

BILL ANALYSIS

Senate Research Center
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S.B. 60
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Intergovernmental Relations
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Constitution governs a county's management and disposition of public school land held in trust for the county permanent school fund and the county available school fund. The commissioners court of a county which maintains such a trust is currently authorized to sell the land, establish an irrevocable trust for the proceeds of the sale, and invest the principal of a trust in any investment permitted for other county funds under the Public Funds Investment Act. The commissioners court is required to be the sole trustee, and as such the commissioners court is prohibited from delegating the authority to manage or invest money in the fund.

The commissioners court of Webb County is interested in the developing land held in trust for the school districts within the county, but as the law currently stands the commissioners court could not recover development expenses even if the venture was successful. S.B. 60 as filed authorizes the commissioners court of Webb County to recover expenses from a profitable venture involving land held in trust for a school district if the school within the county agrees to the arrangement. S.J.R. 6 is the corresponding constitutional amendment for the enabling of legislation S.B. 60.

As proposed, S.B. 60 amends current law relating to disposition of proceeds from the development or sale of the rights to natural resources or minerals in land held by Webb County for the county permanent school fund.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter E, Chapter 45, Education Code, by adding Section 45.114, as follows:

Sec. 45.114. DEVELOPMENT OR SALE OF RIGHTS TO NATURAL RESOURCES OR MINERALS IN LAND HELD FOR COUNTY PERMANENT SCHOOL FUND BY WEBB COUNTY. Authorizes the Commissioner's Court of Webb County, notwithstanding former Subchapter E, Chapter 17, as that subchapter existed on May 1, 1995, to:

- (1) develop or sell the rights to natural resources or minerals in lands held in trust by Webb County under Section 6 (County School Lands; Proceeds of Sales; Investment; Available School Fund), Article VII (Education), Texas Constitution; and
- (2) enter into an agreement described by Section 6(b)(2), Article VII, Texas Constitution. [Section 6(b)(2) is a provision of S.J.R. 6, 82nd Legislature, 2011.]

SECTION 2. Effective date: December 1, 2011, contingent upon approval by the voters of the constitutional amendment relating to authorizing Webb County to obtain proceeds of the county permanent school fund and recover from proceeds of the country permanent school fund

expenses incurred by the county in a transaction to develop or sell rights to natural resources or minerals in county permanent school fund property and distribute the proceeds remaining after reimbursement to school districts for which the property is held in trust.