

By: Representatives Frierson, Dedeaux

To: Education

HOUSE BILL NO. 803  
(As Passed the House)

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; TO CREATE A NEW CODE SECTION THAT PROHIBITS LOCAL SCHOOL  
5 BOARDS FROM ENTERING INTO SIXTEENTH SECTION LAND LEASES WITH  
6 PERSONS INTENDING TO ESTABLISH AN ADULT ENTERTAINMENT BUSINESS ON  
7 THE SIXTEENTH SECTION OR LIEU LAND; 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 school  
21 board \* \* \* 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. The lease form and the  
27 terms so prescribed shall be on file and available for inspection  
28 in the office of the superintendent from and after the public  
29 notice by advertisement and until finally accepted by the board.



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

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

61 (2) If, during the final year of an existing lease, the  
62 school board notifies the holder of the existing lease that the



63 school board intends to reclassify the land under Section 29-3-39,  
64 the holder of the existing lease may re-lease the land for a term  
65 of five (5) years and for a rental amount that is equal to one  
66 hundred twenty percent (120%) of the total rental value of the  
67 existing lease. Thereafter, the school board shall proceed with  
68 the reclassification of the land, and the new classification will  
69 be implemented upon the expiration of the lease.

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

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

94       (c) If an auction is held, the auction may be conducted  
95 at the meeting at which bids are opened or at a subsequent regular



96 or special meeting. The board shall announce the time and place  
97 of the auction at the meeting at which bids are opened, and no  
98 further notice of the auction is required.

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

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

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



129 prorated over the period of the lease extension. At the  
130 expiration of the extended lease term or at the expiration of the  
131 original lease term if the lease holder does not extend such  
132 lease, the land shall be offered for lease as provided in  
133 subsections (1) and (2) of this section.

134 **SECTION 2.** (1) Beginning on July 1, 2002, the board of  
135 education may not enter into a new lease on any sixteenth section  
136 land or lieu land with any person, corporation or organization  
137 that plans to establish an adult entertainment business such as an  
138 adult video store, an adult novelty store, an adult bookstore, a  
139 strip club or any similar business on the sixteenth section or  
140 lieu land.

141 (2) This section does not prohibit the continued operation  
142 of any such business located on sixteenth section land or lieu  
143 land on July 1, 2002, for the duration of the lease existing on  
144 July 1, 2002, and for any subsequent re-lease of that land to the  
145 holder of the lease existing on July 1, 2002.

146 **SECTION 3.** Section 2 of this act shall be codified as a  
147 separate code section in Chapter 3, Title 29, Mississippi Code of  
148 1972.

149 **SECTION 4.** This act shall take effect and be in force from  
150 and after July 1, 2002.

