

BILL ANALYSIS

Senate Research Center
76R4307 SMH-D

S.B. 436
By: Nixon
Jurisprudence
3/3/1999
As Filed

DIGEST

Currently, a citizen may sign away the mineral rights to a property upon receiving a check accompanied with ambiguously worded correspondence. Some companies send a check with ambiguously worded correspondence to a resident whose mineral rights the companies wish to purchase. At times, some citizens, particularly senior citizens, may cash or deposit a check without the understanding that to do so may forfeit their mineral rights to the property. S.B. 436 requires an instruments of conveyance to contain certain conspicuous statements regarding mineral rights. S.B. 436 also requires the rights to be rescinded if the statement was not included in the letter or if the mineral rights holder is over 65 years.

PURPOSE

As proposed, S.B. 436 requires a disclosure to be included in certain offers by mail to purchase mineral interests.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 5, Property Code, by adding Subchapter F, as follows:

SUBCHAPTER F. REQUIREMENTS FOR CONVEYANCES OF MINERAL INTERESTS

Sec. 5.151. DISCLOSURE IN OFFER BY MAIL TO PURCHASE MINERAL INTEREST. Requires a person who mails an offer to purchase a mineral interest to include in the offer an instrument of conveyance with a certain conspicuous statement regarding the ownership of mineral interests. Sets forth required language for the instrument of conveyance. Authorizes a person who conveys a mineral interest to rescind the instrument of conveyance if the purchase did not give the requisite notice and the person who executed the document was at least 65 years of age.

SECTION 2. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 3. Emergency clause.