SENATE BILL NO. 2064

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

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

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

29-3-81. (1) Sixteenth section lands, or any lands granted in lieu of sixteenth section lands, classified as agricultural may be leased for the cultivation of rice, or pasturage, for a term not to exceed ten (10) years. All other sixteenth section or lieu lands classified as agricultural may be leased for a term not exceeding five (5) years. All leases of land classified as agricultural shall be for a term to expire on December 31. Except in those cases when the holder of an existing lease on agricultural land elects to re-lease such land, as authorized under this subsection, it shall be the duty of the board of education to lease the sixteenth section or lieu lands at public contract after having advertised such lands for rent in a newspaper published in the county or, if no newspaper is published in the county, then in a newspaper having a general circulation therein, for two (2) successive weeks, the first being at least ten (10) days before the public contract. The lease form and the terms so prescribed shall be on file and available for inspection in the office of the superintendent from and after the public notice by advertisement and until finally accepted by the board.
However, before the expiration of an existing lease of land classified as agricultural land, the board of education, in its discretion and subject to the prior approval of the Secretary of State, may authorize the holder of the existing lease to re-lease the land, on no more than one (1) occasion, for a term not to exceed five (5) years and for a rental amount that is no less than one hundred twenty percent (120%) of the total rental value of the existing lease. If the holder of the existing lease elects not to re-lease the land, the board of education shall publish an advertisement of agricultural land for rent which publication shall be not more than four (4) months before the expiration of the term of an existing lease of the land. An election by the holder of the existing lease not to re-lease the land shall not preclude his participation in the bidding process established under this section. Subject to the classification of the land, the board of education shall enter into a new lease on agricultural land before the expiration of an existing lease on the same land, and the new lease shall take effect on the day immediately following the day on which the existing lease expires. The board of education may require bidders to furnish bond or submit evidence of financial ability.

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

(2) (a) If no bid acceptable to the board of education is received after the advertisement and the board of education may
lease, within ninety (90) days, the lands by private contract for
an amount greater than the highest bid previously rejected in
order to acquire a fair rental value for the lands. If no bids
are received in response to the advertisement, the board of
education may negotiate a private contract for a fair rental
value, and the term of such contract shall expire on December 31
of the same calendar year in which the contract is made. If the
board of education determines to lease the land by private
contract, the most recent holder of said lease, if it made an
offer, shall have the final right to extend its lease on the same
terms and conditions as those contained in the private contract
proposed to be accepted by the board of education. The board of
education may take the notes for the rent and attend to their
collection. The board has the right and remedies for the security
and collection of such rents given by law to the agricultural
landlords.

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

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

SECTION 2. This act shall take effect and be in force from
and after July 1, 2001.