

By: Senator(s) Furniss

To: Education

## SENATE BILL NO. 2448

1 AN ACT TO AMEND SECTION 29-3-81, MISSISSIPPI CODE OF 1972, TO  
2 REVISE THE PROCEDURES FOR LEASING SIXTEENTH SECTION LANDS  
3 CLASSIFIED AS AGRICULTURAL LAND; TO PROVIDE THAT THE HOLDER OF THE  
4 EXISTING LEASE ON SUCH LANDS, IF IT MADE AN OFFER, SHALL HAVE THE  
5 FINAL RIGHT TO EXTEND ITS LEASE FOR THE TERM ADVERTISED AT THE  
6 ANNUAL RENTAL EQUAL TO THE HIGHEST OFFER RECEIVED BY THE BOARD OF  
7 EDUCATION; AND FOR RELATED PURPOSES.

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

9 SECTION 1. Section 29-3-81, Mississippi Code of 1972, is  
10 amended as follows:

11 29-3-81. (1) Sixteenth section lands, or any lands granted  
12 in lieu of sixteenth section lands, classified as agricultural may  
13 be leased for the cultivation of rice, or pasturage, for a term  
14 not to exceed ten (10) years. All other sixteenth section or lieu  
15 lands classified as agricultural may be leased for a term not  
16 exceeding five (5) years. All leases of land classified as  
17 agricultural shall be for a term to expire on December 31. Except  
18 in those cases when the holder of an existing lease on  
19 agricultural land elects to re-lease such land, as authorized  
20 under this subsection, it shall be the duty of the Board of  
21 Education to lease the sixteenth section or lieu lands at public  
22 contract after having advertised such lands for rent in a  
23 newspaper published in the county or, if no newspaper is published  
24 in the county, then in a newspaper having a general circulation  
25 therein, for two (2) successive weeks, the first being at least  
26 ten (10) days before the public contract. However, before the  
27 expiration of an existing lease of land classified as agricultural  
28 land, the Board of Education, in its discretion and subject to the

29 prior approval of the Secretary of State, may authorize the holder  
30 of the existing lease to re-lease the land, on no more than one  
31 (1) occasion, for a term not to exceed five (5) years and for a  
32 rental amount that is no less than one hundred twenty percent  
33 (120%) of the total rental value of the existing lease. If the  
34 holder of the existing lease elects not to re-lease the land, the  
35 Board of Education shall publish an advertisement of agricultural  
36 land for rent which publication shall be not more than four (4)  
37 months before the expiration of the term of an existing lease of  
38 the land. An election by the holder of the existing lease not to  
39 re-lease the land shall not preclude his participation in the  
40 bidding process established under this section. Subject to the  
41 classification of the land, the Board of Education shall enter  
42 into a new lease on agricultural land before the expiration of an  
43 existing lease on the same land, and the new lease shall take  
44 effect on the day immediately following the day on which the  
45 existing lease expires. The Board of Education may require  
46 bidders to furnish bond or submit evidence of financial ability.

47 Bids received by the Board of Education in response to the  
48 advertisement shall be opened at a regular or special meeting of  
49 the board. The Board of Education, at its option, may reject all  
50 bids or accept the highest and best bid received in response to  
51 the advertisement \* \* \*. Provided, however, that if the Board of  
52 Education receives an acceptable bid, the holder of the existing  
53 lease, if it made an offer, shall have the final right to extend  
54 its lease for the term advertised at the annual rental equal to  
55 said highest offer received by the Board of Education.

56 \* \* \*

57 (2) (a) If no bid acceptable to the Board of Education is  
58 received after the advertisement \* \* \*, the Board of Education may  
59 lease, within ninety (90) days, the lands by private contract for  
60 an amount greater than the highest bid previously rejected in  
61 order to acquire a fair rental value for the lands. If no bids  
62 are received in response to the advertisement, the Board of  
63 Education may negotiate a private contract for a fair rental  
64 value, and the term of such contract shall expire on December 31  
65 of the same calendar year in which the contract is made. If the

66 Board of Education determines to lease the land by private  
67 contract, the most recent holder of said lease, if it made an  
68 offer, shall have the final right to extend its lease on the same  
69 terms and conditions as those contained in the private contract  
70 proposed to be accepted by the Board of Education. The Board of  
71 Education may take the notes for the rent and attend to their  
72 collection. The board has the right and remedies for the security  
73 and collection of such rents given by law to the agricultural  
74 landlords.

75         (b) If an existing lease is terminated before the  
76 expiration of the term originally set therein, upon finding that  
77 immediate action is necessary to prevent damage or loss to growing  
78 crops or to prevent loss of opportunity to lease the land for the  
79 current growing season, the Board of Education may negotiate a  
80 private contract for a fair rental value, and the term of such  
81 lease shall expire on December 31 of the same calendar year in  
82 which the contract is made.

83         (3) Any holder of a lease on agricultural land that: (a)  
84 was granted before July 1, 1997; and (b) has an expiration date on  
85 or after April 1 but before December 31 during the final year of  
86 the lease term, may extend the term of such lease to December 31  
87 next following the expiration date originally provided for in the  
88 lease. If such lease is extended, the rent for the period from  
89 the original expiration date in the lease to December 31 next  
90 following the original expiration date shall be one hundred five  
91 percent (105%) of the annual rent provided in the existing lease  
92 prorated over the period of the lease extension. At the  
93 expiration of the extended lease term or at the expiration of the  
94 original lease term if the lease holder does not extend such  
95 lease, the land shall be offered for lease as provided in  
96 subsections (1) and (2) of this section.

97         SECTION 2. This act shall take effect and be in force from  
98 and after July 1, 1999.