SENATE BILL NO. 2008

1   AN ACT TO CREATE SECTION 89-5-22, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE THAT WHEN CARBON LEASES ARE CREATED, THAT THE LEASE
3 MUST BE RECORDED IN THE LAND RECORD TO BE VALID AND ENFORCEABLE;
4 TO AMEND SECTION 89-5-23, MISSISSIPPI CODE OF 1972, TO CONFORM THE
5 LAND RECORD RECORDING REQUIREMENT FOR OIL, GAS AND MINERAL LEASES;
6 AND FOR RELATED PURPOSES.

7   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8   **SECTION 1.** The following shall be codified as Section

9 89-5-22, Mississippi Code of 1972:

10   89-5-22. (1) As used in this section, the following terms

11 shall have the meanings ascribed in this subsection, unless

12 context clearly requires otherwise:

13   (a) "Surface ownership" means an individual, company or

14 entity that holds the legal rights to the surface of a piece of

15 land, including the space, buildings and landscaping that are upon

16 the top and the areas just beneath the surface of said land.

17   (b) "Carbon lease" means an agreement between a

18 landowner and an individual, company or entity where the landowner

19 is paid to store carbon on his or her property through practices

20 like reforestation, soil conservation, reduced tillage or using a

21 previously drilled oil well.

22   (2) Surface ownership shall include the right to use the

23 land and any reservoirs lying underneath the land for storage

24 purposes. When the right to access and utilize reservoirs

25 underneath the land is contracted to a separate individual,

26 company or entity, a carbon lease shall be formed, and must be

27 timely filed in the land record pursuant to Section 89-5-1. A

28 carbon lease that has not been filed in the land record shall be

29 considered invalid and unenforceable.

30   **SECTION 2.** Section 89-5-23, Mississippi Code of 1972,

31 is amended as follows:

32   89-5-23. (1) Whenever any oil, gas and mineral lease

33 which *** * *** must be recorded in any county of this state shall

34 expire or terminate, the holder of such oil, gas and mineral

35 lease, or the last assignee of record thereof, as the case may be,

36 shall be required to cancel of record such oil, gas and mineral

37 lease by entering upon the margin of the record of such lease, a

38 notation that said oil, gas and mineral lease has terminated and

39 expired, which entry shall be attested by the clerk of the

40 chancery court and shall discharge and release the lands therein

41 described from said oil, gas and mineral lease; or the holder or

42 last assignee of record, as the case may be, of an oil, gas and

43 mineral lease may execute an instrument, duly recordable under the

44 laws of this state, stating that the said oil, gas and mineral

45 lease has expired and terminated and that no further rights or

46 claims will be asserted thereunder.

47   The chancery clerk shall be allowed a fee of One Dollar

48 ($1.00) for making such cancellation, and shall not be required to

49 index same on sectional index but, shall be required to note the

50 cancellation on the margin of the record where said lease is

51 recorded and if said cancellation is by separate instrument he or

52 she shall note the cancellation on the margin where lease is

53 recorded showing book and page of said instrument of cancellation.

54   (2) If the holder of an oil, gas and mineral lease or the

55 last assignee of record, as the case may be, shall not, within one

56 (1) month after written request made by the lessor or his or her

57 assigns, cancel on the record said oil, gas and mineral lease, or

58 furnish proof, as above provided, that the same has expired and

59 terminated, the lessee or the last assignee of record, as the case

60 may be, of such oil, gas and mineral lease, shall forfeit the sum

61 of One Hundred Dollars ($100.00), which may be recovered by suit

62 on the part of the party aggrieved.

63   **SECTION 3.** This act shall take effect and be in force from

64 and after July 1, 2025.

S. B. No. 2008 ||||||||||||||||||||||||||||||||||| **~ OFFICIAL ~**
25/SS08/R33   ST: Carbon leases; require to be filed in the
PAGE 3 (ab\kr)   land record when separated from surface rights.