

Regular Session, 2013

SENATE BILL NO. 260 (Substitute of Senate Bill No. 91 by Senator Peacock)

BY SENATOR PEACOCK

MINERALS. Relative to certain solicitations for transfer of mineral rights. (8/1/13)

1 AN ACT

2 To enact Part VI of Chapter 13 of Title 31 of the Louisiana Revised Statutes of 1950,
3 comprised of R.S. 31:218, relative to mineral rights and interests; to provide relative
4 to certain offers for lease or purchase of mineral rights or interests; to provide certain
5 terms, conditions, and requirements, and effects of the offers; and to provide for
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Part VI of Chapter 13 of Title 31 of the Louisiana Revised Statutes of
9 1950, comprised of R.S. 31:218 is hereby enacted to read as follows:

10 **PART VI. THE FAIR PRACTICES IN SOLICITATION FOR**

11 **TRANSFER OF MINERAL RIGHTS ACT**

12 **§218. Solicitations for transfer of mineral rights; requirements; limitations;**
13 **effects**

14 **A.(1) As used in this Article, "payment" shall mean cash, a check, a**
15 **draft or other form of payment.**

16 **(2) In the case of payment made by a check, draft or other similar form**
17 **of payment, "acceptance" shall not be deemed to occur until funds have been**

1 transferred pursuant to a check, draft, or other similar form of payment.

2 B.(1) Whenever a landowner or an owner of mineral rights receives
3 payment related to an offer to lease, buy, or otherwise acquire all or any portion
4 of his mineral rights, or any interest therein, notwithstanding anything
5 contained in the offer, the acceptance, whether intentional or unintentional, of
6 the payment by the landowner or owner of mineral rights, with or without the
7 execution of a written agreement to enter into a mineral lease or of a sale or
8 transfer of mineral rights, shall not create or act as a mineral lease, sale, or
9 transfer of mineral rights. In addition, the acceptance shall not constitute an
10 agreement by the landowner or owner of mineral rights to grant a mineral lease
11 or to sell or transfer any mineral rights.

12 (2) The party tendering or delivering the payment in connection with the
13 offer to lease, buy, or otherwise acquire a mineral right shall not have, nor
14 acquire, any cause of action to require the landowner or owner of mineral rights
15 to grant a mineral lease or to sell or transfer mineral rights as a result of the
16 acceptance of said payment.

17 C.(1) Whenever a landowner or owner of mineral rights accepts
18 payment but does not execute a written agreement to enter into a mineral lease
19 or a sale or transfer of mineral rights, or any interest therein, for which the
20 payment was tendered, the party making the offer and tendering the payment
21 shall have a cause of action against the landowner or owner of mineral rights
22 to recover the payment.

23 (2) The action by a party to recover the payment made to a landowner
24 or an owner of mineral rights and accepted without the execution of any
25 agreement, lease, or transfer shall be subject to a liberative prescription of one
26 hundred eighty days from the receipt of payment by the landowner or owner of
27 mineral rights. The landowner or owner of mineral rights shall have one year
28 from the date of notice of the cause of action to submit payment.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by McHenry Lee.

DIGEST

Peacock (SB 260)

Proposed law provides that "payment" shall mean cash, a check, a draft or other form of payment. Further provides that in the case of payment by a check, draft or other similar form of payment, "acceptance of payment" shall not be deemed to occur until funds have been transferred pursuant to a check, draft, or other similar form of payment.

Proposed law provides that whenever a landowner or owner of a mineral right receives payment in connection with an offer to lease, buy, or acquire any portion of his mineral rights, the acceptance of such payment shall not constitute an agreement to enter into a lease, sale, or transfer of his mineral rights. Further provides that the party making the offer will have no cause of action to require the owner of the mineral rights to enter into a lease, sale, or transfer of his mineral rights.

Proposed law provides that when a landowner or owner of mineral rights accepts a payment, but does not execute a written lease, sale, or transfer of his mineral rights, the party making the offer will have 60 days to file a cause of action against the owner to recover the payment. Further provides that the owner will have one year to submit payment against the cause of action.

Effective August 1, 2013.

(Adds R.S. 31:218)