

Regular Session, 2011

SENATE BILL NO. 119

BY SENATOR PERRY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

PUBLIC LANDS. Provides relative to leases of public lands. (6/23/11)

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AN ACT

To amend and reenact R.S. 41:1216 and 1217.1(B), and R.S. 56:30.3(B) and to enact R.S. 41:1217(F), relative to leases of public lands; to provide for certain provisions regarding leases on public lands; to exempt lands administered, controlled or managed by the Department of Wildlife and Fisheries from certain restrictions on public leases; to provide for terms of a lease transferred to the state from another party; to provide terms, conditions, and requirements; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R. S. 41:1216 and 1217.1(B) are hereby amended and reenacted and R.S. 41:1217(F) is hereby enacted to read as follows:

§1216. Restrictions of area, number, and transfer of leases; subleases

A.(1) In order to allow the individual lessee to lease lands from the state in preference to syndicated landholders or corporations, no lease shall cover a larger area than six hundred forty acres of public land, which area must be contiguous. No lessee may own more than one such lease at one time.

(2) The provisions of Paragraph (1) of this Subsection shall not apply to

1 **leases of lands administered, controlled or managed by the Department of**
 2 **Wildlife and Fisheries.**

3 **B.** All leases made under the terms of this Part shall be heritable, but may not
 4 be mortgaged, pledged, hypothecated, subjected to seizure and sale, subleased,
 5 transferred, or assigned, except as provided in Subsection ~~B~~ **C** of this Section.

6 **BC.** Subject to the prior written approval of the lessor, as defined in R.S.
 7 41:1211, or its successor in office, all leases made under the terms of this Part may
 8 be subleased, transferred, or assigned by the original lessee, his sublessees, heirs, or
 9 assigns, and likewise may be mortgaged, pledged, hypothecated, or subjected to
 10 seizure and sale. The lessor is authorized to permit such transfers of leases upon
 11 such terms and conditions as it may deem proper, provided that said sublessees,
 12 transferees, assignees, mortgagees, or pledgees are entitled to the same rights and
 13 privileges as were granted by the lessor to the original lessee and specifically those
 14 granted to the original lessee under the provisions of R.S. 41:1222(A). The lessor
 15 is directed to collect a fee of ten dollars for the privilege of permitting such transfers,
 16 said fee to be paid into the general fund of the state.

17 §1217. Term and rental; port authorities excepted

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19 **F. All leases or extensions of leases on lands administered, controlled or**
 20 **managed by the Department of Wildlife and Fisheries executed under the**
 21 **provisions of this Part, or R.S. 56:30.3, shall require that the rental payments**
 22 **be adjusted annually by an amount not less than the annual percentage increase**
 23 **in the Consumer Price Index for all Urban Consumers, United States City**
 24 **Average, as published by the United States Department of Labor, for the**
 25 **preceding calendar year.**

26 §1217.1. Renewal of lease; highest bid option

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28 B. Notwithstanding any provision of law to the contrary, if the commissioner
 29 or secretary determines there exists a public need to maintain the current lessee, the

1 commissioner or secretary may offer the current lessee, if he made a bid, the option
 2 to match the highest bid in order to continue to lease the state lands. The
 3 provisions of this Subsection shall apply to lessees who held a lease with another
 4 party, which lease was subsequently transferred to the state. The provisions of
 5 this Subsection shall not apply to oyster leases, alligator leases, or oil and gas leases
 6 entered into by the Department of Wildlife and Fisheries, or to any lease entered into
 7 by the State Mineral and Energy Board.

8 * * *

9 Section 2. R.S. 56:30.3(B) is hereby amended and reenacted to read as follows:

10 §30.3. Lease of state lands; access to public waterways

11 * * *

12 B. Notwithstanding any provision of law to the contrary, if the secretary
 13 determines there exists a public need to maintain the current lessee, the secretary
 14 may offer the current lessee, if he made a bid, the option to match the highest bid in
 15 order to continue to lease the state lands. The provisions of this Subsection shall
 16 apply to lessees who held a lease with another party, which lease was
 17 subsequently transferred to the state. The provisions of this Subsection shall not
 18 apply to oyster leases, oil and gas leases or alligator leases entered into by the
 19 department, or to any lease entered into by the State Mineral and Energy Board. The
 20 department shall promulgate rules and regulations providing for uniform criteria to
 21 assess the management of leased property.

22 Section 3. This Act shall become effective on June 23, 2011.

The original instrument was prepared by J. W. Wiley. The following digest,
 which does not constitute a part of the legislative instrument, was prepared
 by Nancy Vicknair.

DIGEST

Perry (SB 119)

Present law provides that in order to allow the individual lessee to lease lands from the state in preference to syndicated landholders or corporations, no lease will cover a larger area than 640 acres of public land, which area must be contiguous. Further provides that no lessee may own more than one such lease at one time.

Proposed law provides that provisions of present law will not apply to leases of lands

administered, controlled or managed by the DWF.

Present law provides relative to leases of public lands generally, including term, payment of consideration, construction of improvements, and requirements and time periods for extension of leases. Excludes port authorities of the state, and has special provisions relating to lease of sixteenth section school lands for agricultural purposes, and access to public waterways.

Proposed law retains present law, and adds that leases or extensions of leases on lands administered, controlled or managed by DWF shall require that the rental payments be adjusted annually by an amount not less than the annual percentage increase in the CPI for all Urban Consumers, United States City Average, as published by the United States Dept. of Labor, for the preceding calendar year.

Present law provides if the commissioner or secretary determines there exists a public need to maintain the current lessee, the commissioner or secretary may offer the current lessee, if he made a bid, the option to match the highest bid in order to lease the state lands. Also provides that this shall not apply to oyster leases, alligator leases, or oil and gas leases entered into by the Department of Wildlife and Fisheries, or to any lease entered into by the State Mineral and Energy Board. Proposed law retains present law and adds that this offer to the current lessee procedure shall apply to lessees who held a lease with another party, which lease was subsequently transferred to the state.

Effective June 23, 2011.

(Amends R.S. 41:1216 and 1217.1(B) and R.S. 56:30.3(B); adds R.S. 41:1217(F))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Natural Resources to the original bill.

1. Added that leases or extensions of leases on DWF lands shall require that rental payments be adjusted annually by an amount not less than the CPI.
2. Added that present law procedure for offer to current lessee shall apply to lessees who held a lease with another party, which lease was subsequently transferred to the state.

Senate Floor Amendments to engrossed bill.

1. Makes technical changes.