



**THE ATTORNEY GENERAL  
OF TEXAS**

**AUSTIN 11, TEXAS**

**JOHN BEN SHEPPERD  
ATTORNEY GENERAL**

January 30, 1953

Hon. James Pearson  
County Attorney  
Nolan County  
Sweetwater, Texas

Letter Opinion No. MS-03

Re; Authority of Nolan County to  
levy ad valorem taxes on roy-  
alties derived from production  
on land owned by the City of  
Sweetwater and held for city  
reservoir purposes.

Dear Sir:

We quote the following excerpt from your letter requesting  
an opinion on the above captioned matter.

"The City of Sweetwater in Nolan County, Texas  
owns Sections eighty-nine (89) and ninety-two  
(92), in Block twenty-two (22) of the Texas and  
Pacific Railway Company Survey, in Nolan County,  
Texas. This land was purchased by the City of  
Sweetwater some years ago for water reservoir  
purposes. Since the time of its purchase, Lake  
Trammell has been constructed on the property  
and the Lake has been used to supply the City of  
Sweetwater with water.

"Recently, the land in question has become valu-  
able for oil purposes and at present, there are  
producing oil wells on the property."

You state that the City takes the position that since the land  
was acquired and is presently used for public purposes, the City's royalty  
interest is exempt from taxation. You conclude, on the basis of the au-  
thorities discussed in your submitted brief, that this position is correct.  
We agree.

Numerous opinions of this office have dealt with analogous  
inquiries, and their result is in accord with the conclusion we have reached  
herein. Thinking that some of these opinions may be of interest to you we  
enclose the following: V-1550; V-1568; V-255; 0-5273.

Yours very truly,

JOHN BEN SHEPPERD  
Attorney General

By  
Marietta McGregor Creel  
Assistant

MMcGC:mg/cm  
Enclosures (4)