

2018 Regular Session

SENATE BILL NO. 328

BY SENATOR ALLAIN

MINERALS. Provides that certain mineral royalties due to the state are not rent. (8/1/18)

1 AN ACT

2 To amend and reenact R.S. 31:123, relative to mineral royalties; to provide for what is rent;
3 to provide that the in-kind royalty portion or monetary equivalent due to the state is
4 not rent; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 31:123 is hereby amended and reenacted to read as follows:

7 §123. Rent and the obligation to make timely payment thereof

8 Payments to the lessor for the maintenance of a mineral lease without drilling
9 or mining operations or production or for the maintenance of a lease during the
10 presence on the lease or any land unitized therewith of a well capable of production
11 in paying quantities, and royalties paid to the lessor on production are rent. **The**
12 **state's in-kind royalty portion or monetary equivalent is not rent.** A mineral
13 lessee is obligated to make timely payment of rent according to the terms of the
14 contract or the custom of the mining industry in question if the contract is silent.

