

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

1 lease rentals under the provisions of this Subsection shall be credited to the Public
2 Oyster Seed Ground Development Fund, R.S. 56:434.1.

3 * * *

4 §446. Oyster severance tax; collection

5 A.(1) A severance tax of ~~two and one-half~~ ten cents per barrel on each barrel
6 of oysters fished from leased water bottoms is levied and shall be paid to and
7 collected by the department. A severance tax of ~~three~~ fifty cents per barrel on each
8 and every barrel of oysters fished from the natural reefs either for sale or
9 consumption, is levied and shall be paid to and collected by the department. These
10 taxes are levied upon and shall be paid by every person removing oysters or on
11 whose behalf oysters are removed, whether from his own leased bedding ground or
12 natural reefs, as stipulated above, except in such cases where oysters removed are
13 sold by the person to any resident wholesale/retail dealer, in which event the
14 severance tax shall be paid by the latter. All revenues received from the payment of
15 severance taxes under the provisions of this Subsection shall be credited to the Public
16 Oyster Seed Ground Development Fund, R.S. 56:434.1.

17 (2) Expenditures by a leaseholder associated with the development,
18 maintenance, cultivation, and harvesting of a lease, including the cost of planting
19 cultch and seed oysters and maintaining required lease markers and buoys shall
20 constitute necessary expenses of lease maintenance and are eligible for a tax credit
21 against a leaseholder's severance tax liability. There shall be allowed a severance tax
22 credit in an amount equal to the leaseholder's total necessary expenditures for a
23 calendar year; however, the credit shall be limited to an amount equal to seventy-five
24 percent of the leaseholder's severance tax liability in that year. Documentation of
25 necessary expenditures acceptable to the department shall be submitted no later than
26 December 31st of the year in which the expenses were incurred. The commission
27 shall promulgate rules and regulations in accordance with the Administrative
28 Procedure Act for implementation of the provisions of this Paragraph.

29 * * *

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 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))