

STATE OF OKLAHOMA

2nd Session of the 44th Legislature (1994)

HOUSE BILL NO. 2534

By: Leist

AS INTRODUCED

An Act relating to public lands; amending 64 O.S.

1991, Section 101, which relates to leases in trust property; adding definition; and providing an effective date.

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

SECTION 1. AMENDATORY 64 O.S. 1991, Section 101, is amended to read as follows:

Section 101. A. The Commissioners of the Land Office are authorized to grant commercial leases and agricultural leases in trust property.

Commercial leases shall not exceed fifty-five (55) years. The granting of any commercial lease in excess of three (3) years shall be by public bidding at not less than fair market value. All commercial leases shall provide for fair market value throughout the term of the lease.

Agricultural leases of trust property shall be limited to a maximum of five (5) years and shall be by public bidding at not less than fair market value.

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

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

B. In connection with any such leases, the Commissioners of the Land Office shall, unless otherwise exempted by the Constitution or laws of Oklahoma:

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

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

C. The Commissioners of the Land Office shall refuse to accept any bid or lease on a commercial, agricultural or mineral lease where the party placing the bid is in default of any annual installment due or in violation of any provisions contained in a prior lease contract.

D. As used in this section, "commercial" means any activity of which the primary intent is profit, which includes but is not limited to any business, industrial or manufacturing activity. It shall not include any activity which is primarily recreational in nature.

SECTION 2. This act shall become effective September 1, 1994.

44-2-8617

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