

1-1 By: Perry S.B. No. 907
 1-2 (In the Senate - Filed March 3, 2015; March 9, 2015, read
 1-3 first time and referred to Committee on Higher Education;
 1-4 March 23, 2015, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 6, Nays 0; March 23, 2015,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Seliger	X			
1-9 West	X			
1-10 Bettencourt			X	
1-11 Burton	X			
1-12 Menéndez	X			
1-13 Perry	X			
1-14 Watson	X			

1-16 COMMITTEE SUBSTITUTE FOR S.B. No. 907 By: West

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the powers and duties of the board of regents of the
 1-20 Texas Tech University System and to workers' compensation coverage
 1-21 for employees of the system's components.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. The heading to Subchapter A, Chapter 109,
 1-24 Education Code, is amended to read as follows:

1-25 SUBCHAPTER A. GENERAL AND ADMINISTRATIVE PROVISIONS

1-26 SECTION 2. Section 109.001, Education Code, is amended by
 1-27 adding Subsection (d) to read as follows:

1-28 (d) The board of regents of the Texas Tech University System
 1-29 may accept, retain in depositories of its choosing, and administer,
 1-30 on terms and conditions acceptable to the board, gifts, grants, or
 1-31 donations of any kind, from any source, for use by the system or any
 1-32 of the component institutions of the system.

1-33 SECTION 3. Sections 109.21, 109.22, and 109.23, Education
 1-34 Code, are transferred to Subchapter A, Chapter 109, Education Code,
 1-35 redesignated as Sections 109.002, 109.003, and 109.004, Education
 1-36 Code, and amended to read as follows:

1-37 Sec. 109.002 [109.21]. BOARD OF REGENTS. The government,
 1-38 control, and direction of the policies of the university system and
 1-39 the component institutions are vested in a board of nine regents,
 1-40 who shall be appointed by the governor with the advice and consent
 1-41 of the senate.

1-42 Sec. 109.003 [109.22]. BOARD MEMBERS: TERMS, VACANCIES.
 1-43 Members of the board will [~~Except for the initial appointees,~~
 1-44 ~~members~~] hold office for staggered [of] terms of six years, with the
 1-45 terms of three members expiring on January 31 of odd-numbered
 1-46 years. [In making the initial appointments, the governor shall
 1-47 ~~designate three for terms expiring in 1971, three for terms~~
 1-48 ~~expiring in 1973, and three for terms expiring in 1975.]~~ Any
 1-49 vacancy shall be filled for the unexpired portion of the term by
 1-50 appointment by the governor with the advice and consent of the
 1-51 senate.

1-52 Sec. 109.004 [109.23]. CHIEF EXECUTIVE OFFICER:
 1-53 SELECTION, DUTIES. The board shall appoint [~~provide~~] a chief
 1-54 executive officer, who shall devote the officer's [~~his~~] attention
 1-55 to the executive management of the university system and who shall
 1-56 be directly accountable to the board for the conduct of the
 1-57 university system. The board, when required by law to be the
 1-58 governing body of any other state educational institution or
 1-59 facility, shall also direct the chief executive officer to be
 1-60 directly responsible for the executive management of that other
 1-61 institution or facility.

2-1 SECTION 4. The heading to Subchapter B, Chapter 109,
2-2 Education Code, is amended to read as follows:

2-3 SUBCHAPTER B. POWERS AND DUTIES [~~ADMINISTRATIVE PROVISIONS~~]

2-4 SECTION 5. Sections 109.41, 109.42, 109.48, and 109.54,
2-5 Education Code, are transferred to Subchapter B, Chapter 109,
2-6 Education Code, redesignated as Sections 109.051, 109.052,
2-7 109.053, and 109.054, Education Code, and amended to read as
2-8 follows:

2-9 Sec. 109.051 [~~109.41~~]. EMINENT DOMAIN. The board of
2-10 regents has the power of eminent domain to acquire land needed to
2-11 carry out the purposes of the university system and the component
2-12 institutions.

2-13 Sec. 109.052 [~~109.42~~]. RESIDENCES FOR CHANCELLOR AND
2-14 PRESIDENTS [~~RESIDENCE FOR PRESIDENT~~]. The board may purchase a
2-15 house or may purchase land and construct a house suitable for the
2-16 residence of the chancellor of the university system or a president
2-17 of a component [~~the~~] university.

2-18 Sec. 109.053 [~~109.48~~]. UTILITIES EASEMENTS. On terms,
2-19 conditions, stipulations, and compensation as determined by the
2-20 board, the board may convey, dedicate, or use any other appropriate
2-21 method of conveyance to grant, convey, or dedicate rights, title,
2-22 rights-of-way, or easements involving or in connection with the
2-23 furnishing or providing of electricity, water, sewage disposal,
2-24 natural gas, telephone, telegraph, or other utility service on,
2-25 over, or through the campuses [~~campus~~] of the Texas Tech University
2-26 System and the component institutions [~~in Lubbock County~~]. The
2-27 chairman of the board may execute and deliver conveyances or
2-28 dedications on behalf of the university system and the component
2-29 institutions [~~Texas Tech University~~].

2-30 Sec. 109.054 [~~109.54~~]. MANAGEMENT OF LANDS. The board has
2-31 the sole and exclusive management and control of lands set aside and
2-32 appropriated to or acquired by the institutions under its
2-33 governance. The board may lease, sell, exchange, acquire, dispose
2-34 of, and otherwise manage, control, and use the lands in any manner
2-35 and at prices and under terms and conditions the board deems best
2-36 for the interest of the institutions. However, the board may not
2-37 sell any of the original main campus of Texas Tech University
2-38 located in Lubbock, Lubbock County, unless the sale is approved by
2-39 act of the legislature. No grazing lease shall be made for a period
2-40 of more than five years.

2-41 SECTION 6. The heading to Subchapter C, Chapter 109,
2-42 Education Code, is amended to read as follows:

2-43 SUBCHAPTER C. TEXAS TECH UNIVERSITY [~~POWERS AND DUTIES~~]

2-44 SECTION 7. Section 109.01, Education Code, is transferred
2-45 to Subchapter C, Chapter 109, Education Code, and redesignated as
2-46 Section 109.101, Education Code, to read as follows:

2-47 Sec. 109.101 [~~109.01~~]. TEXAS TECH UNIVERSITY. Texas Tech
2-48 University is a coeducational institution of higher education
2-49 located in the city of Lubbock.

2-50 SECTION 8. Sections 109.43, 109.45, and 109.52, Education
2-51 Code, are redesignated as Sections 109.102, 109.103, and 109.104,
2-52 Education Code, and amended to read as follows:

2-53 Sec. 109.102 [~~109.43~~]. DORMITORIES: RULES AND
2-54 REGULATIONS. The board may adopt rules and regulations it deems
2-55 advisable requiring any class or classes of students to reside in
2-56 university dormitories or other buildings.

2-57 Sec. 109.103 [~~109.45~~]. [CITY] MUSEUM. (a) The board may
2-58 establish [~~rent, lease, or convey, for a sum of money to be~~
2-59 ~~determined by the board, a part of the campus, not to exceed four~~
2-60 ~~acres, to the city of Lubbock for the sole purpose of building, with~~
2-61 ~~bonds or current city taxes, and maintaining with city tax money,~~] a
2-62 history, science, and art museum.

2-63 (b) The board may provide [~~rent or lease~~] a building or any
2-64 part of a building [~~on the parcel of land to the city of Lubbock~~] for
2-65 the sole purpose of maintaining a history, science, and art museum
2-66 [~~for a sum of money to be determined by the board~~].

2-67 [~~(c) The board may dedicate for public use a street or~~
2-68 ~~streets leading to and connecting the parcel of land and building~~
2-69 ~~and to provide ingress and egress to and from a public highway and~~

3-1 ~~to and from adjacent parking lots.~~

3-2 ~~[(d) The board, at its discretion, may contract with the~~
 3-3 ~~city of Lubbock for the staffing, operation, and maintenance of a~~
 3-4 ~~history and art museum with funds provided by the city of Lubbock.~~

3-5 ~~[(e) The board may enter into contracts and agreements which~~
 3-6 ~~are necessary and proper for carrying out the provisions of this~~
 3-7 ~~section, provided that no expenditure of money by the board shall be~~
 3-8 ~~made except as may be appropriated by the legislature.]~~

3-9 Sec. 109.104 [~~109.52~~]. DONATIONS, GIFTS, GRANTS, AND
 3-10 ENDOWMENTS. The board may accept donations, gifts, grants, and
 3-11 endowments for Texas Tech University to be held for the benefit of
 3-12 the institution [~~in trust~~] and administered by the board.

3-13 SECTION 9. Subchapter D, Chapter 109, Education Code, is
 3-14 amended to read as follows:

3-15 SUBCHAPTER D. MINERAL DEVELOPMENT IN UNIVERSITY LAND

3-16 Sec. 109.151 [~~109.61~~]. MINERAL LEASES; DISPOSITION OF
 3-17 PROCEEDS. (a) The board may lease for oil, gas, sulphur, or other
 3-18 mineral development to the highest bidder at public auction all or
 3-19 part of the lands under the exclusive control of the board owned by
 3-20 the State of Texas and acquired for the use of Texas Tech University
 3-21 and its divisions.

3-22 (b) Any money received by virtue of this section shall be
 3-23 deposited in a special fund managed by the board to be known as the
 3-24 Texas Tech University special mineral fund. Money in the fund is
 3-25 considered to be institutional funds, as defined by Section 51.009,
 3-26 of the university and is to be used exclusively for the university
 3-27 [~~and its branches and divisions~~]. All deposits in and investments
 3-28 of the fund shall be made in accordance with Section 51.0031.
 3-29 Section 34.017, Natural Resources Code, does not apply to the fund.

3-30 Sec. 109.152 [~~109.62~~]. MAJORITY OF BOARD TO ACT. A
 3-31 majority of the board has power to act in all cases under this
 3-32 subchapter except as otherwise provided in this subchapter.

3-33 Sec. 109.153 [~~109.63~~]. SUBDIVISION OF LAND; TITLES.
 3-34 (a) The board may have the lands surveyed or subdivided into
 3-35 tracts, lots, or blocks which, in its [~~their~~] judgment, will be most
 3-36 conducive and convenient to an advantageous sale or lease of oil,
 3-37 gas, sulphur, or other minerals in and under and that may be
 3-38 produced from the lands; and the board may make maps and plats which
 3-39 it deems necessary to carry out the purposes of this subchapter.

3-40 (b) The board may obtain authentic abstracts of title to the
 3-41 lands from time to time as it deems necessary and may take necessary
 3-42 steps to perfect a merchantable title to the lands.

3-43 Sec. 109.154 [~~109.64~~]. SALE OF LEASES; ADVERTISEMENTS;
 3-44 PAYMENTS. (a) Whenever in the opinion of the board there is a
 3-45 demand for the purchase of oil, gas, sulphur, or other mineral
 3-46 leases on any tract or part of any tract of land which can be [~~will~~]
 3-47 reasonably expected to result in [~~insure~~] an advantageous sale, the
 3-48 board shall place the oil, gas, sulphur, or other mineral leases on
 3-49 the land on the market in a tract or tracts, or any part of a tract,
 3-50 which the board may designate.

3-51 (b) The board shall have advertised a brief description of
 3-52 the land from which the oil, gas, sulphur, or other minerals is
 3-53 proposed to be leased. The advertisement shall be made by
 3-54 publishing [~~inserting~~] in two or more papers of general circulation
 3-55 in this state, and in addition, the board may, in its discretion,
 3-56 cause the advertisement to be placed in an oil and gas journal
 3-57 published in and out of the state. The board may also mail copies of
 3-58 the proposals to the county judge of the county where the lands are
 3-59 located and to other persons the board believes would be
 3-60 interested.

3-61 (c) The board may sell the lease or leases to the highest
 3-62 bidder at public auction [~~at the university in Lubbock at any hour~~
 3-63 ~~between 10 a. m. and 5 p. m.~~].

3-64 (d) The highest bidder shall pay to the board on the day of
 3-65 the sale 25 percent of the bonus bid, and the balance of the bid
 3-66 shall be paid within 24 hours after the bidder is notified that the
 3-67 bid has been accepted. Payments shall be made in cash, certified
 3-68 check, [~~or~~] cashier's check, or electronic payment, as the board
 3-69 directs. The failure of the bidder to pay the balance of the amount

4-1 bid will forfeit to the board the 25 percent of the bonus bid paid.

4-2 Sec. 109.155 [~~109.65~~]. SEPARATE BIDS; MINIMUM ROYALTY;
4-3 DELAY RENTAL. (a) A separate bid shall be made for each tract or
4-4 subdivision of a tract.

4-5 (b) No bid shall be accepted which offers a royalty of less
4-6 than one-eighth of the gross production of oil, gas, sulphur, and
4-7 other minerals in the land bid upon. The board may increase ~~[, and]~~
4-8 this minimum royalty ~~[may be increased]~~ at the discretion of the
4-9 board.

4-10 (c) Every bid shall carry the obligation to pay an amount
4-11 not less than \$5 [~~\$1~~] per acre for delay in drilling or development.
4-12 The amount shall be fixed by the board in advance of the
4-13 advertisement. The delay rental ~~[amount fixed]~~ shall be paid every
4-14 year for five years unless in the meantime production in paying
4-15 quantities is had upon the land or the land is released by the
4-16 lessee.

4-17 Sec. 109.156 [~~109.66~~]. REJECTION OF BIDS; WITHDRAWAL OF
4-18 LAND. The board may reject any and all bids and may withdraw any
4-19 land advertised for lease.

4-20 Sec. 109.157 [~~109.67~~]. ACCEPTANCE; CONDITIONS AND
4-21 PROVISIONS OF LEASE. (a) If, in the opinion of the board, ~~[any one~~
4-22 ~~of]~~ the highest bidder ~~[bidders]~~ has offered a reasonable and
4-23 proper price for any tract, which is not less than the price set by
4-24 the board, the lands advertised may be leased for oil, gas, sulphur,
4-25 and other mineral purposes under the terms of this section and
4-26 subject to regulations prescribed by the board which are not
4-27 inconsistent with the provisions of this section. In the event no
4-28 bid is accepted by the board at public auction, any subsequent
4-29 procedure for the sale of the leases shall be in the manner
4-30 prescribed in the preceding sections.

4-31 (b) No lease shall be made by the board which will permit the
4-32 drilling or mining for oil, gas, sulphur, or other minerals within
4-33 500 [~~300~~] feet of any building or structure on the land without the
4-34 consent of the board. In making any lease on any experimental
4-35 station or farm, the lease shall provide that the operations for
4-36 oil, gas, and other minerals shall not in any way interfere with use
4-37 of the land for university purposes and shall not cause the
4-38 abandonment of the property or its use for experimental farm
4-39 purposes. The lease shall also provide that the lessee operating
4-40 the property shall drill and carry on the lessee's ~~[his]~~ operations
4-41 in such a way as not to interfere with uses ~~[cause the abandonment]~~
4-42 of the property for university purposes, and the leased property
4-43 shall be subject to the use by the state for all university
4-44 purposes ~~[, and the board shall continue to operate the university]~~.

4-45 Sec. 109.158 [~~109.68~~]. ACCEPTANCE AND FILING OF BIDS;
4-46 ~~[YEARLY PAYMENTS,]~~ TERMINATION OF LEASE. (a) If the board
4-47 determines that a satisfactory bid has been received for the oil,
4-48 gas, sulphur, or other mineral lands, it shall accept the bid and
4-49 reject all others and shall file the accepted bid in the general
4-50 land office.

4-51 (b) ~~[Whenever the royalties shall amount to as much as the~~
4-52 ~~yearly payments fixed by the board, the yearly payments may be~~
4-53 ~~discontinued.~~

4-54 ~~[(c)]~~ If before the expiration of five years oil, gas,
4-55 sulphur, or other minerals have not been produced in paying
4-56 quantities, the lease shall terminate unless extended as provided
4-57 in Sections 109.160 [~~109.70~~] and 109.161 [~~109.71 of this code~~].

4-58 Sec. 109.159 [~~109.69~~]. AWARD AND FILING OF LEASE. If the
4-59 board determines that a satisfactory bid has been received for the
4-60 oil, gas, sulphur, or other minerals, it shall make an award to the
4-61 bidder offering the highest price, and a lease shall be filed in the
4-62 general land office.

4-63 Sec. 109.160 [~~109.70~~]. EXPLORATORY TERM OF LEASE;
4-64 EXTENSION; OTHER PROVISIONS. (a) The exploratory term of a lease
4-65 as determined by the board prior to the promulgation of the
4-66 advertisement shall not exceed five years, and each lease shall
4-67 provide that the lease will terminate at the expiration of its
4-68 exploratory term unless by unanimous vote of the board the lease is
4-69 extended for a period not to exceed ~~[of]~~ three years.

5-1 (b) ~~[The lease may be extended if the board finds that there~~
 5-2 ~~is a likelihood of oil, gas, sulphur, or other minerals being~~
 5-3 ~~discovered by the lessees, and that the lessees have proceeded with~~
 5-4 ~~diligence to protect the interest of the state.]~~ If oil, gas,
 5-5 sulphur, or other minerals are being produced in paying quantities
 5-6 from the premises, the lease shall continue in force and effect as
 5-7 long as the oil, gas, sulphur, or other minerals are being so
 5-8 produced. No extension may be made by the board until the last 30
 5-9 days of the original term of the lease.

5-10 (c) The lease shall include additional provisions and
 5-11 regulations prescribed by the board to preserve the interest of the
 5-12 state, not inconsistent with the provisions of this subchapter.

5-13 Sec. 109.161 [~~109.71~~]. EXTENSION OF LEASES. When in the
 5-14 discretion of the board it is deemed for the best interest of the
 5-15 state to extend a lease issued by the board, the board may by
 5-16 unanimous vote extend the lease for a period not to exceed three
 5-17 years, on the condition that the lessee shall continue to pay yearly
 5-18 rental as provided in the lease and shall comply with any additional
 5-19 terms ~~[which]~~ the board requires ~~[may see fit and proper to demand]~~.
 5-20 The board may extend the lease and execute an extension agreement.

5-21 Sec. 109.162 [~~109.72~~]. CONTROL OF DRILLING AND PRODUCTION.
 5-22 The drilling for and the production of oil, gas, and other minerals
 5-23 from the lands shall be governed and controlled by the Railroad
 5-24 Commission of Texas and other applicable regulatory bodies which
 5-25 govern and control other fields in this state.

5-26 Sec. 109.163 [~~109.73~~]. DRILLING OPERATIONS: SUSPENSION OF
 5-27 RENT; CONTINUANCE OF LEASE; DUTY TO PREVENT DRAINAGE. (a) If
 5-28 during the term of a lease issued under the provisions of this
 5-29 subchapter the lessee is engaged in actual drilling operations for
 5-30 the discovery of oil, gas, sulphur, or other minerals, no rentals
 5-31 shall be payable as to the tract on which the operations are being
 5-32 conducted as long as the operations are proceeding in a good and
 5-33 workmanlike manner in a good faith attempt to produce oil, gas,
 5-34 sulphur, or other minerals from the well ~~[faith]~~.

5-35 (b) In the event oil, gas, sulphur, or other minerals are
 5-36 discovered in paying quantities on any tract of land covered by a
 5-37 lease, then the lease as to that tract shall remain in force as long
 5-38 as oil, gas, sulphur, or other minerals are produced in paying
 5-39 quantities from the tract.

5-40 (c) In the event of the discovery of oil, gas, sulphur, or
 5-41 other minerals on any tract covered by a lease or on any land
 5-42 adjoining the tract, the lessee shall conduct such operations as
 5-43 may be necessary to prevent drainage from the tract covered by the
 5-44 lease to properly develop the same to the extent that a reasonably
 5-45 prudent individual ~~[man]~~ would do under the same and similar
 5-46 circumstances.

5-47 Sec. 109.164 [~~109.74~~]. TITLE TO RIGHTS PURCHASED;
 5-48 ASSIGNMENT; RELINQUISHMENT. (a) Title to all rights purchased
 5-49 may be held by the lessee ~~[owners]~~ as long as the area produces oil,
 5-50 gas, sulphur, or other minerals in paying quantities.

5-51 (b) All rights purchased may be assigned. All assignments
 5-52 shall be filed in the general land office as prescribed by rule,
 5-53 accompanied by 10 cents per acre for each acre assigned and the
 5-54 filing fee as prescribed by rule. An assignment shall not be
 5-55 effective unless filed as required by rule.

5-56 (c) All rights to all or any part of a leased tract may be
 5-57 released to the state at any time by recording a release instrument
 5-58 in the county or counties in which the tract is located. Releases
 5-59 shall also be filed with the chairman of the board and the general
 5-60 land office, accompanied by the filing fee prescribed by rule. A
 5-61 release shall not relieve the lessee ~~[owner]~~ of any obligations or
 5-62 liabilities incurred prior to the release.

5-63 (d) The board shall authorize any required infrastructure,
 5-64 including ~~[the laying of pipeline and telephone line and]~~ the
 5-65 opening of roads deemed reasonably necessary in carrying out the
 5-66 purposes of this subchapter.

5-67 Sec. 109.165 [~~109.75~~]. PAYMENT OF ROYALTIES; RECORDS;
 5-68 REPORT OF RECEIPTS. (a) If oil, gas, or other minerals are
 5-69 developed on any of the lands leased by the board, the royalty as

6-1 stipulated in the sale shall be paid to the general land office in
 6-2 Austin on or before the last day of each month for the preceding
 6-3 month during the life of the rights purchased. The royalty payments
 6-4 shall be set aside as specified in Section 109.151 [~~109.61~~] and used
 6-5 as provided in that section.

6-6 (b) The royalty paid to the general land office shall be
 6-7 accompanied by the sworn statement of the lessee [~~owner~~], manager,
 6-8 or other authorized agent showing the gross amount of oil, gas,
 6-9 sulphur, or other minerals produced and sold off the premises and
 6-10 the market value of the minerals, together with a copy of all daily
 6-11 gauges, or vats, tanks, gas meter readings, pipeline receipts, gas
 6-12 line receipts, and other checks and memoranda of the amounts
 6-13 produced and put into pipelines, vats, tanks, or pool and gas lines
 6-14 or gas storage. The books and accounts, receipts and discharges of
 6-15 all wells, tanks, vats, pools, meters, and pipelines, and all
 6-16 contracts and other records pertaining to the production,
 6-17 transportation, sale, and marketing of the oil, gas, sulphur, or
 6-18 other minerals shall at all times be subject to inspection and
 6-19 examination by any member of the board or any duly authorized
 6-20 representative of the board.

6-21 (c) The commissioner of the general land office shall tender
 6-22 to the board on or before the 10th day of each month a report of all
 6-23 receipts that are collected from the lease or sale of oil, gas,
 6-24 sulphur, or other minerals and that are deposited in the special
 6-25 fund as provided by Section 109.151 [~~109.61~~] during the preceding
 6-26 month.

6-27 Sec. 109.166 [~~109.76~~]. PROTECTION FROM DRAINAGE;
 6-28 FORFEITURE OF RIGHTS. (a) In every case where the area in which
 6-29 oil, gas, sulphur, or other minerals sold is contiguous or adjacent
 6-30 to lands which are not lands belonging to and held by the
 6-31 university, the acceptance of the bid and the sale made thereby
 6-32 shall constitute an obligation of the lessee [~~owner~~] to adequately
 6-33 protect the land leased from drainage from the adjacent lands to the
 6-34 extent that a reasonably prudent operator would do under the same
 6-35 and similar circumstances.

6-36 (b) In cases where the area in which the oil, gas, sulphur,
 6-37 or other minerals sold is contiguous to other lands belonging to and
 6-38 held by the university which have been leased or sold at a lesser
 6-39 royalty, the lessee [~~owner~~] shall protect the land from drainage
 6-40 from the lands leased or sold for a lesser royalty.

6-41 (c) On failure to protect the land from drainage as provided
 6-42 in this section, the sale and all rights acquired may be forfeited
 6-43 by the board in the manner provided in Section 109.167 [~~109.77 of~~
 6-44 ~~this code~~] for forfeitures.

6-45 Sec. 109.167 [~~109.77~~]. FORFEITURE AND OTHER REMEDIES;
 6-46 LIENS. (a) Leases granted under the provisions of this chapter
 6-47 are subject to forfeiture by the board by an order entered in the
 6-48 minutes of the board reciting the acts or omissions constituting a
 6-49 default and declaring a forfeiture.

6-50 (b) Any of the following acts or omissions constitutes a
 6-51 default:

6-52 (1) the failure or refusal by the lessee [~~owner~~] of the
 6-53 rights acquired under this chapter to make a payment of a sum due,
 6-54 either as rental or royalty on production, within 30 days after the
 6-55 payment becomes due;

6-56 (2) the making of a false return or false report
 6-57 concerning production, royalty, drilling, or mining by the lessee
 6-58 [~~owner~~] or the lessee's [~~his~~] authorized agent;

6-59 (3) the failure or refusal of the lessee [~~owner~~] or the
 6-60 lessee's [~~his~~] agent to drill an offset well or wells in good faith,
 6-61 as required by the lease;

6-62 (4) the refusal of the lessee [~~owner~~] or the lessee's
 6-63 [~~his~~] agent to allow the proper authorities access to the records
 6-64 and other data pertaining to the operations authorized in this
 6-65 subchapter;

6-66 (5) the failure or refusal of the lessee [~~owner~~] or the
 6-67 lessee's [~~his~~] authorized agent to give correct information to the
 6-68 proper authorities, or to furnish the log of any well within 30 days
 6-69 after production is found in paying quantities; or

7-1 (6) the violation by the lessee [~~owner~~] of any
7-2 material term of the lease.

7-3 (c) The board may, if it so desires, have suit for
7-4 forfeiture instituted through the attorney general.

7-5 (d) On proper showing by the forfeiting lessee [~~owner~~]
7-6 within 30 days after the declaration of forfeiture, the lease may be
7-7 reinstated at the discretion of the board and upon terms prescribed
7-8 by the board.

7-9 (e) In case of violation by the lessee [~~owner~~] of the lease
7-10 contract, the remedy of forfeiture shall not be the exclusive
7-11 remedy, and the state may institute suit for damages or specific
7-12 performance or both.

7-13 (f) The state shall have a first lien on oil, gas, sulphur,
7-14 or other minerals produced or that may be produced in the leased
7-15 area, and on all rigs, tanks, vats, pipelines, telephone lines, and
7-16 machinery and appliances used in the production and handling of
7-17 oil, gas, sulphur, or other minerals produced, to secure the amount
7-18 due from the lessee [~~owner of the lease~~].

7-19 Sec. 109.168 [~~109.78~~]. FILING OF DOCUMENTS AND PAYMENT OF
7-20 ROYALTIES, FEES, AND RENTALS. (a) All surveys, files, copies of
7-21 sale and lease contracts, and other records pertaining to the sales
7-22 and leases authorized in this subchapter shall be filed in the
7-23 general land office and shall constitute archives.

7-24 (b) Payment of all royalties, lease fees, rentals for delay
7-25 in drilling or mining, filing fees for assignments and
7-26 relinquishments, and all other payments shall be made to the
7-27 commissioner of the general land office at Austin. The
7-28 commissioner shall transmit all payments received to the board for
7-29 deposit to the credit of the Texas Tech University special mineral
7-30 fund as provided by Section 109.151 [~~109.61~~].

7-31 Sec. 109.169 [~~109.79~~]. FORMS, REGULATIONS, RULES, AND
7-32 CONTRACTS. The board shall adopt proper forms, regulations, rules,
7-33 and contracts which, in its judgment, will protect the income from
7-34 lands leased pursuant to this subchapter.

7-35 Sec. 109.170 [~~109.80~~]. MANAGEMENT OF SURFACE AND MINERAL
7-36 ESTATES. (a) The board may lease for oil, gas, sulphur, ore,
7-37 water, and other mineral development all land under its exclusive
7-38 control for the use of the university. The board may make and enter
7-39 into pooling agreements, division orders, or other contracts
7-40 necessary in the management and development of its land.

7-41 (b) All leases, pooling agreements, division orders, or
7-42 other contracts entered into by the board shall be on terms that the
7-43 board considers in the best interest of the university. The board
7-44 may not sell a lease for less than the royalty and rental terms
7-45 demanded at that time by the General Land Office in connection with
7-46 the sale of oil, gas, and other mineral leases of the public lands
7-47 of this state.

7-48 (c) All money received under the leases and contracts
7-49 executed for the management and development of the land, except
7-50 revenue pledged to the payment of revenue bonds or notes, shall be
7-51 deposited to the credit of a special fund created by the board. The
7-52 board shall designate a depository for the special fund and protect
7-53 the money deposited in it by the pledging of assets of the
7-54 depository in the same manner as is required for the protection of
7-55 public funds. Money deposited in the special fund may be used by
7-56 the board for the administration of the university, for payment of
7-57 principal of and interest on revenue bonds or notes issued by the
7-58 board, and for any other purpose that in the judgment of the board
7-59 may be for the good of the university.

7-60 SECTION 10. Sections 110.01, 110.02, 110.11, and 110.32,
7-61 Education Code, are amended to read as follows:

7-62 Sec. 110.01. TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER;
7-63 SEPARATE INSTITUTION. Texas Tech University Health Sciences Center
7-64 is a separate institution and not a department, school, or branch of
7-65 Texas Tech University but is under the direction, management, and
7-66 control of the Texas Tech University System Board of Regents. The
7-67 center is composed of a medical school and other components
7-68 assigned by law or by the coordinating board.

7-69 Sec. 110.02. CONCURRENT [~~AND SEPARATE~~] POWERS. The board

8-1 of regents has the same powers of governance, control,
8-2 jurisdiction, and management [~~direction, management, and control~~]
8-3 over the Health Sciences Center as it exercises [~~they exercise~~]
8-4 over Texas Tech University System and its components. [~~However,~~
8-5 ~~the board shall act separately and independently on all matters~~
8-6 ~~affecting the Health Sciences Center as a separate institution.~~]

8-7 Sec. 110.11. MEDICAL SCHOOL ADMISSION POLICIES. The board
8-8 of regents [~~Board of Regents~~] shall promulgate appropriate rules
8-9 and regulations pertaining to the admission of students to the
8-10 medical school [~~which will provide for admission of those students~~
8-11 ~~to its entering class each year who are equally or as well qualified~~
8-12 ~~as all other students and who have entered a contract with or~~
8-13 ~~received a commitment for a stipend, grant, loan or scholarship~~
8-14 ~~from the State Rural Medical Education Board. The State Rural~~
8-15 ~~Medical Education Board may contract with medical students~~
8-16 ~~providing for such students to engage in a general or family~~
8-17 ~~practice of medicine for not less than four years after licensing~~
8-18 ~~and a period of medical residency, as determined by the rules and~~
8-19 ~~regulations established by the State Rural Medical Education Board,~~
8-20 ~~in cities of Texas which have a population of less than 5,000 or in~~
8-21 ~~rural areas, as that term may be defined by the State Rural Medical~~
8-22 ~~Education Board, and said Board is hereby given the authority to~~
8-23 ~~define and from time to time redefine the term rural area, at the~~
8-24 ~~time the medical practice is commenced. This contract shall~~
8-25 ~~provide for a monthly stipend of at least \$100 to be granted by the~~
8-26 ~~State Rural Medical Education Board to each person under contract~~
8-27 ~~with the State while enrolled as a medical school student].~~

8-28 Sec. 110.32. CONCURRENT POWERS. The board of regents has
8-29 the same powers of governance, control, jurisdiction, and
8-30 management [~~direction, management, and control~~] over the Texas Tech
8-31 University Health Sciences Center at El Paso as the board of regents
8-32 exercises over the other component institutions of the Texas Tech
8-33 University System.

8-34 SECTION 11. The heading to Section 501.022, Labor Code, is
8-35 amended to read as follows:

8-36 Sec. 501.022. EMPLOYEES OF COMPONENT INSTITUTIONS OR SYSTEM
8-37 ADMINISTRATION OF TEXAS TECH UNIVERSITY SYSTEM.

8-38 SECTION 12. Section 501.022, Labor Code, is amended by
8-39 amending Subsection (a) and adding Subsections (e) and (f) to read
8-40 as follows:

8-41 (a) An eligible employee of Texas Tech University, Texas
8-42 Tech University Health Sciences Center, Angelo State University,
8-43 Texas Tech University System Administration, Texas Tech University
8-44 Health Sciences Center at El Paso, or another agency under the
8-45 direction and control of the board of regents of Texas Tech
8-46 University System is entitled to participate in the workers'
8-47 compensation program for state employees provided under this
8-48 chapter.

8-49 (e) For purposes of this chapter, Texas Tech University
8-50 System Administration is a state agency and shall act in the
8-51 capacity of employer.

8-52 (f) For purposes of this chapter, Texas Tech University
8-53 Health Sciences Center at El Paso is a state agency and shall act in
8-54 the capacity of employer.

8-55 SECTION 13. The following provisions of the Education Code
8-56 are repealed:

- 8-57 (1) Section 109.44;
- 8-58 (2) Section 109.46;
- 8-59 (3) Section 109.47;
- 8-60 (4) Section 109.49;
- 8-61 (5) Section 110.04; and
- 8-62 (6) Section 110.14.

8-63 SECTION 14. This Act takes effect immediately if it
8-64 receives a vote of two-thirds of all the members elected to each
8-65 house, as provided by Section 39, Article III, Texas Constitution.
8-66 If this Act does not receive the vote necessary for immediate
8-67 effect, this Act takes effect September 1, 2015.

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