

*****Adopted*****

SUBSTITUTE 1 FOR AMENDMENT No. 1 PROPOSED TO

House Bill NO. 1143

By Senator(s) Smith

1 **AMEND** by inserting the following section after line 127 and
2 **renumber:**

3 SECTION *. Section 29-3-81, Mississippi Code of 1972, is
4 amended as follows:

5 29-3-81. (1) Sixteenth section lands, or any lands granted
6 in lieu of sixteenth section lands, classified as agricultural may
7 be leased for the cultivation of rice, or pasturage, for a term
8 not to exceed ten (10) years. All other sixteenth section or lieu
9 lands classified as agricultural may be leased for a term not
10 exceeding five (5) years. All leases of land classified as
11 agricultural shall be for a term to expire on December 31. Except
12 in those cases when the holder of an existing lease on
13 agricultural land elects to re-lease such land, as authorized
14 under this subsection, it shall be the duty of the board of
15 education to lease the sixteenth section or lieu lands at public
16 contract after having advertised such lands for rent in a
17 newspaper published in the county or, if no newspaper is published
18 in the county, then in a newspaper having a general circulation
19 therein, for two (2) successive weeks, the first being at least
20 ten (10) days before the public contract. Any such advertisement
21 for rent shall include notice of all costs related to making such
22 bid, including any bond or liability insurance, if any, which must
23 be executed by the lessee. However, before the expiration of an

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

44 Bids received by the board of education in response to the
45 advertisement shall be opened at a regular or special meeting of
46 the board. The board of education, at its option, may reject all
47 bids or accept the highest and best bid received in response to
48 the advertisement, or the board of education may hold an auction
49 among those who submitted bids in response to the advertisement.
50 If the board of education elects to hold an auction, no bidder
51 shall be granted any preference. The opening bid at the auction
52 shall be highest bid received in response to the advertisement.

53 (2) (a) If the board of education receives an acceptable
54 bid in response to the advertisement and elects not to hold an
55 auction among those submitting bids, then the holder of the
56 existing lease may submit a second bid in an amount not less than

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57 one hundred five percent (105%) of the highest acceptable bid
58 received if the holder of the existing lease: (i) submitted a bid
59 in response to the advertisement; and (ii) constructed or made
60 improvements on the leasehold premises after receiving approval of
61 the board of education during the term of the existing lease. For
62 purposes of this subsection, the term "improvements" shall not
63 include any work or items that are done customarily on an annual
64 basis in the preparing, planting, growing, cultivating or
65 harvesting of crops or other farm products.

66 (b) If the holder of the existing lease elects to
67 submit a second bid, the board of education shall hold an auction
68 among those who submitted bids in response to the advertisement.
69 The opening bid at the auction shall be the second bid of the
70 holder of the existing lease. However, no leaseholder may submit
71 a second bid if: (i) any rent, taxes or other payment required
72 under his lease are past due; or (ii) he is otherwise in default
73 of any term or provision of the lease and such default has not
74 been corrected or cured to the satisfaction of the board of
75 education after more than thirty (30) days' notice to the
76 leaseholder of the default.

77 (c) If an auction is held, the auction may be conducted
78 at the meeting at which bids are opened or at a subsequent regular
79 or special meeting. The board shall announce the time and place
80 of the auction at the meeting at which bids are opened, and no
81 further notice of the auction is required.

82 (d) If no bid acceptable to the board of education is
83 received after the advertisement or at auction, the board of
84 education may lease, within ninety (90) days, the lands by private
85 contract for an amount greater than the highest bid previously
86 rejected in order to acquire a fair rental value for the lands.
87 If no bids are received in response to the advertisement, the
88 board of education may negotiate a private contract for a fair
89 rental value, and the term of such contract shall expire on

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90 December 31 of the same calendar year in which the contract is
91 made. The board of education may take the notes for the rent and
92 attend to their collection. The board has the right and remedies
93 for the security and collection of such rents given by law to the
94 agricultural landlords.

95 (e) If an existing lease is terminated before the
96 expiration of the term originally set therein, upon finding that
97 immediate action is necessary to prevent damage or loss to growing
98 crops or to prevent loss of opportunity to lease the land for the
99 current growing season, the board of education may negotiate a
100 private contract for a fair rental value, and the term of such
101 lease shall expire on December 31 of the same calendar year in
102 which the contract is made.

103 (3) Any holder of a lease on agricultural land that: (a)
104 was granted before July 1, 1997; and (b) has an expiration date on
105 or after April 1 but before December 31 during the final year of
106 the lease term, may extend the term of such lease to December 31
107 next following the expiration date originally provided for in the
108 lease. If such lease is extended, the rent for the period from
109 the original expiration date in the lease to December 31 next
110 following the original expiration date shall be one hundred five
111 percent (105%) of the annual rent provided in the existing lease
112 prorated over the period of the lease extension. At the
113 expiration of the extended lease term or at the expiration of the
114 original lease term if the lease holder does not extend such
115 lease, the land shall be offered for lease as provided in
116 subsections (1) and (2) of this section.

117 **FURTHER, amend the title to conform.**