

## REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MADAM PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 803: Sixteenth section lands; revise re-leasing provisions for agricultural lands that are to be reclassified.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

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.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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.

CONFEREES FOR THE HOUSE

**X** \_\_\_\_\_  
Joseph L. Warren

**X** \_\_\_\_\_  
Herb Frierson

\_\_\_\_\_  
David Livingston

CONFEREES FOR THE SENATE

**X** \_\_\_\_\_  
Alice Harden

**X** \_\_\_\_\_  
Gray Tollison

**X** \_\_\_\_\_  
Videt Carmichael