

By: Representative Warren

To: Education

HOUSE BILL NO. 1316

1 AN ACT TO AMEND SECTION 29-3-81, MISSISSIPPI CODE OF 1972, TO
2 AUTHORIZE THE RE-LEASE OF SIXTEENTH SECTION LANDS CLASSIFIED AS
3 AGRICULTURAL LANDS FOR A TERM OF FIVE YEARS; AND FOR RELATED
4 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, the school board, subject to the



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

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

56 (2) (a) If the school board * * * receives an acceptable
57 bid in response to the advertisement and elects not to hold an
58 auction among those submitting bids, then the holder of the
59 existing lease may submit a second bid in an amount not less than
60 one hundred five percent (105%) of the highest acceptable bid
61 received if the holder of the existing lease: (i) submitted a bid



62 in response to the advertisement; and (ii) constructed or made
63 improvements on the leasehold premises after receiving approval of
64 the school board * * * during the term of the existing lease. For
65 purposes of this subsection, the term "improvements" shall not
66 include any work or items that are done customarily on an annual
67 basis in the preparing, planting, growing, cultivating or
68 harvesting of crops or other farm products.

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

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

85 (d) If no bid acceptable to the school board * * * is
86 received after the advertisement or at auction, the school
87 board * * * may lease, within ninety (90) days, the lands by
88 private contract for an amount greater than the highest bid
89 previously rejected in order to acquire a fair rental value for
90 the lands. If no bids are received in response to the
91 advertisement, the school board * * * may negotiate a private
92 contract for a fair rental value, and the term of such contract
93 shall expire on December 31 of the same calendar year in which the
94 contract is made. The school board * * * may take the notes for



95 the rent and attend to their collection. The board has the right
96 and remedies for the security and collection of such rents given
97 by law to the agricultural landlords.

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

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

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

