

By: Senator(s) Ross

To: Finance

SENATE BILL NO. 2756  
(As Passed the Senate)

1 AN ACT TO CREATE NEW CODE SECTION 51-9-122.1, MISSISSIPPI  
2 CODE OF 1972, TO CLARIFY THE AUTHORITY OF THE BOARD OF DIRECTORS  
3 OF THE PEARL RIVER VALLEY WATER SUPPLY DISTRICT TO RENEGOTIATE  
4 COMMERCIAL LEASES UPON EXPIRATION THEREOF; TO PROVIDE THAT LESSEES  
5 HAVE NO SPECIAL RIGHT TO RE-LEASE UPON EXPIRATION EXCEPT WHEN IN  
6 COMPLIANCE WITH THIS SECTION; TO PROVIDE THAT A LESSEE MAY RENEW A  
7 LEASE PRIOR TO EXPIRATION FOR A RENTAL AMOUNT NOT TO EXCEED FAIR  
8 MARKET VALUE; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** The following shall be codified as Section  
11 51-9-122.1, Mississippi Code of 1972:

12 51-9-122.1. (1) Any holder of a lease that is not a  
13 residential lease subject to Section 51-9-122, Mississippi Code of  
14 1972, shall have the right, exclusive of all other persons, to  
15 renew the lease at fair market value at any time prior to  
16 expiration of the lease.

17 (2) Other than the right of a lessee to renew at fair market  
18 value, nothing in this section is intended to limit or restrict  
19 the right of the district to negotiate terms of any lease in  
20 furtherance of any of the purposes authorized by this section and  
21 in a manner deemed favorable to the district by the board of  
22 directors.

23 (3) (a) Prior to entering into any lease under this  
24 section, whether a new or renewal lease, the district shall obtain  
25 at least one (1) appraisal from a competent appraiser establishing  
26 the fair market rental value of the land, exclusive of  
27 improvements made by the leaseholder or any predecessor in title,  
28 and, except as otherwise provided in paragraph (b) of this  
29 subsection, the land shall not be leased for an amount less than  
30 the fair market rental as determined by the appraiser and approved



31 by the board. The district may require such other terms as it  
32 deems advisable. The cost of the appraisal shall be paid by the  
33 district and may be included in the costs of lease renewal to be  
34 reimbursed by the lessee.

35 (b) The lessee may obtain an appraisal from a certified  
36 real estate appraiser establishing the fair market rental value of  
37 the land. If the fair market rental value of the land established  
38 in such appraisal differs from the fair market rental value of the  
39 land established in the appraisal obtained by the district, the  
40 land shall not be leased for an amount less than the average of  
41 the fair market rental value established by the two (2)  
42 appraisals.

43 (4) For the purposes of this section, "terms" means rent,  
44 rent escalation clauses, rental adjustment periods and method of  
45 determination, term of years, permitted use, condition of  
46 improvements, removal of improvements, and compliance with  
47 district rules and regulations.

48 (5) In the event a lessee has not obtained a new lease  
49 pursuant to the provisions of this section, any preemptive right  
50 of the lessee to lease the property shall be extinguished upon  
51 expiration of the lease, and, at the direction of the district,  
52 the lessee shall remove all improvements and other structures on  
53 the property immediately upon termination of the lease.

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

