**§ 15-1741. Re-entry at expiration of the license period.**

1. Upon the expiration of the original license period any and all interest of the licensee in and to state property which is covered by the license, together with any and all works and structures thereon, shall vest in and become the property of the state free and clear of any and all liens and encumbrances, provided, however, that the department may at the time the license is granted, or at any later time during its continuance, enter into an agreement with the licensee that an allowance will be made to the licensee for and on account of improvements to property of the state, or improvements the value of which is dependent on the use of state property, for which in view of the rent paid the licensee shall not have been compensated by the privilege of the license, but such agreement must be made before the improvement for which such allowance is to be made, is undertaken. If the amount of such allowance exceeds the amount of indebtedness, which may be lawfully incurred for such purposes without an appropriation, the time when such property is vested in the state shall be postponed until an adequate appropriation is made therefor. The allowance so made or to be made may be by way of an extension of the license pursuant to an agreement between the department and the licensee.

2. Any agreement with the licensee for an allowance on account of improvements to property of the state or improvements the value of which is dependent on the use of state property, shall not provide for an allowance in excess of the reconstruction cost, less a deduction equal to that portion, if any, of the aggregate income from the project, over and above actual and reasonable expenses of operation, including repairs, which shall exceed an amount equal to eight per centum per annum, to the time that the state property is taken over by the state, of the actual and reasonable cost to the licensee of the lands and interests in lands, the actual and reasonable cost to the licensee of the ways, means and works and the allowances made for organization and development expenses.