To: Finance

MISSISSIPPI LEGISLATURE
REGULAR SESSION 2002

By: Senator(s) Ross
To: Finance

SENATE BILL NO. 2756
(As Passed the Senate)

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

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

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

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

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

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

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

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

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

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

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