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## DIGEST

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HB 748 Original

2020 Regular Session

Bagley

**Abstract:** Decreases the monetary threshold of the addition or construction of improvements for non-air carrier and air carrier airports to extend the primary term of a lease.

Present law authorizes airport districts and authorities which operate airports or landing fields to lease immovable property for operations space, improvements, and equipment on such airports or landing fields. Further requires all such leases to provide for consideration to be paid annually or monthly and prohibits such leases from having a term in excess of 10 years.

Present law authorizes a lessor to grant an option to extend the primary lease for an additional 10-year period to any lessee who leases land or holds a 10-year lease on or after Aug. 15, 1999, when the lease has added or contracted to add permanent improvements to be constructed, placed, or made to the land in the amount not less than \$20,000, has provided written notification to the lessor of the desire to extend the primary lease, and has provided a showing that the improvements have been made or contracted for.

Proposed law modifies present law by decreasing the amount of the permanent improvements constructed, placed, or made to the land from \$20,000 to \$10,000 to grant an option to extend the primary lease for an additional 10-year period.

Present law authorizes the extension of the primary term of a lease when the lease provides for the addition or construction of improvements in excess of \$60,000 for non-air carrier airports or \$100,000 for air carrier airports and such improvements become the property of the lessor without any cost to the lessor. Present law further authorizes the lessor to grant an option to extend the primary term of the lease for an additional 10-year period, for each \$60,000 of improvements or additions for non-air carrier airports or \$100,000 worth of improvements or additions for air carrier airports made on or to the land, not to exceed a maximum term of 100 years.

Proposed law modifies present law by decreasing the monetary threshold of the addition or construction of improvements for non-air carrier airports from \$60,000 to \$30,000 to grant the option for the lessor to extend the primary term of a lease.

Proposed law modifies present law by decreasing the monetary threshold of the addition or construction of improvements for air carrier airports from \$100,000 to \$50,000 to grant the option for the lessor to extend the primary term of a lease.

(Amends R.S. 2:135.1(B)(2))