

By: Representatives Frierson, Dedeaux

To: Education

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 803

1 AN ACT TO AMEND SECTION 29-3-81, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE RE-LEASE OF AGRICULTURAL SIXTEENTH SECTION LANDS
3 THAT THE SCHOOL BOARD INTENDS TO RECLASSIFY FOR A TERM OF FIVE
4 YEARS; AND FOR RELATED PURPOSES.

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

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

8 29-3-81. (1) Sixteenth section lands, or any lands granted
9 in lieu of sixteenth section lands, classified as agricultural may
10 be leased for the cultivation of rice, or pasturage, for a term
11 not to exceed ten (10) years. All other sixteenth section or lieu
12 lands classified as agricultural may be leased for a term not
13 exceeding five (5) years. All leases of land classified as
14 agricultural shall be for a term to expire on December 31. Except
15 in those cases when the holder of an existing lease on
16 agricultural land elects to re-lease such land, as authorized
17 under this subsection, it shall be the duty of the school
18 board * * * to lease the sixteenth section or lieu lands at public
19 contract after having advertised such lands for rent in a
20 newspaper published in the county or, if no newspaper is published
21 in the county, then in a newspaper having a general circulation
22 therein, for two (2) successive weeks, the first being at least
23 ten (10) days before the public contract. The lease form and the
24 terms so prescribed shall be on file and available for inspection
25 in the office of the superintendent from and after the public
26 notice by advertisement and until finally accepted by the board.
27 However, before the expiration of an existing lease of land
28 classified as agricultural land, except as otherwise provided in



29 subsection (2) for lands intended to be reclassified, the school
30 board * * *, in its discretion and subject to the prior approval
31 of the Secretary of State, may authorize the holder of the
32 existing lease to re-lease the land, on no more than one (1)
33 occasion, for a term of five (5) years and for a rental amount
34 that is equal to one hundred twenty percent (120%) of the total
35 rental value of the existing lease. If the holder of the existing
36 lease elects not to re-lease the land, the school board * * *
37 shall publish an advertisement of agricultural land for rent which
38 publication shall be not more than four (4) months before the
39 expiration of the term of an existing lease of the land. An
40 election by the holder of the existing lease not to re-lease the
41 land shall not preclude his participation in the bidding process
42 established under this section. Subject to the classification of
43 the land, the school board * * * shall enter into a new lease on
44 agricultural land before the expiration of an existing lease on
45 the same land, and the new lease shall take effect on the day
46 immediately following the day on which the existing lease expires.
47 The school board * * * may require bidders to furnish bond or
48 submit evidence of financial ability.

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

58 (2) If, during the final year of an existing lease, the
59 school board notifies the holder of the existing lease that the
60 school board intends to reclassify the land under Section 29-3-39,
61 the holder of the existing lease may re-lease the land for a term



62 of five (5) years and for a rental amount that is equal to one
63 hundred twenty percent (120%) of the total rental value of the
64 existing lease. Thereafter, the school board shall proceed with
65 the reclassification of the land, and the new classification will
66 be implemented upon the expiration of the lease.

67 (3) (a) If the school board * * * receives an acceptable
68 bid in response to the advertisement and elects not to hold an
69 auction among those submitting bids, then the holder of the
70 existing lease may submit a second bid in an amount not less than
71 one hundred five percent (105%) of the highest acceptable bid
72 received if the holder of the existing lease: (i) submitted a bid
73 in response to the advertisement; and (ii) constructed or made
74 improvements on the leasehold premises after receiving approval of
75 the school board * * * during the term of the existing lease. For
76 purposes of this subsection, the term "improvements" shall not
77 include any work or items that are done customarily on an annual
78 basis in the preparing, planting, growing, cultivating or
79 harvesting of crops or other farm products.

80 (b) If the holder of the existing lease elects to
81 submit a second bid, the school board * * * shall hold an auction
82 among those who submitted bids in response to the advertisement.
83 The opening bid at the auction shall be the second bid of the
84 holder of the existing lease. However, no leaseholder may submit
85 a second bid if: (i) any rent, taxes or other payment required
86 under his lease are past due; or (ii) he is otherwise in default
87 of any term or provision of the lease and such default has not
88 been corrected or cured to the satisfaction of the school
89 board * * * after more than thirty (30) days' notice to the
90 leaseholder of the default.

91 (c) If an auction is held, the auction may be conducted
92 at the meeting at which bids are opened or at a subsequent regular
93 or special meeting. The board shall announce the time and place



94 of the auction at the meeting at which bids are opened, and no
95 further notice of the auction is required.

96 (d) If no bid acceptable to the school board * * * is
97 received after the advertisement or at auction, the school
98 board * * * may lease, within ninety (90) days, the lands by
99 private contract for an amount greater than the highest bid
100 previously rejected in order to acquire a fair rental value for
101 the lands. If no bids are received in response to the
102 advertisement, the school board * * * may negotiate a private
103 contract for a fair rental value, and the term of such contract
104 shall expire on December 31 of the same calendar year in which the
105 contract is made. The school board * * * may take the notes for
106 the rent and attend to their collection. The board has the right
107 and remedies for the security and collection of such rents given
108 by law to the agricultural landlords.

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

117 (4) Any holder of a lease on agricultural land that: (a)
118 was granted before July 1, 1997; and (b) has an expiration date on
119 or after April 1 but before December 31 during the final year of
120 the lease term, may extend the term of such lease to December 31
121 next following the expiration date originally provided for in the
122 lease. If such lease is extended, the rent for the period from
123 the original expiration date in the lease to December 31 next
124 following the original expiration date shall be one hundred five
125 percent (105%) of the annual rent provided in the existing lease
126 prorated over the period of the lease extension. At the



127 expiration of the extended lease term or at the expiration of the
128 original lease term if the lease holder does not extend such
129 lease, the land shall be offered for lease as provided in
130 subsections (1) and (2) of this section.

131 **SECTION 2.** This act shall take effect and be in force from
132 and after July 1, 2002.

