

BILL ANALYSIS

Senate Research Center
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S.J.R. 6
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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 developing land held in trust for the school districts within that 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 district within the county agrees to the arrangement. S.J.R. 6 is the corresponding constitutional amendment for the enabling legislation S.B. 60.

As proposed, S.J.R. 6 proposes a constitutional amendment relating to the 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 Section 6, Article VII, Texas Constitution, as follows:

Sec. 6. (a) Creates this subsection from existing text. Provides that all lands heretofore, or hereafter granted to the several counties of this State for educational purposes, are of right the property of said counties respectively, to which they were granted, and title thereto is vested in said counties, and no adverse possession or limitation shall ever be available against the title of any county. Authorizes each county to sell or dispose of its lands in whole or in part, in manner to be provided by the Commissioners Court of the county. Requires that said lands, and, except as provided by Subsection (b) of this section, the proceeds thereof, when sold, be held by said counties alone as a trust for the benefit of public schools therein; that said proceeds be invested in bonds of the United States, the State of Texas, or counties in said State, or in such other securities, and under such restrictions as may be prescribed by law; and that the counties be responsible for all investments; that the interest thereon, and other revenue, except the principal, be available fund.

(b) Authorizes Webb County to:

(1) develop or sell the rights to natural resources or minerals in lands held in trust by Webb County under this section; and

(2) enter into an agreement with the school districts for which the lands are held in trust that allows Webb County to:

(A) obtain from the proceeds of a disposition under Subdivision (1) of this subsection reimbursement of reasonable and necessary expenses incurred by Webb County in connection with the disposition; and

(B) distribute the proceeds remaining after reimbursement under Paragraph (A) of this subdivision to each school district for which the lands are held in trust according to each school district's scholastic population.

SECTION 2. Requires that this proposed constitutional amendment be submitted to the voters at an election to be held November 8, 2011. Sets forth the required language of the ballot.