

The House Committee on State Institutions and Property offers the following substitute to HB 170:

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 12-5-287 of the Official Code of Georgia Annotated, relating to
2 leasing of state owned marshland or water bottoms, so as to change the amount of annual
3 rental fees from fair market value to a fixed rate; to provide for annual fee adjustments; to
4 provide an effective date; to provide for applicability; to repeal conflicting laws; and for
5 other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 12-5-287 of the Official Code of Georgia Annotated, relating to leasing of state
9 owned marshland or water bottoms, is amended by revising subsection (d) as follows:

10 "(d) Each lease granted under this Code section shall be upon such provisions,
11 requirements, and conditions as the committee shall make and shall, except as provided in
12 subsections (g) and (h) of this Code section, provide for a primary term of not more than
13 ten years. Each lease, except as provided in subsections (g) and (h) of this Code section,
14 shall require the payment of an annual rental fee ~~set by the committee~~ which, as of the
15 effective date of this subsection, shall be not less than the fair market rental value of the
16 state owned marshland or water bottoms leased thereby and \$1,000.00 per acre, which
17 acreage shall consist of the covered area of dock structures and a ten-foot buffer
18 surrounding such dock structures; and the committee shall in each calendar year thereafter
19 adjust the amount of the annual rental fee per acre to reflect the effect of annual inflation
20 or deflation for the immediately preceding calendar year in accordance with rules and
21 regulations adopted by the board, which rules and regulations may use for this purpose the
22 Consumer Price Index as reported by the Bureau of Labor Statistics of the United States
23 Department of Labor or any other similar index established by the federal government, if
24 the board determines that such federal index reflects the effect of inflation and deflation on
25 the lessees. Except as provided in subsections (g) and (h) of this Code section, an initial

26 lease shall be for the annual fee in effect and established by the committee at the time such
27 lease is entered into. Such lease shall be adjusted annually thereafter as provided in this
28 subsection. Each lease may provide for two renewal terms, each of which shall not be for
29 a term of more than equal duration to the primary term. Rental fees shall be paid in one
30 installment to the department not later than July 15 of each year. A penalty of 10 percent
31 of the annual rental shall be assessed for late payment. Failure to pay rental by August 1
32 of the year due shall result in the cancellation of the lease."

33 **SECTION 2.**

34 This Act shall become effective upon its approval by the Governor or upon its becoming law
35 without such approval; provided, however, that this Act shall not be applied to impair an
36 obligation of contract entered into prior to such effective date.

37 **SECTION 3.**

38 All laws and parts of laws in conflict with this Act are repealed.