

Regular Session, 2012

SENATE BILL NO. 530

BY SENATOR PEACOCK

MINERALS. Provides relative to certain unsolicited offers for lease or purchase of mineral rights. (8/1/12)

1 AN ACT
2 To enact Part 6 of Chapter 13 of Title 31 of the Louisiana Revised Statutes of 1950,
3 comprised of R.S. 31:218, relative to mineral rights and interests; to provide relative
4 to certain unsolicited offers for lease or purchase of mineral rights or interests; to
5 provide certain terms, conditions, requirements, and effects of such unsolicited
6 offers; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Part 6 of Chapter 13 of Title 31 of the Louisiana Revised Statutes of 1950,
9 comprised of R.S. 31:218, is hereby enacted to read as follows:

10 **PART VI. UNSOLICITED OFFERS FOR LEASE OR**
11 **PURCHASE OF MINERAL RIGHTS**
12 **§218. Unsolicited offers for lease or purchase of mineral rights; requirements;**
13 **limitations; effects; nullity**
14 **A. An unsolicited offer, by mail or electronic communication, for lease**
15 **or purchase of a mineral right or interest shall include and accurately disclose**
16 **the following information prominently displayed in boldfaced lettering of equal**
17 **or greater size:**

1 **(1) Whether the offer is for a lease of a mineral right or interest, or for**
2 **a purchase of a mineral right or interest, or both.**

3 **(2) A description of the specific mineral right or interest, limited to one-**
4 **half of a mile beyond the described property line, for which the offer is made.**

5 **(3) The total monetary amount or other compensation offered for the**
6 **lease or purchase.**

7 **(4) If a lease, the term of the lease or any extension.**

8 **B. An unsolicited offer by mail for the lease or purchase of a mineral**
9 **right or interest shall not include advance payment, in whole or part, for the**
10 **lease or purchase. If such payment is included, it shall be deemed an**
11 **unconditional gift or donation to the recipient, who may accept and use such**
12 **funds without liability or any obligation to the sender. The recipient may use**
13 **the funds for any purpose, including legal or other consultation concerning the**
14 **unsolicited offer.**

15 **C. The failure of an unsolicited offer to conform to the requirements of**
16 **this Section shall render any act resulting from the offer a nullity. The sender**
17 **shall pay any legal costs associated with any act of lease or purchase arising**
18 **from an unsolicited offer that is subject to the provisions of this Section.**

19 **D.(1) The provisions of this Section shall supersede and control to the**
20 **extent of any conflict with any other provision of law.**

21 **(2) The provisions of this Section shall not apply to any lease established**
22 **by an authentic act, or any lease executed in the presence of two witnesses, and**
23 **signed by each party who executed it and by each witness, or any lease executed**
24 **in the presence of a notary, signed by the notary and each party that executed**
25 **it.**

The original instrument was prepared by McHenry Lee. The following digest, which does not constitute a part of the legislative instrument, was prepared by Nancy Vicknair.

DIGEST

Peacock (SB 530)

Proposed law provides relative to unsolicited offers for lease or purchase of mineral rights or interests.

Proposed law provides that an unsolicited offer, by mail or electronic communication, for lease or purchase of a mineral right or interest shall include and accurately disclose the following information prominently displayed in boldfaced lettering of equal or greater size:

1. Whether the offer is for a lease of a mineral right or interest, or for a purchase of a mineral right or interest, or both.
2. A description of the specific mineral right or interest, limited to one half of a mile beyond the described property line, for which the offer is made.
3. The total monetary amount or other compensation offered for the lease or purchase.
4. If a lease, the term of the lease or any extension.

Proposed law provides that an unsolicited offer by mail for the lease or purchase of a mineral right or interest shall not include advance payment, in whole or part, for the lease or purchase. If such payment is included, it shall be deemed an unconditional gift or donation to the recipient, who may accept and use such funds without liability or any obligation to the sender. Also provides that the recipient may use the funds for any purpose, including legal or other consultation concerning the unsolicited offer.

Proposed law provides that the failure of an unsolicited offer to conform to these requirements shall render any act resulting from the offer a nullity. The sender shall pay any legal costs associated with any act of lease or purchase arising from an unsolicited offer.

Proposed law further provides that its provisions shall supersede and control to the extent of any conflict with any other provision of law.

Proposed law provides that proposed law shall not apply to any lease established by an authentic act, or any lease executed in the presence of two witnesses, and signed by each party who executed it and by each witness, or any lease executed in the presence of a notary, signed by the notary and each party that executed it.

Effective August 1, 2012.

(Adds R.S. 31:218)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Natural Resources to the original bill

1. Makes changes to the information that must be disclosed in an unsolicited offer.

Senate Floor Amendments to engrossed bill

1. Make technical changes.
2. Specify that proposed law is not applicable to leases established by authentic act or leases appropriately executed.