

1 STATE OF OKLAHOMA

2 1st Session of the 55th Legislature (2015)

3 HOUSE BILL 1582

By: Park

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5
6 AS INTRODUCED

7 An Act relating to public lands; amending 64 O.S.
8 2011, Section 1023, which relates to leases of trust
9 property; providing exception to give lessee first
right of refusal to renew commercial or agricultural
lease; and providing an effective date.

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12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 64 O.S. 2011, Section 1023, is
14 amended to read as follows:

15 Section 1023. A. The Commissioners of the Land Office are
16 authorized to grant commercial leases and agricultural leases in
17 trust property.

18 Commercial leases shall not exceed fifty-five (55) years. ~~The~~
19 Except as provided in subsection E of this section, the granting of
20 any commercial lease in excess of three (3) years shall be by public
21 bidding at not less than fair market value. All commercial leases
22 shall provide for fair market value throughout the term of the
23 lease.

1 ~~Agricultural~~ Except as provided in subsection E of this section,
2 agricultural leases of trust property shall be limited to a maximum
3 of five (5) years and shall be by public bidding at not less than
4 fair market value.

5 The granting of any interest in trust property at less than fair
6 market value or not in compliance with this section is void.

7 Any permanent improvement made on commercial trust property from
8 and after the passage of this act shall revert to the trust at the
9 end of the lease.

10 B. In connection with any commercial and agricultural leases,
11 the Commissioners of the Land Office shall, unless otherwise
12 exempted by the Constitution or laws of Oklahoma:

13 1. Require payment of ad valorem property taxes on any
14 improvements and structures on state school land, which would
15 otherwise be subject to ad valorem property taxation if constructed
16 on privately owned land; and

17 2. Indemnify and hold harmless the Commissioners of the Land
18 Office from any financial obligation related to land, financing or
19 operation.

20 C. The Commissioners of the Land Office may refuse to accept
21 any bid or lease on a commercial, agricultural or mineral lease
22 where the party is in default of any installment due or in violation
23 of any provisions contained in a prior or current lease contract.

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1 D. The Commissioners of the Land Office may refuse to accept
2 any bid or lease contract where the interested party cannot show
3 adequate creditworthiness as determined by the Land Office.

4 E. The Commissioners of the Land Office shall grant a current
5 lessee the right of first refusal to renew a commercial or
6 agricultural lease without following the public bidding requirements
7 provided in subsection A of this section.

8 SECTION 2. This act shall become effective November 1, 2015.

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10 55-1-6278 EK 01/09/15

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