2020 Regular Session

HOUSE BILL NO. 748

BY REPRESENTATIVE BAGLEY

AIRCRAFT/AIRPORTS: Provides relative to airport facilities

1	AN ACT		
2	To amend and reenact R.S. 2:135.1(B)(2), relative to certain airport leases; to decrease the		
3	monetary threshold of additions and permanent improvements necessary to extend		
4	lease terms for air carrier and non-air carrier airports; and to provide for related		
5	matters.		
6	Be it enacted by the Legislature of Louisiana:		
7	Section 1. R.S. 2:135.1(B)(2) is hereby amended and reenacted to read as follows:		
8	§135.1. Authority to equip, improve, establish fees and charges, and lease airport		
9	facilities		
10	* * *		
11	В.		
12	* * *		
13	(2) All leases executed under the provisions of this Section shall provide for		
14	consideration to be paid annually or monthly as provided for in the lease. All such		
15	leases shall be for a period not exceeding ten years, except as follows:		
16	(a) A lessor may grant an option to extend the primary lease for an additional		
17	period of not more than ten years to any lessee who leases such land or holds a ten-		
18	year lease in full force on or after August 15, 1999, when such lessee has, within the		
19	ten-year term of the lease, added or contracted for permanent improvements to be		
20	constructed or placed on or made to the land in the amount of not less than twenty		

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

ten thousand dollars, has provided written notification to the lessor of his desire to
extend the primary lease, and has provided a proper showing that such improvements
have in fact been made or contracted for.

4 (b) When a lease provides for the addition or construction of improvements 5 on or to the land to a value in excess of sixty thirty thousand dollars for non-air 6 carrier airports or one hundred thousand dollars for air carrier airports, and further provides that such improvements will become the property of the lessor without any 7 8 cost to the lessor, the lessor may grant an option to the lessee to extend the primary 9 term of the lease for an additional ten-year period, or part thereof, for each sixty 10 thousand dollars of improvements or additions for non-air carrier airports or one 11 hundred fifty thousand dollars worth of improvements or additions for air carrier 12 airports made on or to the land, not to exceed a maximum term of one hundred years. 13

DIGEST

The digest printed below was prepared by House Legislative Services. 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 748 Original	2020 Regular Session	Bagley
nb /48 Original	2020 Regular Session	Dagi

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.

<u>Present law</u> 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.

<u>Present law</u> 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.

<u>Proposed law</u> modifies <u>present law</u> 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.

<u>Present law</u> 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

Page 2 of 3

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

airports or \$100,000 for air carrier airports and such improvements become the property of the lessor without any cost to the lessor. <u>Present law</u> 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.

<u>Proposed law</u> modifies <u>present law</u> 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.

<u>Proposed law</u> modifies <u>present law</u> 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))