

BILL ANALYSIS

Senate Research Center
76R2667 MI-F

H.B. 1494
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Natural Resources
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Engrossed

DIGEST

The E.B. LaRue, Jr. Survey in Henderson County encompasses 29 acres. The surface rights to the land have been sold several times. The current landowner would like to develop the land, but is reluctant to do so because he does not own the mineral rights. Without mineral rights, the landowner could have homes or business which would be greatly disturbed or damaged by mineral mining. H.B. 1494 would authorize the School Land Board to sell mineral rights, except oil and gas, to the existing surface land owner of the E.B. LaRue, Jr. Survey in Henderson County.

PURPOSE

As proposed, H.B. 1494 authorizes limited rights to purchase certain permanent school fund minerals other than oil and gas in Henderson County.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Authorizes the School Land Board (board) to sell the minerals, other than oil and gas, dedicated to the permanent school fund under, in, or on either of certain tracts in Henderson County to a qualified applicant as provided by this Act if the board determines that the sale is in the best interest of the permanent school fund. Requires a person to be a natural person who meets certain criteria to qualify as an applicant. Requires the sale under this Act of minerals, other than oil and gas, to be at the fair market value of those minerals as determined by the board and on the terms and conditions the board determines to be in the best interest of the permanent school fund. Authorizes the board to retain up to a one-sixteenth free royalty interest in the minerals to protect the state's interests if the minerals are leased or developed at a later date. Requires the person applying to purchase minerals other than oil and gas under this Act to submit a written application to the board not later than the first anniversary of the effective date of this Act.

SECTION 2. Emergency clause.

Effective date: upon passage.