

By: Representatives Frierson, Dedeaux

To: Education

HOUSE BILL NO. 803
(As Sent to Governor)

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 BOARD OF EDUCATION INTENDS TO RECLASSIFY FOR A TERM OF
4 FIVE 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 board of
18 education 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 board of
30 education, in its discretion and subject to the prior approval of
31 the Secretary of State, may authorize the holder of the existing
32 lease to re-lease the land, on no more than one (1) occasion, for
33 a term not to exceed five (5) years and for a rental amount that
34 is no less than 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 board of education
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 board of education 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 board of education may require bidders to furnish bond or
48 submit evidence of financial ability.

49 Bids received by the board of education in response to the
50 advertisement shall be opened at a regular or special meeting of
51 the board. The board of education, at its option, may reject all
52 bids or accept the highest and best bid received in response to
53 the advertisement, or the board of education may hold an auction
54 among those who submitted bids in response to the advertisement.
55 If the board of education 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 board of education notifies the holder of the existing lease that
60 the board of education intends to reclassify the land under
61 Section 29-3-39, the holder of the existing lease may re-lease the



62 land for a term of five (5) years and for a rental amount that is
63 equal to one hundred twenty percent (120%) of the total rental
64 value of the existing lease. Thereafter, the board of education
65 shall proceed with the reclassification of the land, and the new
66 classification will be implemented upon the expiration of the
67 lease. This subsection does not apply if the board of education
68 intends to reclassify the land under the "commercial" or
69 "industrial" land classification based on a valid business
70 proposal presented to and approved by the board of education.

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

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



95 (c) If an auction is held, the auction may be conducted
96 at the meeting at which bids are opened or at a subsequent regular
97 or special meeting. The board shall announce the time and place
98 of the auction at the meeting at which bids are opened, and no
99 further notice of the auction is required.

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

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

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



128 following the original expiration date shall be one hundred five
129 percent (105%) of the annual rent provided in the existing lease
130 prorated over the period of the lease extension. At the
131 expiration of the extended lease term or at the expiration of the
132 original lease term if the lease holder does not extend such
133 lease, the land shall be offered for lease as provided in
134 subsections (1) and (2) of this section.

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

