2016 Regular Session

HOUSE BILL NO. 902

BY REPRESENTATIVE LEOPOLD

FISHING/OYSTERS: Provides a process by which the oyster lease moratorium can be lifted

1	AN ACT
2	To amend and reenact R.S. 56:423(A) and (B) and 429 and Sections 2(B) and (C), and 3 of
3	Act No. 808 of the 2008 Regular Session of the Legislature, and to enact R.S.
4	56:427(F), relative to oyster leases; to provide for lifting the moratorium on new
5	oyster leases; to provide relative to liability under certain circumstances; to provide
6	relative to public notification and opportunity to protest or withdraw oyster lease
7	applications under certain circumstances; to eliminate auction of rent-delinquent
8	oyster leases; to provide certain terms, conditions, procedures, and requirements; and
9	to provide for related matters.
10	Be it enacted by the Legislature of Louisiana:
11	Section 1. R.S. 56:423(A) and (B) and 429 are hereby amended and reenacted and
12	R.S. 56: 427(F) is hereby enacted to read as follows:
13	§423. Property rights, larceny or other public offenses concerning; leases heritable
14	and transferable; adjudication of claims
15	A. A lessee shall enjoy the exclusive use of the water bottoms leased and of
16	all oysters and cultch grown or placed thereon, subject to the restrictions and
17	regulations of this Subpart and Part II of Chapter 2 of Title 49 of the Louisiana
18	Revised Statues of 1950.
19	(1) This exclusive use of water bottoms is subordinate to the rights or
20	responsibilities of the state, any political subdivision of the state, the United States,

1	or any agency or agent thereof, to take any action in furtherance of coastal
2	protection, conservation, or restoration. For purposes of this Subpart, "coastal
3	protection, conservation, or restoration" means any project, plan, act, or activity for
4	the protection, conservation, restoration, enhancement, creation, preservation,
5	nourishment, maintenance, or management of the coast, coastal resources, coastal
6	wetlands, and barrier shorelines or islands, including but not limited to projects
7	authorized under any comprehensive coastal protection master plan or annual coastal
8	protection plan issued pursuant to Part II of Chapter 2 of Title 49 of the Louisiana
9	Revised Statutes of 1950 integrated coastal protection as defined in R.S. 49:214.2.
10	(2) This exclusive use of water bottoms for any oyster lease initially applied
11	for after January 1, 2017, or any renewal or judicial partition of such lease is also
12	subordinate to the rights of any person:
13	(a) To engage in any activity authorized by a coastal use permit,
14	determination, or coastal use authorization pursuant to R.S. 49:214.30 or a drilling
15	permit, for which the coastal use authorization or drilling permit application was
16	filed prior to the date the application for the oyster lease was filed. This
17	Subparagraph applies only in the following areas:
18	(i) The area from the centerline of the pipeline or area from the outside of the
19	well, platform, shell pad, or facility as designated by the coastal use permit,
20	determination, or other coastal use authorization pursuant to R.S. 49:214.30 or
21	drilling permit, or
22	(ii) If no such area delineated in Item (i) of this Subparagraph is designated,
23	then this Item applies in the following areas:
24	(aa) For a pipeline, within seventy-five feet from the centerline of the pipe.
25	(bb) For a well, platform, shell pad, or facility, within two hundred fifty feet
26	from the outside of the well, platform, shell pad, or facility.
27	(b) To operate, maintain, repair, replace, rehabilitate, or remove any pipeline,
28	well, platform, shell pad, or facility on or impacting an oyster lease in which the
29	pipeline, well, platform, shell pad, or facility was placed or constructed before

1	September 20, 1980, or was placed or constructed prior to the date the application
2	for the oyster lease was filed. This Subparagraph applies only in the following areas:
3	(i) For a pipeline, within seventy-five feet from the centerline of the pipe.
4	(ii) For a well, platform, shell pad, or facility, within two hundred fifty feet
5	from the outside of the well, platform, shell pad, or facility.
6	(c) To cross an oyster lease to access any activity, pipeline, well, platform,
7	shell pad, or facility to which Subparagraph (2)(a) or (2)(b) of this Subsection
8	applies. This Subparagraph applies only to a single access channel across each oyster
9	lease per activity, pipeline, well, platform, shell pad, or facility, determined as
10	<u>follows:</u>
11	(i) For any activity, pipeline, well, platform, shell pad, or facility, including
12	the removal of any pipeline, well, platform, shell pad, or facility, to which
13	Subparagraph (2)(a) of this Subsection applies, if an access channel across each
14	oyster lease is identified in the coastal use authorization or permit, it shall be the sole
15	access channel for purposes of this Subparagraph. If more than one access channel
16	across each oyster lease is identified, the holder of the authorization or permit shall
17	designate a single access channel to the department in writing identifying the
18	centerline of the access channel using the North American Datum 1983 state plane
19	coordinates; and when the holder does so and the department consents to the
20	designated access channel in writing, it shall be the sole access channel for purposes
21	of this Item.
22	(ii) For any activity, pipeline, well, platform, shell pad, or facility to which
23	Subparagraph (2)(b) of this Subsection applies, the holder of the authorization or
24	permit shall designate a single access channel across each oyster lease to the
25	department in writing identifying its centerline using the North American Datum
26	1983 state plane coordinates; and when the holder does so and the department
27	consents to the designated access channel in writing, it shall be the sole access
28	channel for purposes of this Item.

1	(iii) This Item applies only within fifty feet from the centerline of the access
2	channel across each oyster lease. In addition, if a spoil area was previously
3	identified in an authorization or permit for an access channel designated pursuant to
4	this Item, this Item shall also apply to the same spoil area; however, such spoil area
5	shall be limited to eighty feet in width adjacent to one side of the access channel.
6	(iv) The department shall be immune from any action or liability arising out
7	of or related to its consent or agreement to any access channel or spoil area
8	designated pursuant to this Item.
9	(v) The department shall consult with the lessee under any oyster lease
10	located within a proposed access channel, before consenting or agreeing to any
11	access channel pursuant to this Item.
12	(3) The provisions of Paragraph (2) of this Subsection shall not apply to any
13	oyster lease initially applied for before January 1, 2017, or any renewal or judicial
14	partition of such lease, or to any oyster lease issued pursuant to Section 2(B)(1) of
15	the Act that originated as House Bill No. 902 of the 2016 Regular Session or any
16	renewal of such lease.
17	B.(1) A lessee of oyster beds or grounds who has obtained, recorded, and
18	marked his lease in compliance with the law shall have the right to maintain an
19	action for damages against any person, partnership, corporation, or other entity
20	causing wrongful or negligent injury or damage to the beds or grounds under lease
21	to such lessee.
22	(a) However, no No lessee shall have any right to maintain any action
23	against the state, any political subdivision of the state, the United States, or any
24	agency, agent, contractor, or employee thereof for any claim arising from any
25	project, plan, act, or activity in relation to coastal protection, conservation, or
26	restoration integrated coastal protection, except as provided in R.S. 56:427.1.
27	(b) No lessee shall have any right to maintain any action against any person
28	arising from any activity to which R.S. 56:423(A)(2) applies provided that the person
29	has not violated any coastal use permit, determination, or other coastal use

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1	authorization pursuant to R.S. 49:214.30, or drilling permit, or any Louisiana or
2	federal law or regulation applicable to the activity.
3	* * *
4	§427. Initial application for lease
5	* * *
6	F. The secretary may not execute a lease until the department has posted
7	notice of the application for the lease on its website for ninety consecutive days.
8	(1) Any person claiming ownership of the water bottoms to be leased may
9	protest the issuance of the lease on the grounds that the protesting party owns the
10	water bottoms, but only by delivering via certified mail notice of the protest in
11	writing to the secretary, the administrator of the state land office, and the lease
12	applicant on or before the ninetieth day after notice of the application was posted.
13	The notice of protest shall include all information and documentation that the
14	protesting party believes is relevant to the question of ownership. The right to
15	protest issuance of the lease pursuant to this Subsection shall expire if a protest is not
16	made on or before the ninetieth day after notice of the application was posted.
17	(2) If a protest is timely made, the administrator of the state land office shall
18	review the state's claim to ownership of the contested water bottoms and issue a
19	preliminary determination to the secretary, the protesting party, and the lease
20	applicant within ninety days of receiving the notice of protest, as to whether the state
21	claims ownership of the contested water bottoms. The administrator shall issue a
22	final written determination as to whether the state claims ownership of the water
23	bottom within one hundred eighty days of receiving the notice of protest. If a protest
24	is timely made, the secretary may execute the lease as otherwise authorized under
25	this Subpart only to the extent that the administrator of the state land office
26	determines that the state claims ownership of the contested water bottoms. The relief
27	available pursuant to and the results and effects of such a protest and determination
28	are limited to those set forth in this Subsection. The determination by the
29	administrator of the state land office shall not be reviewable under the

1	Administrative Procedure Act, and is appealable only to the Nineteenth Judicial
2	District Court. Any petition for judicial review of the determination pursuant to this
3	Subsection must be filed within sixty days after issuance of the determination.
4	Failure to make a protest pursuant to this Subsection has no effect on the right to
5	claim ownership of the leased water bottom authorized by R.S. 56:423(D) or the
6	reasonable investigation into the ownership of the water bottom by the state required
7	<u>by R.S. 56:425(A).</u>
8	(3) A lease applicant may withdraw a lease application and receive a full
9	refund from the department of all application fees, by submitting a written request
10	for withdrawal to the department within one hundred twenty days after the
11	department posts notice of the application on its website, within thirty days after
12	issuance of the determination of the administrator of the state land office regarding
13	the state's claim to ownership pursuant to a protest authorized by this Subsection, or
14	within thirty days after final judgment in any proceeding for judicial review of the
15	determination, whichever is the later date.
16	G. The secretary shall not lease any water bottom located within seventy-five
17	feet of the centerline of a pipeline that is located on purchased right-of-way.
18	However, if the right-of-way is abandoned and returned to commerce, the secretary
19	may then lease such water bottom.
20	* * *
21	§429. Default in payment of rent; cancellation and forfeitures
22	The failure of the tenant lessee to pay the rent punctually on or before the
23	first of each January, or within thirty sixty days thereafter, ipso facto and without
24	demand or putting in default, terminates and cancels the lease and forfeits to the
25	department all the works, improvements, betterments, and oysters on the leased
26	water bottoms. The department may at once enter on the water bottoms and take
27	possession thereof. Such water bottoms shall then be open for lease in accordance
28	with R.S. 56:425 to the highest bidder. Ten days thereafter the department shall
29	enter the termination, cancellation, and forfeiture on its books and give public notice

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1	thereof by publication in one local paper in the parish where the formerly leased
2	water bottoms are located. On or before the first day of each February, the
3	department shall issue a written notice of delinquency by certified mail to each lessee
4	who has not yet paid the rent. The department shall also publish notice of such
5	delinquency on its website and in the official journal of the parish in which the
6	delinquent lease is located. Any lessee who pays the rent on or after the first day of
7	February shall pay The department may waive the termination, cancellation, and
8	forfeiture, provided the rent due plus an additional ten percent penalty is paid at any
9	time before the water bottoms are leased to another person.
10	Section 2. Sections 2(B) and (C) of Act No. 808 of the 2008 Regular Session of the
11	Legislature are hereby amended and reenacted to read as follows:
12	Section 2.
13	* * *
14	B. Prior to the commencement of the phases contained in this Subsection,
15	the state land office shall make a determination of state ownership of all water
16	bottoms for all oyster lease applications submitted before the imposition of the
17	moratorium and the department shall act upon such applications as required by R.S.
18	56:427. The moratorium may not be lifted until the following preferential rights
19	have been claimed or forfeited:
20	(1) Phase One – Right of First Refusal for Non-Renewed Leases:
21	(a) Prior to lifting the moratorium, there shall be an examination of those
22	leases that were not renewed by the <u>The</u> Department of Wildlife and Fisheries <u>shall</u>
23	identify the leases that were not renewed since January 1, 1996 due to
24	recommendations from the Department of Natural Resources that such leases would
25	be in the operational or impact area of a planned coastal restoration integrated coastal
26	protection project, and those leases whose lessee voluntarily failed to renew the lease
27	between January 1, 1996 and October 19, 2004, and was a party to the class action
28	suit entitled Albert J. Avenal, Jr. et al. v. the State of Louisiana and the Department
29	of Natural Resources. The Department of Wildlife and Fisheries and the Department

1 of Natural Resources Coastal Protection and Restoration Authority shall cooperate 2 in the determination identification of these non-renewed leases that are 3 eligible for a new lease for previously leased acreage under this phase of the 4 moratorium lifting. The lease holder lessee of record at the time the lease was not 5 renewed shall have the right of first right of refusal for a new lease for the previously 6 leased acreage under this phase of the moratorium lifting. Under the provisions of 7 R.S. 56:425, No lease may be granted under this phase unless the secretary of the 8 Department of Wildlife and Fisheries and the secretary of the Department of Natural 9 Resources shall executive director of the Coastal Protection and Restoration 10 Authority agree that issuing a new lease for previously leased acreage for such water 11 bottom is otherwise appropriate and the water bottom is not necessary for coastal 12 protection, conservation, or restoration integrated coastal protection. At a minimum, 13 the department shall advertise the availability of a new lease for previously leased 14 acreage on two separate days in the official journal of the parish where the acreage 15 is located. 16 (b) The Department of Wildlife and Fisheries shall post on its website for

17 sixty consecutive days a list of nonrenewed leases eligible for new leases under this 18 phase, together with notice of the right of first refusal for new leases for the 19 previously leased acreage and the deadline for applying for new leases under this 20 phase. The deadline for application shall be sixty days after notice is first posted. 21 If the lease holder lessee of record at the time the lease was not renewed does not 22 desire to be issued a new lease for previously leased acreage or fails to respond to the 23 notice of the availability of apply for a new lease for previously leased acreage 24 within these sixty days of the date of the last advertisement or notification, he shall 25 forfeit forfeits all rights to that lease.

26 (2) Phase Two - Incorporation of Adjacent Water Bottoms:
27 (a) A lessee may expand any lease existing as of January 1, 2016, under this
28 phase by amending the lease to incorporate immediately adjacent water bottom that
29 is not leased. Such expansion shall be limited to five hundred feet beyond the

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1	existing lease boundary, and only toward previously existing Louisiana coastline as
2	shown on the last survey of the existing lease recorded with the department,
3	presently existing Louisiana coastline located within one thousand feet of the
4	existing lease boundary, or another existing lease. However, no expansion is
5	allowed toward another existing lease as to the portions of the existing leases where
6	there is more than five hundred feet between them. As to the portions of the existing
7	leases where there is five hundred feet or less between them and the lessees under
8	only two existing leases apply to expand their leases into this area, the area shall be
9	divided equally between them. If the lessees under three or more existing leases
10	apply to expand their leases into this area, the lessees shall provide to the Department
11	of Wildlife and Fisheries a written agreement signed by each of them under authentic
12	act agreeing to an allocation of the area, and the area shall be divided among them
13	in accordance with this agreement.
14	(b) The Department of Wildlife and Fisheries shall post on its website for
15	one hundred eighty consecutive days notice of the availability of lease expansions
16	and the deadline for applying for expansions under this phase. The deadline for
17	application shall be one hundred eighty days after notice is first posted. If a lessee
18	does not apply for an expansion or if an agreement is not signed under authentic act
19	agreeing to allocation of expansions as provided in Subparagraph (a) of this
20	Paragraph of this phase within these one hundred eighty days, he forfeits all rights
21	to expansion under this phase.
22	(c) This phase of the moratorium lifting shall not begin before the time
23	period for applying for leases under Phase One has expired.
24	(d) The lease as amended pursuant to an expansion shall be treated as a
25	single existing lease, subject to all provisions of the existing lease including term;
26	except, solely for purposes of R.S. 56:423(A)(2) and (B)(1)(b), the lease shall be
27	considered to have been granted as to the expanded portion as of the date the
28	expansion is granted.
29	(3) Phase Three – Right of First Refusal for Lessees under Private Leases

1	(a) For any water bottom claimed by a private person that is under a private
2	oyster lease recorded in the public records of the parish where it is located by
3	February 1, 2016, the private lessee of that water bottom at the time of
4	implementation of Phase Three shall have the right of first refusal for a new state
5	lease on any water bottom claimed by the state within the area of the existing private
6	oyster lease under this phase. For purposes of this Paragraph, a "private oyster
7	lease" is one granted by a person other than the State of Louisiana.
8	(b) The Department of Wildlife and Fisheries shall post on its website for
9	sixty consecutive days notice of the right of first refusal for new state leases within
10	the area of private oyster leases and the deadline for applying for new state leases
11	under this phase. The deadline for application shall be sixty days after notice is first
12	posted. If a private lessee fails to apply for a state lease within these sixty days, he
13	forfeits all rights to a state lease under this phase.
14	(c) This phase of the moratorium lifting shall not begin before the time
15	periods for applying for leases or expansions under Phases One and Two have
16	expired.
17	(4) Phase Four – First Lottery for Appointments for New Leases:
18	(a) The Department of Wildlife and Fisheries shall establish a one-time
19	lottery system for submitting applications for new leases under this phase. The
20	department shall post on its website for sixty consecutive days notice of the lottery
21	and the deadline for entering the lottery. The deadline for submitting an entry shall
22	be sixty days after notice is first posted. Any person eligible for an oyster lease
23	under R.S. 56:425 may submit a single lottery entry for an appointment to apply for
24	a single lease under this phase. If any person fails to submit a lottery entry within
25	these sixty days, he forfeits all rights to a new lease under this phase.
26	(b) The Department of Wildlife and Fisheries shall randomly assign a
27	priority to all timely lottery entries, and shall schedule an appointment with each
28	lottery entry to receive a single application for leases during each appointment under
29	this phase in the order of this priority. Any lottery participant who fails to attend the

1	scheduled appointment shall be moved to the bottom of the priority list and his
2	appointment shall be rescheduled, but if he does not make the second scheduled
3	appointment, he forfeits all rights to a new lease under this phase. Any lottery
4	participant who fails to request a lease at his appointment forfeits all rights to a new
5	lease under this phase.
6	(c) This phase of the moratorium lifting shall not begin before all
7	applications for leases or expansions under the Phases One, Two, and Three have
8	been finally received by the department. Any water bottom for which there is a
9	pending application under Phases One, Two, or Three shall not be eligible for leasing
10	under Phase Four.
11	(5) Phase Five – Second Lottery for Appointments for New Leases:
12	(a) The Department of Wildlife and Fisheries may establish a second one-
13	time lottery system for submitting applications for new leases under this phase. If
14	the department establishes a second lottery, the department shall post on its website
15	for sixty consecutive days notice of the lottery and the deadline for entering the
16	lottery. The deadline for submitting an entry shall be sixty days after notice is first
17	posted. Any person eligible for an oyster lease under R.S. 56:425 may submit a
18	single lottery entry for an appointment to apply for a single lease under this phase.
19	If any person fails to submit a lottery entry within these sixty days, he forfeits all
20	rights to a new lease under this phase.
21	(b) The Department of Wildlife and Fisheries shall randomly assign a
22	priority to all timely lottery entries, and shall schedule an appointment with each
23	lottery entry to receive a single application for leases during each appointment under
24	this phase in the order of this priority. Any lottery participant who fails to attend the
25	scheduled appointment shall be moved to the bottom of the priority list and his
26	appointment shall be rescheduled, but if he does not make the second scheduled
27	appointment, he forfeits all rights to a new lease under this phase. Any lottery
28	participant who fails to request a lease at his appointment forfeits all rights to a new
29	lease under this phase.

1	(c) This phase of the moratorium lifting shall not begin before all
2	applications for leases or expansions under the Phases One, Two, Three, and Four
3	have been finally received by the department. Any water bottom for which there is
4	a pending application under Phases One, Two, Three, or Four shall not be eligible
5	for leasing under Phase Five.
6	(6) No lease or expansion may be granted under any phase of lifting the
7	moratorium required by this Act until all applications from prior phases have been
8	finally processed by the department. In the event of multiple applications for the
9	same water bottoms within the same phase, the earlier-filed application shall have
10	priority, except as otherwise expressly provided in this Act.
11	(7) Except as otherwise expressly provided in this Act, all leasing of state
12	water bottoms for oyster production under this Act shall be in accordance with the
13	provisions of Subpart D of Part VII of Chapter 1 of Title 56 of the Louisiana Revised
14	Statutes of 1950.
15	C. Upon implementation of the provisions of this Act, the Louisiana Wildlife
16	and Fisheries Commission shall promulgate and implement rules necessary for the
17	final lifting of to lift the moratorium. Such rules shall be developed in conjunction
18	with a special committee composed of representatives from the Department of
19	Wildlife and Fisheries, the Department of Natural Resources, the Louisiana Oyster
20	Task Force, the Louisiana Landowner's Association, the Louisiana Oil and Gas
21	Association, and Louisiana Mid-Continent Oil and Gas Association and may include
22	offering lease holders the opportunity to expand their existing leases by
23	incorporation of immediately adjacent water bottom. Such expansion shall be limited
24	to five hundred feet beyond the existing lease boundary except in cases where there
25	is a lease held by another lease holder whose boundary line is less than five hundred
26	feet away. In those cases, the two lease holders may agree to divide the distance
27	equally or, if one lease holder declines to expand his lease, the other lease holder
28	may expand up to the boundary line of the other lease. The opportunity to expand
29	leases shall be provided for a limited period of time. The committee shall report

1	their recommendations to the Wildlife and Fisheries Commission prior to June 1,
2	2009.
3	* * *
4	Section 3. Section 3 of Act No. 808 of the 2008 Regular Session of the Legislature
5	is hereby amended and reenacted to read as follows:
6	Section 3. Once the oyster lease moratorium has been finally lifted by the
7	Louisiana Wildlife and Fisheries Commission, the provisions of Section 2 of this Act
8	shall cease to have effect, except the provisions of Section 2(B)(2)(d) of this Act
9	regarding designation of lease expansions as new or existing shall continue in full
10	force and effect; and except as provided in Section 2(B)(2)(d) of this Act, further
11	leasing of state water bottoms for oyster production shall be in accordance with the
12	provisions of Subpart D of Part VII of Chapter 1 of Title 56 of the Louisiana Revised
13	Statutes of 1950.
14	Section 4. This Act shall take effect and become operative if and when the Act that
15	originated as House Bill No. 1130 of this 2016 Regular Session of the Legislature is enacted
16	and becomes effective.

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 902 Engrossed 20	16 Regular Session	Leopold
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Abstract: Provides a process by which the oyster lease moratorium may be lifted and provides relative to the right of use of certain water bottoms.

<u>Present law</u> provides that an oyster lessee enjoys exclusive use of the water bottoms leased and the oysters and cultch grown or placed on that water bottom subject to certain restrictions resulting from coastal restoration efforts by the state, any political subdivision of the state, and the federal government.

<u>Proposed law</u>, for any oyster lease initially applied for after Jan. 1, 2017, or any judicial partition or renewal of such lease, further subordinates the lessee's right of use to the following:

(1) Any person engaged in any activity authorized by a coastal use permit for which the coastal use permit application was filed prior to the date the oyster lease application was filed. <u>Proposed law</u> applies the subordination of right of use to an area 75 feet from the center of a pipeline or 250 feet from the outside of a well, platform, shell pad, or facility.

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- (2) Any person operating, maintaining, replacing, repairing, or removing any pipeline, well, platform, shell pad, or facility placed prior to Sept. 20, 1980, and placed prior to the application date for the oyster lease. <u>Proposed law</u> applies the subordination of right of use to an area 75 feet from the center of a pipeline or 250 feet from the outside of a well, platform, shell pad, or facility.
- (3) Any person crossing an oyster lease to access an activity, pipeline, well, platform pad, or facility through a single access channel identified in the coastal use permit for such activity or a single access channel identified by the permit holder. Proposed <u>law</u> applies this subordination of right of use to an area within 50 feet of the centerline of the access channel and a spoil area previously identified and limited to 80 feet to one side of the access channel.

<u>Proposed law</u> provides immunity for the Dept. of Wildlife and Fisheries for actions arising out of its consent or agreement to a specific access channel and requires the department to consult with the lessee prior to approving an access channel. <u>Proposed law</u> further specifies that these provisions do not apply to any lease initially applied for prior to Jan. 1, 2017, or any lease issued under the provision of this Act.

<u>Present law</u> provides that a lessee of an oyster bed has a right to maintain an action for damages to that oyster bed. <u>Present law</u> does hold harmless the state, any political subdivision of the state, and the federal government for activities related to coastal restoration.

<u>Proposed law</u> adds that no lessee has a right to maintain any action against another person arising from an activity delineated in the Digest above if that person has not violated any coastal use permit, determination, or other coastal use authorization pursuant to law or any Louisiana or federal law or regulation applicable to the activity.

Proposed law requires that prior to issuance of a lease, the Dept. of Wildlife and Fisheries must post notice of the application on the website for 90 consecutive days. Authorizes any person claiming ownership of the water bottoms to be leased to protest the issuance of a lease on the grounds of ownership. Provides a detailed process and timeline by which the protest is to be investigated including review and determination by the administrator of the state land office. Allows the state land office 90 days from the date a protest is filed to make a preliminary determination of state ownership and 180 days from the date a protest is filed to make a final determination. A lease may only be issued only to the extent that the administrator of the state land office determines that the water bottom is owned by the state. The determination by the administrator is not appealable under the Administrative Procedure Act but may be appealed to the 19th Judicial District Court. Authorizes an applicant for an oyster lease to withdraw the application and receive a full refund within 120 days after the department posts notice of the application on the website, within 30 days after a determination by the administrator, or within 30 days after a final judgment in any proceeding for judicial review of the determination. Prohibits oyster leasing on right-of-way purchased by pipelines.

<u>Present law</u> provides relative to default in payment of oyster leases. Requires rent to be paid punctually on Jan. 1st each year or within 30 days thereafter. <u>Proposed law</u> changes the 30 days to 60 days.

<u>Present law</u> provides that after 30 days the lease is in default and can be taken back by the department and opened for lease to the highest bidder. <u>Proposed law</u> removes the ability of the highest bidder to lease defaulted lease acreage. <u>Proposed law</u> further requires that on or before Feb. 1st each year, the department publish a notice of each delinquency in the official journal of the parish where the lease is located. Any lessee who pays the rent on or before Feb. 1st shall pay the rent plus an additional 10% penalty.

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Present regulation adopted by the Wildlife and Fisheries Commission on March 7, 2002, placed a total moratorium on the issuance of new oyster leases by the Dept. of Wildlife and Fisheries.

<u>Proposed law</u> requires that prior to commencement of any of the phases delineated in the legislation, the state land office make a determination of state ownership of all water bottoms for oyster lease applications submitted before the imposition of the moratorium and the department take appropriate actions resulting from the determination. Also establishes a process of allowing preferential rights to be claimed or forfeited in the following order prior to the lifting of the moratorium:

Phase One – applies to those leases that were not renewed since Jan. 1, 1996, due to the lease being located in the operational or impact area of a planned coastal project and to those that were voluntarily given up between Jan. 1, 1996 and Oct. 19, 2004, and were a party to the class action Avenal suit. Provides that the lessee of record at the time the lease was not renewed be given first right of refusal for a new lease for the previously leased acreage. Requires approval by the secretary of the Dept. of Wildlife and Fisheries and the secretary of the Dept. of Natural Resources. Proposed law changes the approval from the secretary of the Dept. of Natural Resources to the executive director of the Coastal Protection and Restoration Authority. Requires the Dept. of Wildlife and Fisheries to post on their website for 60 days a list of non-renewed leases eligible for re-leasing. Applications must be filed prior to the end of the 60 days.

Phase Two – Incorporation of adjacent water bottoms. Authorizes a lessee to expand an existing lease by incorporating immediately adjacent water bottom. Limits the incorporation to 500 feet beyond the existing boundary and only toward previously existing coastline, coastline located within 1,000 feet of the lease boundary, or another existing lease. Prohibits expansion toward another lease that is more than 500 feet away. If there is 500 feet or less between two leases, the incorporation area shall be divided equally. If there are more than two leases, the lessees must provide to the Dept. of Wildlife and Fisheries a written, signed agreement for dividing the area among the lessees. Requires the Dept. of Wildlife and Fisheries to post on its website for 180 days notice of the availability of lease expansions. If a lessee does not apply to exercise the right to incorporate adjacent water bottoms within that period of time, he forfeits his right to do so.

Phase Three – Right of first refusal for leases under private leases. For any water bottom claimed by a private person that is under a private oyster lease recorded in the public records in the parish where the water bottom is located by Feb. 1, 2016, the lessee of that water bottom will have the right of first refusal for a new state lease on any water bottom claimed by the state within the area of the existing private oyster lease. Requires the Dept. of Wildlife and Fisheries to post on its website for 60 days the notice of such right of first refusal ability. Any lessee that does not apply for a state lease within the 60-day time period shall forfeit his right to a state lease under this phase.

Phase Four – First lottery for appointment for new leases. Requires the Dept. of Wildlife and Fisheries to establish a lottery system for submitting applications for new leases. Requires posting on the department website for 60 days a notice of the lottery and deadline for entering the lottery which shall be the 60th day of the posting. If a person does not apply within the 60 days, he forfeits his right to apply for a new lease under this phase. Requires the department to randomly assign a priority to all lottery entries and schedule appointments to receive an application for a new lease. If the lottery participant misses his scheduled appointment, he can be rescheduled after all other lottery participants have completed their appointments.

Phase Five – Second lottery for appoint for new leases. Authorizes the department to establish an additional lottery that will be conducted in the same manner as the first.

<u>Proposed law</u> requires that each phase be taken in order and that each phase cannot begin until all applications under the previous phases are received and processed. Limits the availability of water bottoms eligible for leasing under the two lottery phases to those water bottoms for which there is not a pending application under any of the earlier phases.

<u>Proposed law</u> requires that upon implementation of all phases outlined in this Act, the Louisiana Wildlife and Fisheries Commission promulgate and implement the rules necessary to lift the oyster leasing moratorium.

Effective if and when House Bill No. 1130 of this 2016 R.S. is enacted and becomes effective.

(Amends R.S. 56:423(A) and (B) and 429, and Sections 2(B) and (C), and 3 of Act No. 808 of the 2008 Regular Session; Adds R.S. 56:427(F))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Natural Resources and</u> <u>Environment</u> to the <u>original</u> bill:
- 1. Specify that there will be only one access channel for any single oyster lease.
- 2. Provide for a preliminary determination of state ownership by the state land office within 90 days of the date a protest is filed and a final determination within 180 days.
- 3. Prohibit oyster leasing on right-of-way purchased by pipelines.
- 4. Limit the availability of water bottoms eligible for leasing under the two lottery phases to those water bottoms for which there is not a pending application under any of the earlier phases.
- 5. Provide that the bill will become effective only if and when HB No. 1130 becomes effective.