~determined by the commissioner~~] for filing fees,
14 preparation of certificates of fact, certified copies, maps,
15 reproduction of maps and sketches, Spanish translations, patents
16 and deeds of acquittance, and for other miscellaneous services,
17 including but not limited to shipping in a mailing tube and typed
18 transcriptions or taped copies of tapes or other sound recordings,
19 and any other provided services and products.

20 SECTION 10. Section 31.065(c), Natural Resources Code, is
21 amended to read as follows:

22 (c) If the commissioner determines that the real property
23 acquired by the state by gift, devise, or bequest is not suitable
24 for the purpose for which the gift, devise, or bequest was
25 originally made, the commissioner together with the agency, board,
26 commission, department, or other state entity designated to
27 possess, administer, or use the real property may exchange the real

1 property for real property that is suitable for such purpose.

2 SECTION 11. Section 31.066(b), Natural Resources Code, is
3 amended to read as follows:

4 (b) Following state assumption of ownership, the Texas
5 Commission on Environmental Quality [~~Natural Resource Conservation~~
6 ~~Commission~~] shall provide for maintenance of the real property,
7 including necessary environmental monitoring, consistent with
8 terms of contracts and cooperative agreements with the federal
9 government entered in accordance with the Water Code and Chapter
10 361, Health and Safety Code.

11 SECTION 12. Section 31.067, Natural Resources Code, is
12 amended to read as follows:

13 Sec. 31.067. AUTHORITY TO SELL CERTAIN AGENCY REAL PROPERTY
14 [~~LANDS~~]. The [~~asset management~~] division [~~of the General Land~~
15 ~~Office~~] is authorized to sell any real property acquired on behalf
16 of the state pursuant to Section 402.025, Government Code. Sale of
17 such real property shall be conducted in accordance with the
18 provisions of Section 31.158 of this code unless otherwise provided
19 by law. Proceeds of sale shall be deposited in the General Revenue
20 Fund as specified in Section 402.025, Government Code.

21 SECTION 13. Subchapter C, Chapter 31, Natural Resources
22 Code, is amended by adding Sections 31.0671 and 31.0672 to read as
23 follows:

24 Sec. 31.0671. AGENCY AUTHORITY TO SELL OR EXCHANGE REAL
25 PROPERTY. Any state agency or political subdivision may directly
26 sell or exchange real property to which it holds title with the
27 School Land Board for the benefit of the permanent school fund if

1 the sale or exchange is for market value. Section 272.001, Local
2 Government Code, does not apply to an exchange under this section.
3 A political subdivision must provide the governor with advance
4 notice of a proposed sale or exchange under this section, which
5 notice must be sent to the governor at least 30 days before the
6 transaction may be effected. In addition, the governor may
7 disapprove any sale or exchange of real property by a state agency
8 under this section prior to the sale or exchange. The state agency
9 contemplating a sale or exchange under this section shall submit to
10 the governor a formal request for approval. The state agency may
11 conduct the sale or exchange unless the governor gives the state
12 agency written notice disapproving the sale or exchange. The
13 governor must provide written notice of disapproval under this
14 section not later than the 30th day after the date the governor
15 receives the written request for approval.

16 Sec. 31.0672. AUTHORITY TO CONDUCT CERTAIN REAL PROPERTY
17 TRANSACTIONS. (a) The division may directly sell to a political
18 subdivision any real property owned by the state that the
19 legislature has authorized or the governor has approved for sale
20 under Subchapter E if the commissioner determines the sale is in the
21 best interest of the state.

22 (b) The governor must approve any sale of real property
23 under this section. Failure of the governor to approve the sale
24 constitutes a veto of the transaction.

25 (c) A sale of real property under this chapter must be for
26 market value and under other terms and conditions the commissioner
27 determines to be in the best interest of the state.

1 SECTION 14. Section 31.068(a), Natural Resources Code, is
2 amended to read as follows:

3 (a) The commissioner and the attorney general have standing
4 to enforce a:

5 (1) restrictive covenant affecting real property
6 owned by the permanent school fund or a state agency;

7 (2) restriction expressed in a transfer document or
8 legislative act conveying real property then owned by the state; or

9 (3) statutory restriction on the sale or lease of real
10 property [~~land~~] patented or leased by the state to a navigation
11 district, including a restriction provided by Section 61.116 or
12 61.117, Water Code.

13 SECTION 15. Sections 31.153, 31.154, 31.155, 31.156,
14 31.157, and 31.1571, Natural Resources Code, are amended to read as
15 follows:

16 Sec. 31.153. REAL PROPERTY ACCOUNTING AND RECORDS. (a) All
17 real property owned by the state shall be accounted for by the state
18 agency that possesses the real property.

19 (b) Each state agency shall maintain a record of each item
20 of real property it possesses. The record must include the
21 following information and [~~on the request of the division,~~] shall
22 be furnished to the division:

23 (1) a description of each item of real property by
24 reference to a volume number, and page or image number or numbers of
25 the official public records of real property in a particular
26 county, or if not applicable, by a legal description;

27 (2) the date of purchase of the real property, if

1 applicable;

2 (3) the purchase price of the real property, if
3 applicable;

4 (4) the name of the state agency holding title to the
5 real property for the state;

6 (5) a description of the current uses of the real
7 property and of the projected future uses of the real property
8 [~~during the next 15 years~~]; and

9 (6) a description of each building or other
10 improvement located on the real property.

11 (c) If the description of real property required under [~~by~~]
12 this section is excessively voluminous, [~~as in the case of~~
13 ~~parkland,~~] the division may direct the agency in possession of the
14 real property to furnish the description only in summary form, as
15 agreed to by the division and the state agency involved.

16 (d) Each state agency, annually at the time set by the
17 division, shall furnish the Texas Historical Commission with a
18 photograph and information that specifies and identifies the age of
19 each building:

20 (1) that was acquired by the agency after the date of
21 the preceding annual submission and that is at least 45 years old on
22 the date of the current submission; or

23 (2) that is possessed by the agency and has become 45
24 years old since the date the information was previously submitted.

25 (e) On request, each state agency shall provide the division
26 with any photographs and information furnished to the Texas
27 Historical Commission under this section.

1 Sec. 31.154. REAL PROPERTY INVENTORY. The division shall
2 review and keep inventory records of all real property owned by the
3 state. The division shall compile the inventory records from the
4 information submitted [~~to the division~~] under Sections 31.153 and
5 31.155 of this subchapter.

6 Sec. 31.155. SPECIAL STATUS OF CERTAIN AGENCIES. (a) The
7 division is not responsible for maintaining the inventory records,
8 as provided by Section 31.154, of the real property administered by
9 the Texas Department of Transportation, [~~the Texas National~~
10 ~~Research Laboratory Commission,~~] an institution of higher
11 education, the Employees Retirement System of Texas, or the Teacher
12 Retirement System of Texas. The agencies administering the real
13 property shall maintain those records.

14 (b) The Texas Department of Transportation, [~~or the Texas~~
15 ~~National Research Laboratory Commission,~~] on the request of the
16 division, shall submit its real property inventory records to the
17 division. The real property inventory records of an institution of
18 higher education, the Employees Retirement System of Texas, and the
19 Teacher Retirement System of Texas, on the request of the division,
20 but not more than semiannually, shall be submitted to the division
21 for information purposes only. The division shall maintain the
22 inventory records of the former Texas National Research Laboratory
23 Commission, to the extent possible, and is responsible for the
24 disposal of any real property interests held by the former
25 commission as provided by Subchapter G.

26 (c) The division may [~~shall~~] review and verify the
27 department's records [~~or the commission's records~~] and make

1 recommendations regarding the department's real property [~~or the~~
2 ~~commissioner's real property~~], and the commissioner shall prepare a
3 report involving the department's real property to the same extent
4 that the division and commissioner perform these functions with
5 regard to the records and real property of other state agencies.

6 (d) The duty under this subchapter of the division to review
7 and verify real property records and to make recommendations
8 regarding real property and of the commissioner to prepare a report
9 involving real property does not apply to:

10 (1) the real property of an institution of higher
11 education;

12 (2) the real property that is part of a fund created or
13 specifically authorized by the constitution of this state and that
14 is administered by or with the assistance of the land office;

15 (3) the real property of the Employees Retirement
16 System of Texas; and [~~or~~]

17 (4) the real property of the Teacher Retirement System
18 of Texas.

19 (e) The duties of the division to make recommendations
20 regarding real property and of the commissioner to prepare a report
21 involving real property under this subchapter do not apply to:

22 (1) the real property of the Texas Historical
23 Commission;

24 (2) the real property comprising the Alamo;

25 (3) the real property comprising the French Legation;

26 (4) the real property comprising the Governor's
27 Mansion;

1 (5) the real property comprising the Texas State
 2 Cemetery, more specifically described as 17.376 acres located at
 3 801 Comal, Lot 5, Division B, City of Austin, Travis County, Texas;

4 (6) the real property administered by the State
 5 Preservation Board; and

6 (7) highway rights-of-way owned by the Texas
 7 Department of Transportation.

8 Sec. 31.156. REAL PROPERTY REVIEW. (a) The division shall
 9 review the real property inventory of each state agency not less
 10 than every four years, and a review shall be made during the
 11 calendar year before the agency is scheduled for abolition under
 12 the Texas Sunset Act (Chapter 325, Government Code). The division
 13 may verify the accuracy of inventory records provided by an agency.

14 (b) The division shall:

15 (1) identify real property owned or controlled by the
 16 state that is not being used or is being substantially underused;
 17 and[-

18 ~~[(c) The division shall provide a list and an appraisal of~~
 19 ~~properties described by Subsection (b) to the Texas Department of~~
 20 ~~Housing and Community Affairs. Not later than the 60th day after the~~
 21 ~~date of receipt of the list and appraisal, the department shall make~~
 22 ~~recommendations to the division regarding the suitability of those~~
 23 ~~properties for affordable and accessible housing.~~

24 ~~[(d) For each property identified as not being used or as~~
 25 ~~being substantially underused under Subsection (b), the division~~
 26 ~~shall]~~

27 (2) make recommendations to the commissioner

1 regarding the use of the real property or [~~regarding~~] a real estate
2 transaction involving the real property.

3 (c) [~~(e)~~] ~~If the Texas Department of Housing and Community~~
4 ~~Affairs designates a property as suitable for affordable and~~
5 ~~accessible housing, the division's recommendations must include a~~
6 ~~recommendation that title to the property be transferred to an~~
7 ~~appropriate political subdivision for use as affordable and~~
8 ~~accessible housing.~~

9 [~~(f)~~] The division's recommendations must include an
10 analysis of the highest and best use to which the real property may
11 legally be placed and [~~It~~] shall also include [~~recommendations~~
12 ~~for~~] alternative uses of the real property addressing potential for
13 commercial or agricultural lease of the real property or any other
14 real estate transaction or use that the division may deem to be in
15 the best interest of the state [~~The division shall solicit~~
16 ~~proposals and shall accept any unsolicited proposals about real~~
17 ~~estate transactions involving the property that would be of~~
18 ~~significant benefit to the state].~~

19 (d) [~~(g)~~] The division shall [~~on completion of a review,~~]
20 submit to the commissioner any information pertinent to the
21 evaluation of a real estate transaction involving the real
22 property, including the [~~current~~] market value of the real
23 property, current market conditions, and [~~including~~] an evaluation
24 of any proposals received from private parties that would be of
25 significant benefit to the state [~~If the division submits an~~
26 ~~evaluation of a sale of property, it must also submit an evaluation~~
27 ~~of the lease potential of the property].~~

1 (e) [~~(h)~~] In any year that the division will evaluate real
2 property under the management and control of the adjutant general's
3 department or the Texas Military Facilities Commission, the
4 division [~~Texas National Guard Armory Board, the division~~] shall
5 notify the [~~adjutant general's~~] department and the commission
6 before the division begins the evaluation.

7 Sec. 31.157. EVALUATION REPORT. (a) The commissioner
8 shall prepare a draft evaluation report, which shall include [~~of a~~
9 ~~proposed real estate transaction involving the real property~~
10 ~~incorporating~~] the results and findings of the evaluation of the
11 real property owned by the state required under Section 31.156.

12 (b) The draft report shall be submitted to the Texas
13 Building and Procurement [~~State Purchasing and General Services~~]
14 Commission, which shall further evaluate the potential use of the
15 real property by another state agency [~~or department~~]. The land
16 office shall submit a draft report [~~shall also be submitted, at the~~
17 ~~same time as it is furnished to the commission,~~] to each agency that
18 owns or holds in trust property that is the subject of the draft
19 report. The Texas Building and Procurement Commission [~~commission~~
20 ~~may comment on any findings or recommendations made by the~~
21 ~~commissioner and~~] may make additional recommendations regarding
22 the use of the real property. The state agency that owns or
23 controls real property named in the report may comment on any
24 findings or recommendations made by the commissioner. The Texas
25 Building and Procurement Commission and any state agency that owns
26 or controls real property named in the report [~~commission~~] shall
27 complete a review of the draft report within 60 days of the

1 receipt of the report and forward all recommendations and [the]
2 comments to the commissioner.

3 (c) The commissioner shall prepare and issue a final
4 evaluation report that [+

5 [~~1~~] incorporates any recommendations of the Texas
6 Building and Procurement Commission regarding the potential use of
7 the real property by another state agency [division regarding the
8 transfer of title to the property to a political subdivision for use
9 as affordable and accessible housing,] and any comments from any
10 state agency that owns or controls property named in the report
11 [~~2~~] ~~incorporates any recommendations of the commission regarding~~
12 ~~the use of the property and addresses any comments received from the~~
13 ~~commission].~~

14 (d) If under the adjutant general's report submitted as
15 provided by Section 431.030, Government Code, the adjutant general
16 determines that real property under the management and control of
17 the adjutant general's department or the Texas Military Facilities
18 Commission [~~National Guard Armory Board~~] is used for military
19 purposes, the commissioner may not recommend a real estate
20 transaction involving that real property in the final report
21 submitted as provided by Subsection (e).

22 (e) The final report shall be submitted to the governor, the
23 presiding officers of both houses of the legislature, the
24 Legislative Budget Board, and the governor's budget office not
25 later than September 1 of each year.

26 (f) Properties reported as not being used or being
27 substantially underused under this section may not be annexed by a

1 political subdivision of the state without prior written approval
2 of the commissioner.

3 (g) A [~~If the report contains an evaluation of a sale of~~
4 ~~property, it must also contain an evaluation of the lease potential~~
5 ~~of the property.~~

6 [~~Sec. 31.1571. DISPOSAL OF UNUSED OR UNDERUSED PROPERTY.~~

7 ~~(a) Notwithstanding any other law, after the division has reported~~
8 ~~a property unused or underused and the commissioner has made a~~
9 ~~recommendation to the governor for a real estate transaction~~
10 ~~involving the property, the] state agency that owns or controls
11 real property identified in the evaluation report as not being used
12 or being substantially underused shall notify the land office 30
13 days before any planned development, acquisition, disposition,
14 lease, or exchange of the real property, including any planned
15 construction of new improvements or a major modification to an
16 existing improvement.~~

17 (h) Each state agency owning real property identified in the
18 evaluation report as unused or substantially underused shall
19 provide to the land office, within 30 days of the land office's
20 request, information on the status of those properties. The report
21 shall include a list of:

22 (1) the individual properties recommended for an
23 alternative use or a real estate transaction by the land office;

24 (2) the status of those individual properties; and

25 (3) any plans the agency owning the real property has
26 to convert the use of or dispose of each real property.

27 (i) The division may solicit proposals and shall accept

1 unsolicited proposals regarding real estate transactions involving
2 real property that would be of significant benefit to the state.

3 Sec. 31.1571. GOVERNOR'S REPORT. (a) At any time, the
4 commissioner may make a report to the governor recommending real
5 estate transactions or other actions involving any real property
6 included in the most recent evaluation report and identified as not
7 used or substantially underused.

8 (b) After the commissioner recommends a real estate
9 transaction to the governor under this section, the commissioner
10 shall notify the state agency that owns or controls the real
11 property and the Texas Department of Housing and Community Affairs.
12 Not later than the 60th day after the date the written
13 recommendation is received, the state agency and the Texas
14 Department of Housing and Community Affairs may file with the
15 governor their comments on or objections to the recommendation.

16 (c) If the commissioner recommends a real estate
17 transaction to the governor involving real property identified as
18 not used or substantially underused and the division's analysis of
19 the highest and best use for the real property is determined to be
20 residential, the Texas Department of Housing and Community Affairs
21 shall evaluate the property and identify any property suitable for
22 affordable housing. The Texas Department of Housing and Community
23 Affairs shall submit comments concerning any property suitable for
24 affordable housing and any documents supporting the comments to the
25 governor not later than the 60th day after the date it receives the
26 report prepared under this section.

27 (d) Notwithstanding any other law, real property that the

1 commissioner has reported as unused or substantially underused and
2 recommended for a real estate transaction may not be developed,
3 sold, or otherwise disposed of by the state agency that owns or
4 controls [~~the property may not develop, sell, or otherwise dispose~~
5 ~~of~~] the real property before the earlier of:

6 (1) the date the governor rejects a recommended real
7 estate transaction involving the real property [~~pursuant to~~
8 ~~Subchapter I~~]; or

9 (2) two years from the date the recommendation is
10 approved, unless extended by the governor [~~by operation of law~~
11 ~~under Subchapter I~~].

12 (e) [~~(b)~~] If a state agency that owns or controls real
13 property [~~that the division has~~] reported as unused or
14 substantially underused intends to dispose of or change the use of
15 the real property prior to the time provided by Subsection (d), the
16 governor may require [~~(a), the state agency shall submit to the~~
17 ~~governor~~] a general development plan for future use of the real
18 property or any other information. At any time, the governor may
19 request that the state agency provide its general development plan
20 or any other information to the land office for evaluation and may
21 consult with the commissioner. The plan shall be submitted no later
22 than 30 days prior to the time that the real estate transaction
23 would be approved by operation of law if not disapproved by the
24 governor [~~pursuant to Subchapter I~~]. The governor may take such
25 plan into consideration in determining whether to reject the
26 commissioner's recommendation.

27 (f) The commissioner may conduct the transaction unless the

1 governor gives the commissioner written notice disapproving the
2 recommendation. The governor must provide written notice of
3 disapproval under this subsection not later than the 90th day after
4 the date the governor receives the commissioner's written
5 recommendation.

6 SECTION 16. Subchapter E, Chapter 31, Natural Resources
7 Code, is amended by adding Sections 31.1572 and 31.1573 to read as
8 follows:

9 Sec. 31.1572. REAL ESTATE TRANSACTIONS BY PARKS AND
10 WILDLIFE DEPARTMENT PROHIBITED IN CERTAIN AREAS. (a) The Parks and
11 Wildlife Department may not offer for sale real property it owns or
12 controls if the real property is located in a county:

13 (1) with a population of one million or more; and

14 (2) in which at least two municipalities with a
15 population of 300,000 or more are located.

16 (b) This section expires September 1, 2004.

17 Sec. 31.1573. REAL ESTATE TRANSACTIONS AUTHORIZED BY
18 GOVERNOR. (a) The land office shall take charge and control of
19 real property as necessary to conduct and close a real estate
20 transaction authorized by the governor.

21 (b) The expenses incurred by the land office in conducting a
22 real estate transaction, including the payment of reasonable
23 brokerage fees, may be deducted from the proceeds of the
24 transaction before the proceeds are deposited. The land office may
25 adopt rules relating to the payment of reasonable brokerage fees.

26 (c) Unless otherwise dedicated by the Texas Constitution,
27 the proceeds of the transaction shall be deposited:

1 (1) to the credit of the Texas capital trust fund if
 2 the agency is eligible under Chapter 2201, Government Code, to
 3 participate in that fund;

4 (2) in the state treasury to the credit of the affected
 5 agency if the agency is not eligible under Chapter 2201, Government
 6 Code, to participate in the Texas capital trust fund; or

7 (3) notwithstanding Subdivisions (1) and (2), as
 8 otherwise directed under the procedures of Chapter 317, Government
 9 Code.

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

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

15 (2) be conveyed by an instrument signed by the
 16 commissioner and, if the governor's approval is required, by the
 17 governor.

18 SECTION 17. Subchapter E, Chapter 31, Natural Resources
 19 Code, is amended by amending Section 31.158 and adding Section
 20 31.1581 to read as follows:

21 Sec. 31.158. REAL ESTATE TRANSACTIONS [~~TRANSACTION~~]
 22 AUTHORIZED BY LEGISLATURE. (a) If the legislature authorizes a
 23 real estate transaction involving real property owned [~~or held in~~
 24 ~~trust~~] by the state, the division shall take possession and control
 25 of the real property and shall negotiate and close such real estate
 26 transaction on behalf of the state. In performing such duties, the
 27 division shall act on behalf of the state agency which owns or

1 controls the subject state real property [~~land~~]. Proceeds from the
2 real estate transaction shall be deposited in the Texas capital
3 trust fund unless the proceeds are dedicated by the constitution of
4 this state to another fund or unless the enabling legislation
5 ordering the real estate transaction provides otherwise.

6 (b) The division may not take possession and control under
7 this section of real property administered by a state agency that,
8 under Chapter 2201, Government Code, is ineligible to benefit from
9 the Texas capital trust fund.

10 (c) Unless the enabling legislation or general law
11 authorizing the real estate transaction specifies a different
12 procedure, the division shall transact the sale or lease of state
13 real property [~~land~~] in the following manner:

14 (1) The sale or lease shall be by sealed bid, by [~~or~~]
15 public auction, or as provided by Subsection (d); provided,
16 however, [~~prior to the bid sale or auction,~~] the School Land Board
17 shall have the first option to purchase such real property pursuant
18 to Section 31.159 of this code. Subdivisions (2)-(7) apply only to
19 a sale or lease by sealed bid or public auction.

20 (2) Notice of the sale or lease shall be published at
21 least 30 days prior to the date of sale or lease in at least three
22 issues of four daily newspapers in the state. One of the papers
23 must be of general circulation in the county where the real property
24 [~~land~~] is located.

25 (3) The notice shall state that real property is to be
26 offered for sale or lease on a certain date and that lists
27 describing the real property and terms of sale or lease can be

1 obtained from the division.

2 (4) No bid [~~bids~~] may be accepted that does [~~do~~] not
3 meet the minimum value established by the commissioner, which shall
4 not be less than market value [~~for the real property by an appraisal~~
5 ~~conducted by an appraiser employed by the General Land Office~~].

6 (5) The division may reject any and all bids, but if
7 the division elects not to reject any and all bids, it is required
8 to accept the best bid submitted.

9 (6) If the award of a bid does not result in a final
10 transaction with the bidder, the land office may solicit proposals,
11 negotiate, and sell, exchange, or lease the real property, provided
12 that the sales price may not be less than market value.

13 (7) If, after proper notice has been posted, no bids
14 meeting the minimum requirements are received at the appointed time
15 and place for the sale or lease, the division may solicit proposals
16 and negotiate the sale, exchange, or lease of the real property to
17 any person, provided that the sales price may not be less than the
18 market [~~appraised~~] value of the real property [~~land~~]. The governor
19 must approve any [~~the~~] sale or lease of [~~any~~] real property
20 negotiated under this section [~~through a negotiated transaction~~].
21 Failure of the governor to approve the sale or lease constitutes a
22 veto of the transaction.

23 (8) [~~(7)~~] Each grant of an interest in real property
24 made pursuant to this section shall be made by an instrument signed
25 by the commissioner [~~of the General Land Office~~] and, if the
26 governor's approval is required, by the governor.

27 (9) [~~(8)~~] The expenses incurred by the division in

1 conducting the sale, exchange, or lease, including the payment of
2 reasonable brokerage fees, may be deducted from the proceeds of the
3 sale prior to deposit in the Texas capital trust fund or other
4 appropriate depository account. The division may promulgate rules
5 relating to the payment of reasonable brokerage fees.

6 (10) [~~9~~] These procedures will not apply to sales or
7 leases of real property [~~land~~] that are possessed by an agency that
8 under Chapter 2201, Government Code, is ineligible to use the Texas
9 capital trust fund or real property [~~land~~] which belongs to the
10 permanent school fund.

11 (11) [~~10~~] Prior to the actual sale or lease, the
12 state representative and state senator in the district where the
13 subject real property is located shall be notified of all efforts to
14 sell or lease the real property and shall be provided with copies of
15 all brokerage contacts relating to the sale or lease.

16 (d) The division may contract for the services of a real
17 estate broker or a private brokerage or real estate firm in the
18 course of a real estate transaction under this section if the
19 commissioner determines contracting for those services is in the
20 best interest of the state.

21 Sec. 31.1581. TRANSFER OF REAL PROPERTY FOR USE AS
22 AFFORDABLE HOUSING. (a) If the legislature authorizes or the
23 governor approves the transfer of title to real property to an
24 entity [~~a political subdivision~~] for use as affordable [~~and~~
25 ~~accessible~~] housing, the division shall take possession and control
26 of the real property and shall conduct the transaction as provided
27 by the policy adopted under Subsection (b) [~~(e)~~].

1 **(b)** [~~(e)~~] The division shall adopt a policy regarding the
2 method of transferring title to real property designated as
3 suitable for affordable [~~and accessible~~] housing to an entity [~~a~~
4 ~~political subdivision~~] for use as affordable [~~and accessible~~]
5 housing. The policy must include monitoring and enforcement
6 provisions to ensure that the real property is used for affordable
7 [~~and accessible~~] housing.

8 SECTION 18. Subchapter E, Chapter 31, Natural Resources
9 Code, is amended by adding Section 31.1585 to read as follows:

10 Sec. 31.1585. CERTAIN PROCEEDS. Notwithstanding any other
11 law, proceeds from the sale of real property purchased with general
12 revenue funds that was recommended for sale by the division and not
13 disapproved for sale by the governor during the calendar years 1995
14 through 2002 shall be deposited in the unobligated portion of the
15 general revenue fund and may only be appropriated to the state
16 agency that possessed the property at the time of the sale for use
17 by the state agency in performing its duties.

18 SECTION 19. Section 31.159, Natural Resources Code, is
19 amended to read as follows:

20 Sec. 31.159. FIRST OPTION TO PURCHASE. (a) The School Land
21 Board has a first option to purchase real property authorized for
22 sale by the legislature or the governor. The board may exercise its
23 option by tendering cash for market value as mutually agreed on by
24 the board and the state agency that owns the real property, but the
25 purchase price may not be less than market value. For purposes of
26 this section, the division may request more than one appraisal to
27 determine market value. If the parties cannot agree on a value, the

1 board and the state agency that owns the real property shall follow
2 the procedures provided by Subsections (d) and (e). The board may
3 not pay more than market value.

4 (b) The division shall inform the School Land Board of the
5 proposed sale and its first option to purchase state agency real
6 property. If the board decides to exercise its option under this
7 section, the division shall appoint an appraiser not later than the
8 30th day after the date the board notifies the division of its
9 decision.

10 (c) The School Land Board must complete the cash purchase
11 not later than the 120th day after the date the board exercises its
12 first option to purchase. If the School Land Board fails to
13 complete the purchase within the time permitted, the division may
14 extend the time for completing the purchase or disposing of the real
15 property as authorized by the legislature or approved by the
16 governor.

17 (d) If the state agency that owns the real property disputes
18 the market value, the School Land Board shall request a second
19 appraisal. If the School Land Board fails to request a second
20 appraisal, the division shall appoint a second appraiser not later
21 than the 21st day after the date the state agency notifies the
22 School Land Board that it disputes the market value. On completion
23 of the second appraisal, the two appraisers shall meet promptly and
24 attempt to reach agreement on the market value. If the two
25 appraisers fail to reach agreement within 10 days of the meeting,
26 the land office shall request a third appraiser to reconcile the two
27 previous appraisals. The determination of value by the third

1 appraiser may not be less than the lower or more than the higher of
2 the first two appraisals. The market value determined by the third
3 appraiser is final and binding on all parties.

4 (e) The division may appoint an appraiser employed by the
5 land office for the performance of any one of the required
6 appraisals. Any other appraiser employed under this section must
7 be selected in accordance with Subchapter A, Chapter 2254,
8 Government Code. The party requesting the appraisal shall award
9 the appraisal services contract to the provider of professional
10 services after considering the factors identified in Chapter 2254,
11 Government Code. The division shall pay the expenses of appraisal.

12 ~~[(a) If the real estate transaction authorized by the legislature~~
13 ~~is a sale of real property, the School Land Board has a first option~~
14 ~~to purchase the real property by cash purchase at current fair~~
15 ~~market value as determined by an independent appraisal.~~

16 ~~[(b) After the legislature authorizes the sale of real~~
17 ~~property, the division must give to the School Land Board a written~~
18 ~~notice of the proposed sale. To exercise the option, the School~~
19 ~~Land Board, not later than the 30th day after the date the notice~~
20 ~~can first be considered by the board at a regular meeting, must give~~
21 ~~written notice to the division stating that the board has decided to~~
22 ~~exercise the option. If the School Land Board decides to exercise~~
23 ~~its option under this section, the division shall appoint an~~
24 ~~appraiser after complying with Subdivision (2) of Subsection (d) of~~
25 ~~this section. The School Land Board must complete the cash purchase~~
26 ~~not later than the 120th day after the date the division receives~~
27 ~~the notice from the board.~~

1 ~~[(c) If the School Land Board fails to complete the purchase~~
2 ~~within the time permitted, the division may extend the time for~~
3 ~~completing the purchase or dispose of the real property as~~
4 ~~authorized by the legislature.~~

5 ~~[(d)(1) Current fair market value shall be determined in~~
6 ~~accordance with the procedure prescribed by this subsection.~~
7 ~~Within 21 days after the day the School Land Board receives the~~
8 ~~notice given to the board under Subsection (b) of this section, the~~
9 ~~School Land Board shall appoint a second appraiser. If the School~~
10 ~~Land Board fails to appoint the second appraiser, the division~~
11 ~~shall appoint a second appraiser within 21 days after the~~
12 ~~expiration of said 21-day period in which the board could have~~
13 ~~appointed an appraiser. The two appraisers shall meet promptly and~~
14 ~~shall attempt to reach agreement on the current fair market value.~~
15 ~~If the two appraisers so selected do not reach agreement within 10~~
16 ~~days of such meeting, a third appraiser shall be appointed by the~~
17 ~~division to reconcile the two previous appraisals. The~~
18 ~~determination of value by the third appraiser may not be less than~~
19 ~~the lower or more than the higher of the first two appraisals. The~~
20 ~~value determined by the third appraisal shall be final and binding~~
21 ~~on all parties.~~

22 ~~[(2) Each appraiser shall be qualified and~~
23 ~~disinterested and shall have M.A.I. or other comparable~~
24 ~~professional designation. The division may appoint an appraiser~~
25 ~~employed by the General Land Office for any one of the required~~
26 ~~appraisals. The appointment of any other appraiser shall be made by~~
27 ~~the appointing party following receipt of at least three~~

1 ~~competitive bids, and if the cost of the appraisal is reasonably~~
 2 ~~expected to exceed \$10,000, the appointing party shall utilize the~~
 3 ~~notification procedure set out in Subchapter B, Chapter 2254,~~
 4 ~~Government Code, and all time periods described in this Act shall be~~
 5 ~~extended for the number of days necessary to comply with said~~
 6 ~~notification procedure. The appointing party shall award the~~
 7 ~~appraisal services contract to the bidder submitting the lowest and~~
 8 ~~best bid, and in determining who has submitted the lowest and best~~
 9 ~~bid, the appointing party shall consider the factors set out in~~
 10 ~~Sections 2156.007(d)(1)-(9), Government Code. Expense of the~~
 11 ~~appraisal shall be paid by the division.]~~

12 SECTION 20. Section 31.161, Natural Resources Code, is
 13 amended to read as follows:

14 Sec. 31.161. DEVELOPMENT PLAN. (a) If the state intends to
 15 conduct a [~~legislature authorizes the~~] sale or lease for
 16 nongovernmental purposes of real property [~~land~~] belonging to the
 17 state, to the permanent school fund, or to any of the dedicated
 18 funds of the state, other than the permanent university fund, or any
 19 other real property [~~lands~~] subject to the administration and
 20 control of the board of regents of The University of Texas System,
 21 [~~the governing board or chief executive officer of the agency or~~
 22 ~~institution possessing the land may request~~] the [~~asset management~~]
 23 division may [~~of the General Land Office to~~] promulgate a
 24 development plan on the real property [~~land before it is offered for~~
 25 ~~sale or lease~~].

26 (b) The purpose of a development plan is to conserve and
 27 enhance the value of real property [~~land~~] belonging to the state,

1 taking into consideration the preservation of the health, safety,
2 and general welfare of the communities in which the real property
3 [~~land~~] is situated.

4 (c) The plan shall address local land use planning
5 ordinances, which may include the following [~~such provisions as are~~
6 ~~necessary to implement the purposes of this section, including~~
7 ~~provisions for~~]:

8 (1) allocation and location of specific uses of the
9 real property [~~land~~], including residential, commercial,
10 industrial, recreational; or other appropriate uses;

11 (2) densities and intensities of designated land uses;

12 (3) the timing and rate of development;

13 (4) timely delivery of adequate facilities and
14 services, including water, wastewater collection and treatment
15 systems, parks and public recreational facilities, drainage
16 facilities, school sites, and roads and transportation facilities;
17 or [~~and~~]

18 (5) needed zoning and other land use regulations.

19 (d) The plan shall comply with existing rules, regulations,
20 orders, or ordinances for real property [~~land~~] development to the
21 extent such rules, regulations, orders, or ordinances are not
22 detrimental to the interests of the state as determined by the
23 special board of review.

24 SECTION 21. Sections 31.1611(a), (b), and (d), Natural
25 Resources Code, are amended to read as follows:

26 (a) If the division is requested to prepare a development
27 plan under Section 31.161, the division shall notify the local

1 government to which the plan will be submitted under Section 31.162
2 of the division's intent to prepare a development plan. The
3 division shall provide the local government with information
4 relating to:

5 (1) the location of the real property to be offered for
6 sale or lease;

7 (2) the highest and best use of [~~to which~~] the real
8 property [~~may legally be placed~~] as provided in the division's
9 report under Section 31.157; and

10 (3) the process for preparing the development plan
11 under Section 31.161 and the process provided under Sections 31.165
12 and 31.166 for the special board of review.

13 (b) Not later than the 30th day after the date the local
14 government receives the notice provided under Subsection (a), the
15 local government may request the division to hold a public hearing
16 to solicit public comment. If requested by the local government,
17 the division shall hold a public hearing. The local government
18 shall provide notice of the hearing to real property owners in at
19 least the same manner that notice is provided for adopting zoning
20 regulations or subdivision requirements in the local government's
21 jurisdiction. The division shall set the agenda for the hearing,
22 which must be completed no [~~and must complete the hearing not~~] later
23 than the 120th day after the date [~~the~~] notice is provided under
24 Subsection (a).

25 (d) A public hearing under this section may include:

26 (1) a presentation by the division relating to the
27 division's classification of the real property as unused or

1 substantially underused [~~or unused~~] and the division's
2 recommendation of the highest and best use to which the real
3 property may legally be placed;

4 (2) a presentation by the local government relating to
5 relevant local plans, development principles, and ordinances that
6 may affect the development of the real property; and

7 (3) oral comments and presentations of information by
8 and written comments received from other persons relating to the
9 development of the real property.

10 SECTION 22. Sections 31.162(a), (b), (e), and (f), Natural
11 Resources Code, are amended to read as follows:

12 (a) The plan shall be submitted to any local government
13 having jurisdiction over the real property [~~land~~] in question for
14 consideration.

15 (b) The local government shall evaluate the plan and either
16 accept or reject the plan no later than the 120th day [~~six months~~]
17 after the date [~~the submission of the plan by~~] the [~~asset~~
18 ~~management~~] division submits the plan.

19 (e) If the plan is rejected by the affected local
20 government, the [~~asset management~~] division may modify the plan to
21 conform to the ordinances specifically identified by the local
22 government and resubmit the plan for approval, or the commissioner
23 [~~it~~] may apply for necessary rezoning or variances from the local
24 ordinances.

25 (f) Failure by the local government to act within the
26 120-day period prescribed by Subsection (b) [~~six months~~] will be
27 deemed an acceptance by the local government of the plan.

1 SECTION 23. Section 31.163, Natural Resources Code, is
2 amended to read as follows:

3 Sec. 31.163. REZONING. (a) If the plan would require
4 zoning inconsistent with any existing zoning or other land use
5 regulation, the [~~asset management~~] division or its designated
6 representative may at any time submit a request for rezoning to the
7 local government with jurisdiction over the real property [~~lands~~]
8 in question.

9 (b) The rezoning or variance request shall be submitted in
10 the same manner as any such request is submitted to the affected
11 local government; provided, however, the local government must take
12 final action on the request no later than the 120th day [~~six months~~]
13 after the date the request for rezoning or variance is submitted.

14 (c) Failure by the local government to act within the
15 120-day [~~six-month~~] period prescribed by Subsection (b) will be
16 deemed an approval of the rezoning request by the local government.

17 SECTION 24. Section 31.165, Natural Resources Code, is
18 amended to read as follows:

19 Sec. 31.165. SPECIAL BOARD OF REVIEW. (a) If the local
20 government denies the rezoning request, the matter may be appealed
21 to a special board of review consisting of the following members:

22 (1) the members of the School Land Board;

23 (2) the chairman of the governing board of the agency
24 or institution possessing the real property or his or her
25 designated representative; [~~and~~]

26 (3) the mayor of the city or town within whose
27 corporate boundaries or extraterritorial jurisdiction the real

1 property [~~land~~] is located; and

2 (4) the county judge of the county within which the
3 real property [~~land~~] is located.

4 (b) The commissioner [~~Commissioner of the General Land~~
5 ~~Office~~] shall serve as chairman of the special board of review.

6 (c) If the plan involves real property [~~land~~] belonging to
7 the permanent school fund, the special board of review shall
8 consist of the members of the School Land Board and the local
9 officials, with the commissioner [~~Commissioner of the General Land~~
10 ~~Office~~] serving as chairman.

11 (d) If the real property [~~land~~] is not located within the
12 corporate boundaries or the extraterritorial jurisdiction of a city
13 or town, the board shall consist of the members of the School Land
14 Board, the agency chairman, and the county judge, with the
15 commissioner serving as chairman.

16 SECTION 25. Sections 31.166(b), (c), (d), (e), (f), and
17 (g), Natural Resources Code, are amended to read as follows:

18 (b) Hearings shall be conducted in accordance with rules
19 promulgated by the land office [~~General Land Office~~] for conduct of
20 such special review.

21 (c) If real property [~~land~~] is located in more than one city
22 or town, the hearings on any single tract of real property [~~land~~]
23 may be combined.

24 (d) Any political subdivision in which the tract in question
25 is located and the appropriate central appraisal district shall
26 receive written notice of board hearings at least 14 days prior to
27 the hearing.

1 (e) At least one hearing shall be conducted in the county
2 where the real property [~~land~~] is located.

3 (f) If after the hearings, the special board of review
4 determines that local zoning requirements are detrimental to the
5 best interest of the state, it shall issue an order establishing a
6 development plan to govern the use of the real property [~~land~~] as
7 provided in this section.

8 (g) Development of the real property [~~land~~] shall be in
9 accordance with the plan and must comply with all local rules,
10 regulations, orders, or ordinances except as specifically
11 identified in an order of the special board of review issued
12 pursuant to Subsection (f) of this section. In the event that
13 substantial progress is not made toward development of the tract
14 within five years of the date of adoption by the special board of
15 review, local development policies and procedures shall become
16 applicable to development of the tract, unless the special board of
17 review promulgates a new plan.

18 SECTION 26. Sections 31.167(a) and (c), Natural Resources
19 Code, are amended to read as follows:

20 (a) Except as provided by this subsection, a development
21 plan promulgated by the special board of review and any plan
22 accepted by a local government shall be final and binding on the
23 state, its lessees, successors in interest and assigns, and
24 affected local governments or political subdivisions unless
25 revised by the special board of review. If the division does not
26 receive a bid or auction solicitation for the real property subject
27 to the development plan, the division, at the direction of the

1 commissioner, may revise the development plan to conserve and
2 enhance the value and marketability of the real property.

3 (c) The special board of review must file a copy of the
4 development plan in the deed records of the county in which the real
5 property [~~land~~] is located.

6 SECTION 27. Section 31.307, Natural Resources Code, is
7 amended to read as follows:

8 Sec. 31.307. DEDICATION OF ROADS. The commissioner may
9 dedicate roads located on the real property [~~land~~] used as the site
10 for the superconducting super collider research facility to the
11 county in which the roads are located if the commissioner believes
12 that the dedication will enhance the value of remaining state real
13 property [~~land~~].

14 SECTION 28. Sections 31.308(b) and (c), Natural Resources
15 Code, are amended to read as follows:

16 (b) The commissioner shall convey the state's interest in
17 the subsurface estate underlying the surface estate of real
18 property [~~land~~] used as the site for the superconducting super
19 collider research facility if the owner of the surface estate pays a
20 sum equal to the [~~fair~~] market value of the subsurface estate as
21 determined by the commissioner. After the state conveys its
22 interest in the subsurface estate as provided by this subsection,
23 title to the subsurface estate is reunited with the title to the
24 surface estate.

25 (c) Unless the instrument of conveyance provides otherwise,
26 a conveyance of the surface estate of real property [~~land~~] by the
27 state under this subchapter includes the conveyance of the

1 subsurface estate to the extent of the state's interest in the
2 subsurface estate.

3 SECTION 29. Section 31.309, Natural Resources Code, is
4 amended to read as follows:

5 Sec. 31.309. PREFERENCE RIGHT TO PURCHASE CERTAIN REAL
6 PROPERTY [~~LAND~~]. (a) A person or the person's heirs who conveyed
7 real property [~~land~~] to the state for use by the superconducting
8 super collider research facility has a preference right to purchase
9 the same tract of real property [~~land~~] previously conveyed before
10 the tract is offered for sale by the state to any other person.

11 (b) A person who has a preference right under this section
12 must pay at least the [~~fair~~] market value for the real property
13 [~~land~~] as determined by an appraisal conducted by the land office.

14 (c) This section does not apply to a subsurface estate as
15 defined by Section 31.308.

16 (d) The commissioner may adopt rules necessary to implement
17 this section.

18 SECTION 30. Subchapter B, Chapter 11, Natural Resources
19 Code, is amended by adding Section 11.0111 to read as follows:

20 Sec. 11.0111. LOCATION OF COASTAL BOUNDARIES. (a) The
21 commissioner shall:

22 (1) have the area between the coastline of the Gulf of
23 Mexico and the Three Marine League line compiled and platted; and

24 (2) locate and set the boundary lines between the
25 coastal counties from the coastline to the Three Marine League
26 line.

27 (b) The commissioner shall locate and set the boundary lines

1 between the counties from the coastline to the Three Marine League
2 line in accordance with established engineering practice.

3 (c) The legal description of the boundary lines set between
4 the counties from the coastline to the continental shelf shall be
5 filed and recorded in the office of the county clerk of the affected
6 county.

7 SECTION 31. Chapter 51, Natural Resources Code, is amended
8 by adding Subchapter J to read as follows:

9 SUBCHAPTER J. GRANTS

10 Sec. 51.501. APPLICATION FOR GRANT. A lessee of real
11 property owned by the permanent school fund and used for grazing or
12 agricultural purposes may apply to the commissioner for a grant to
13 construct a permanent improvement on the leased property.

14 Sec. 51.502. SOURCE OF GRANT MONEY. A grant under this
15 subchapter shall be made from money collected for surface damages
16 under Sections 52.297 and 53.155.

17 Sec. 51.503. APPRAISAL REQUIRED. (a) Before a grant is
18 made under Section 51.501, an appraiser employed by the land office
19 must appraise the effect of the improvement for which a grant is
20 sought on the value of the permanent school fund property.

21 (b) If the appraiser finds that the improvement will
22 increase the value of the real property in an amount at least equal
23 to the amount the improvement will cost, the commissioner may
24 authorize the disbursement of money to construct the improvement.

25 Sec. 51.504. EVIDENCE OF EXPENDITURE REQUIRED. The
26 commissioner shall require each lessee who receives a grant to
27 provide copies of receipts, vouchers, or other evidence of

1 expenditures for the improvement.

2 Sec. 51.505. IMPROVEMENTS: REAL PROPERTY OF PERMANENT
3 SCHOOL FUND. Any improvement constructed with money disbursed
4 under this subchapter is the real property of the permanent school
5 fund.

6 Sec. 51.506. MAINTENANCE. As a condition for a grant under
7 this subchapter, the commissioner shall require the grantee to
8 agree in writing to maintain the improvement in a manner that will
9 protect the best interest of the permanent school fund.

10 Sec. 51.507. RULES. The commissioner shall adopt rules as
11 necessary to administer this subchapter, including rules
12 establishing a procedure for applying for a grant under Section
13 51.501 and for monitoring the maintenance of the improvement.

14 SECTION 32. Subchapter F, Chapter 53, Natural Resources
15 Code, is amended by adding Section 53.1631 to read as follows:

16 Sec. 53.1631. GROUNDWATER. (a) Unless otherwise expressly
17 provided by statute, deed, patent, or other grant from the State of
18 Texas, groundwater shall not be considered a mineral in any past or
19 future reservation of title or rights to minerals by the State of
20 Texas.

21 (b) Notwithstanding Subsection (a), the State of Texas
22 shall retain any and all rights to reasonable use of the surface and
23 groundwater for mineral development and production purposes.

24 SECTION 33. The following laws are repealed:

25 (1) Sections 31.061, 31.062, 31.063, 31.151, 31.152,
26 31.160, 31.301, 31.302, 31.303, 31.304, 31.305, and 31.306, Natural
27 Resources Code;

1 (2) Subchapter F, Chapter 31, Natural Resources Code;
2 and

3 (3) Subchapter I, Chapter 31, Natural Resources Code.

4 SECTION 34. (a) On or before January 1, 2004, the School
5 Land Board shall approve a patent to release all of the state's
6 interest in the land described by Subsection (b) of this section,
7 excluding mineral rights, to a person holding the land under a
8 contract for deed with the Veterans' Land Board on January 1, 1964,
9 or an heir or assign of that person, in exchange for consideration
10 in an amount determined by the School Land Board in consultation
11 with the Veterans' Land Board.

12 (b) This section applies to the tract of land described as
13 follows:

14 that 35.686 acre tract in that certain Judgement under cause No.
15 75-49, The Veterans Land Board of the State of Texas vs. Alice
16 Christian, in the 4th Judicial District Court of Rusk County, Texas
17 and in that certain judgement in Cause No. 55, 765, State vs. Humble
18 Oil, et al in the 98th District Court of Travis County, Texas; Said
19 117.436 acre tract is also further described in that Contract of
20 Sale to said GRANTEE(s) dated October 14, 1963, recorded in Volume
21 782, Page 46, Deed Records of said County, Texas.

22 (c) The School Land Board, in determining the appropriate
23 price for the sale of land described by this section, shall consider
24 the title dispute and the history of the prior transactions.

25 (d) This section expires January 1, 2006.

26 SECTION 35. This Act takes effect immediately if it
27 receives a vote of two-thirds of all the members elected to each

1 house, as provided by Section 39, Article III, Texas Constitution.
2 If this Act does not receive the vote necessary for immediate
3 effect, this Act takes effect September 1, 2003.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 31, 2003

TO: Honorable David Dewhurst , Lieutenant Governor, Senate
Honorable Tom Craddick, Speaker of the House, House of Representatives

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2044 by McReynolds (Relating to the powers and duties of the General Land Office and the accounting and disposition of state-owned real property.), Conference Committee Report

No significant fiscal implication to the State is anticipated.

The bill would revise and reorganize Chapter 31 of the Natural Resources Code, relating to the asset management duties of the General Land Office (GLO). The bill would add the authority for GLO to charge fees for other services and products not specifically listed in Section 31.064, Natural Resources Code. The bill would require state agencies to report directly to the Texas Historical Commission pertaining to buildings of a certain age rather than go through GLO to report the data.

The bill would require that proceeds from the sale of real property purchased with general revenue be deposited to the credit of the unobligated portion of the general revenue fund. The bill would require a diversion of the mineral ownership of Texas Parks and Wildlife Department (TPWD) lands identified for sale to the Permanent School Fund under management by the GLO.

The bill would exempt certain properties from review in the GLO real property study, including the real property of the Texas Historical Commission, the Alamo, the French Legation, the Governor's Mansion, the State Cemetery, and property administered by the State Preservation Board and highway rights-of-way owned by the Texas Department of Transportation.

The bill would repeal Natural Resources Code 31.152, establishing an asset management division at the GLO. However, the agency would continue to perform the same or similar functions, which could be delegated to another division within the General Land Office. The bill would repeal the following subchapters in Chapter 31, Natural Resources Code: Subchapter F grants relating to improvements on leased property, Subchapter H regarding the use of State Energy Resources, and Subchapter I relating to real estate transactions not authorized by the Legislature.

The bill would release the state's interest in a 35.686 parcel of land. According to the agency, the School Land Board, in consultation with the Veterans' Land Board, would determine an appropriate price for releasing the state's interest. The bill would prohibit the Parks and Wildlife Department from selling land located in a certain county. In addition, the bill provides that the State of Texas shall retain any and all rights to reasonable use of the surface and ground water for mineral development and production purposes.

The bill would take effect immediately upon enactment, assuming that it receives the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003

No significant fiscal implication to the State is anticipated.

The bill would revise and reorganize Chapter 31 of the Natural Resources Code, relating to the asset management duties of the General Land Office (GLO). The bill would add the authority for GLO to charge fees for other services and products not specifically listed in Section 31.064, Natural Resources Code. The bill would require state agencies to report directly to the Texas Historical Commission pertaining to buildings of a certain age rather than go through GLO to report the data.

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The bill would exempt certain properties from review in the GLO real property study, including the real property of the Texas Historical Commission, the Alamo, the French Legation, the Governor's Mansion, the State Cemetery, and property administered by the State Preservation Board and highway rights-of-way owned by the Texas Department of Transportation.

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The bill would release the state's interest in a 35.686 parcel of land. According to the agency, the School Land Board, in consultation with the Veterans' Land Board, would determine an appropriate price for releasing the state's interest.

The bill would take effect immediately upon enactment, assuming that it receives the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

1 of 2

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 332 Department of Housing and Community Affairs, 582 Commission on Environmental Quality, 601 Department of Transportation, 802 Parks and Wildlife Department, 808 Historical Commission

LBB Staff: JK, CL, MS

1 of 1

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2044 by McReynolds (Relating to the powers and duties of the General Land Office and the accounting and disposition of state-owned real property.), As Engrossed

No significant fiscal implication to the State is anticipated.

The bill would revise and reorganize Chapter 31 of the Natural Resources Code, relating to the asset management duties of the General Land Office (GLO). The bill would add the authority for GLO to charge fees for other services and products not specifically listed in Section 31.064, Natural Resources Code. The bill would require state agencies to report directly to the Texas Historical Commission pertaining to buildings of a certain age rather than go through GLO to report the data.

The bill would require that proceeds from the sale of real property purchased with general revenue be deposited to the credit of the unobligated portion of the general revenue fund. The bill would require a diversion of the mineral ownership of Texas Parks and Wildlife Department (TPWD) lands identified for sale to the Permanent School Fund under management by the GLO.

The bill would exempt certain properties from review in the GLO real property study, including the real property of the Texas Historical Commission, the Alamo, the French Legation, the Governor's Mansion, the State Cemetery, and property administered by the State Preservation Board and highway rights-of-way owned by the Texas Department of Transportation.

The bill would repeal Natural Resources Code 31.152, establishing an asset management division at the GLO. However, the agency would continue to perform the same or similar functions, which could be delegated to another division within the General Land Office. The bill would repeal the following subchapters in Chapter 31, Natural Resources Code: Subchapter F grants relating to improvements on leased property, Subchapter H regarding the use of State Energy Resources, and Subchapter I relating to real estate transactions not authorized by the Legislature.

The bill would take effect immediately upon enactment, assuming that it receives the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 332 Department of Housing and Community Affairs, 582 Commission on Environmental Quality, 601 Department of Transportation, 802 Parks and Wildlife Department, 808 Historical Commission

LBB Staff: JK, CL, MS

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB2044 by McReynolds (Relating to the powers and duties of the General Land Office and the accounting and disposition of state-owned real property.), Committee Report 1st House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would revise and reorganize Chapter 31 of the Natural Resources Code, relating to the asset management duties of the General Land Office (GLO). The bill would add the authority for GLO to charge fees for other services and products not specifically listed in Section 31.064, Natural Resources Code. The bill would require state agencies to report directly to the Texas Historical Commission buildings of a certain age rather than go through GLO to report the data.

The bill would exempt certain properties from review in the GLO real property study, including the real property of the Texas Historical Commission, the Alamo, the French Legation, the Governor's Mansion, the State Cemetery, and property administered by the State Preservation Board.

The bill would repeal Natural Resources Code 31.152, establishing an asset management division at the GLO. However, the agency would continue to perform the same or similar functions, which could be delegated to another division within the General Land Office. The bill would repeal the following subchapters in Chapter 31, Natural Resources Code: Subchapter F grants relating to improvements on leased property, and Subchapter I relating to real estate transactions not authorized by the Legislature.

This bill would take effect immediately upon enactment, assuming that it receives the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 582 Commission on Environmental Quality, 808 Historical Commission

LBB Staff: JK, CL, MS

FROM: John Keel, Director, Legislative Budget Board

IN RE: **HB2044** by McReynolds (Relating to the powers and duties of the General Land Office and the accounting and disposition of state-owned real property.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would revise and reorganize Chapter 31 of the Natural Resources Code, relating to the asset management duties of the General Land Office (GLO). The bill would add the authority for GLO to charge fees for other services and products not specifically listed in Section 31.064, Natural Resources Code. The bill would require state agencies to report directly to the Texas Historical Commission buildings of a certain age rather than go through GLO to report the data.

The bill would exempt certain properties from review in the GLO real property study, including the real property of the Texas Historical Commission, the Alamo, the French Legation, the Governor's Mansion, the State Cemetery, and property administered by the State Preservation Board.

The bill would repeal Natural Resources Code 31.152, establishing an asset management division at the GLO. However, the agency would continue to perform the same or similar functions, which could be delegated to another division within the General Land Office. The bill would repeal the following subchapters in Chapter 31, Natural Resources Code: Subchapter F grants relating to improvements on leased property, Subchapter H regarding the use of State Energy Resources, and Subchapter I relating to real estate transactions not authorized by the Legislature. However, the agency indicates that the repeal of Subchapter H is a drafting error, therefore no fiscal implications are estimated for the repeal of the in-kind gas program.

This bill would take effect immediately upon enactment, assuming that it receives the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect September 1, 2003

Local Government Impact

No fiscal implication to units of local government is anticipated. This assumes that, as indicated by the agency, the repeal of the in-kind gas program is a drafting error.

Source Agencies: 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 582 Commission on Environmental Quality, 808 Historical Commission

LBB Staff: JK, CL, MS

David Newkirk

President of the Senate

Jim Costello

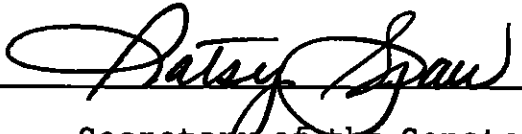
Speaker of the House

I certify that H.B. No. 2044 was passed by the House on May 6, 2003, by the following vote: Yeas 145, Nays 0, 1 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 2044 on May 29, 2003, 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. 2044 on June 1, 2003, by the following vote: Yeas 146, Nays 0, 2 present, not voting; and that the House adopted H.C.R. No. 294 authorizing certain corrections in H.B. No. 2044 on June 1, 2003, by a non-record vote.


Robert Haney

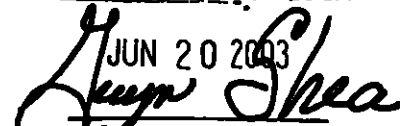
Chief Clerk of the House

I certify that H.B. No. 2044 was passed by the Senate, with amendments, on May 27, 2003, by the following vote: Yeas 31, Nays 0; 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. 2044 on June 1, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate adopted H.C.R. No. 294 authorizing certain corrections in H.B. No. 2044 on June 2, 2003, by a viva-voce vote.


Secretary of the Senate

APPROVED: 20 JUN '03

Date

Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
8:30 P.M. O'CLOCK
JUN 20 2003

Secretary of State