2020 Regular Session

HOUSE BILL NO. 227

BY REPRESENTATIVE COUSSAN

(On Recommendation of the Louisiana State Law Institute)

MINERALS: Provides relative to the nature of production payments

1   AN ACT

2   To amend and reenact R.S. 31:212.21, relative to production payments; to eliminate

3   redundant terminology; to provide relative to the nature and classification of

4   production payments; and to provide for related matters.

5   Be it enacted by the Legislature of Louisiana:

6   Section 1. R.S. 31:212.21 is hereby amended and reenacted to read as follows:

7   §212.21. Nonpayment of production payment or royalties; notice prerequisite to

8   judicial demand

9   If the owner of a ~~mineral~~ production payment <u>created out of a mineral lessee's</u>

10   <u>interest</u> or a royalty owner other than a mineral lessor seeks relief for the failure of

11   a mineral lessee to make timely or proper payment of royalties or the production

12   payment, he must give his obligor written notice of such failure as a prerequisite to

13   a judicial demand for damages.

DIGEST

The digest printed below was prepared by Louisiana State Law Institute. It constitutes no
part of the legislative instrument. The keyword, one-liner, abstract, and digest do not
constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and
24:177(E)]

HB 227 Original   2020 Regular Session   Coussan

Abstract: Provides for clarification of the nature of production payments and eliminates
          redundancy in terminology.

CODING: Words in ~~struck through~~ type are deletions from existing law; words <u>underscored</u>
are additions.

Present law requires written notice of the nonpayment of a production payment to be provided prior to a judicial demand for damages.

Proposed law retains present law but eliminates the linguistic redundancy and clarifies the application of present law by stating explicitly that the interest at issue is one created out of a mineral lessee's interest.

(Amends R.S. 31:212.21)