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)]

Huval HB No. 557

Abstract: Provides relative to terms of leases that are transferred to the state from other parties.

Present law limited leases of state land to ten-year terms and required annual cash payments of rent. Authorized a 10-year extension of a lease if the lessee makes improvements of between $2,000 and $10,000 upon written notification to the lessor and an additional 10-year extension for each $10,000 of improvements beyond the first $10,000. In order to qualify for the extension, the lessee must provide the lessor written notification in advance of the improvements. Proposed law would make present law applicable to leases transferred to the state from another party. Proposed law would further require the rental payments for renewals of transferred leases to be increased by an amount equal to the Consumer Price Index increase for the 10-year period from 2001 to 2010.

Present law authorizes the commissioner or secretary who is the lessor of state land to make the determination that it is beneficial to the state to continue to lease to a current lessee and provide that lessee, if he made a bid on the lease, the opportunity to match the high bid on a new lease at the end of a lease term. Proposed law applies present law to leases transferred to the state from another party.

(Amends R.S. 41:1217(A)(1) and (2)(a) and 1217.1(B) and R.S. 56:30.3(B))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Natural Resources and Environment to the original bill.

1. Required the rental payments for renewals of transferred leases to be increased by an amount equal to the Consumer Price Index increase for the 10-year period from 2001 to 2010.