

2015 Regular Session

HOUSE BILL NO. 579

BY REPRESENTATIVE GAROFALO

FISHING/OYSTERS: Increases lease rental rates and severance taxes on oysters

1 AN ACT

2 To amend and reenact R.S. 56:428(C) and 446(A), relative to oyster harvesting; to increase
3 the rental payments for oyster leases; to increase the severance tax on oysters; to
4 provide for a tax credit for expenses associated with maintaining an oyster lease; and
5 to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 56:428(C) and 446(A) are hereby amended and reenacted to read as
8 follows:

9 §428. Commencement and duration of lease; renewal; fixing of rental rates

10 * * *

11 C. The commission shall fix the rate of rental for oyster leases at two dollars
12 per acre per year until January 1, 2016, at which time the commission shall set the
13 rate of rental at three dollars per acre per year. The three dollar rate of rental shall
14 be in effect until January 1, 2018, at which time the commission shall set the rate of
15 rental at four dollars per acre per year. The rate of rental fixed by the commission
16 shall apply to all leases executed by the secretary. For the purpose of calculating the
17 rental due for a lease, the amount of acreage covered by the lease shall be rounded
18 off to the nearest full acre. The rent must be paid no later than the thirty-first of
19 December following the signing of the lease, and annually thereafter, in advance on
20 or before the first day of January, whether the lease be held by the original lessees
21 or by an heir, assignee, or transferee. All revenues received from the payment of

DIGEST

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HB 579 Original

2015 Regular Session

Garofalo

Abstract: Increases the rental rates for oyster leases and the severance tax on the harvest of oysters.

Present law requires the Wildlife and Fisheries Commission to fix rental rates for oyster leases at \$2 per acre per year. Proposed law requires the commission to set the rate at \$3 per acre per year beginning Jan. 1, 2016 and at \$4 per acre per year beginning Jan. 1, 2018. Dedicates the revenues from oyster lease rental payments to the Public Oyster Seed Ground Development Fund.

Present law sets a severance tax of 2 and 1/2¢ per barrel for each barrel of oysters harvested from leased water bottoms and 3¢ per barrel for each barrel harvested from the natural reefs. Proposed law increases the severance tax to 10¢ per barrel for oysters harvested from leased water bottoms and 50¢ per barrel for oysters harvested from the natural reefs. Dedicates the revenues from oyster severance tax payments to the Public Oyster Seed Ground Development Fund.

Proposed law further provides a credit against severance taxes for documented expenditures by leaseholders for the development, maintenance, cultivation, and harvesting of oysters from a lease. Such credit shall be in an amount equal to the leaseholder's total necessary expenditures for a calendar year but shall not exceed 75% of the total tax liability for that calendar year. Documentation of expenditures acceptable to the Dept. of Wildlife and Fisheries must be submitted no later than Dec. 31st of the year in which the expenditures were made. Requires the Wildlife and Fisheries Commission to promulgate necessary rules and regulations.

(Amends R.S. 56:428(C) and 446(A))