

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 52<sup>nd</sup> Legislature

<b>Bill No.:</b>	<b>HB 3026</b>
<b>Version:</b>	<b>FULLPCS1</b>
<b>Author:</b>	<b>Speaker Bengt</b>
<b>Date:</b>	<b>2/16/2010</b>
<b>Impact:</b>	<b>\$0 to State; Potential Positive Impact to School Districts</b>

**Bill Summary**

Research Analyst: Dawn Marks

The proposed committee substitute to House Bill 3026, which creates the Commissioners of the Land Office Modernization Act, states that the Commissioners of the Land Office shall have the right to sell or exchange land when it is in the best interest of the trust.

The bill also provides for a four-year term for the Secretary of the Land Office. The secretary may serve consecutive terms and may serve past the term of the appointing Governor only until a successor is appointed. To serve, the secretary shall:

- possess an advanced degree from an accredited college or university
- have not less than five years experience in government, law or finance
- meet other requirements as specified by the Commissioners of the Land Office

The bill allows the secretary to appoint all employees except the general counsel who shall be appointed or dismissed by the Commissioners of the Land Office.

The commissioners shall not invest more than 60 percent of the trust fund investments in equity securities.

The office's revolving fund shall be a continuing fund and not subject to fiscal year limitations. Funds may be used to pay for necessary equipment and supplies for a modern system of accounting and any attorney fees and litigation or collection costs or expenses.

The office shall use a check-printing machine that prints amounts using perforations designed to prevent alteration of checks. The secretary shall be allowed to hire a vendor for lock box collection services which will include totaling and recording payments and making deposits.

Any information obtained by an appraiser for the commissioners shall not be public record and will not be disclosed unless the commissioners determine disclosure is in the best interests of the trust.

**Fiscal Summary**

Fiscal Analyst: Nicole Barnes

HB 3026, also known as the Commissioners of the Land Office Modernization Act, contains numerous provisions relating to the Land Office, including updating statutory language regarding the purpose of the Trust, the agency in general, or various agency functions, re-directing certain funding sources from the Trust to beneficiary distribution, and moving a number of positions within the agency from classified to unclassified service.

### **Fiscal Analysis**

Provisions of the measure do not impact the state. However, Section 45, which re-directs lease-bonus and delay rental income from the Trust to beneficiaries, could lead to greater annual distributions to school districts. Exact amounts are unknown, but the agency estimates an average of \$14 million per year.

### **Long Term Fiscal Considerations**

None

Fiscal Analysis Reviewed By:

*Janice Buchanan*

House Fiscal Director