

*****Adopted*****

AMENDMENT No. 1 PROPOSED TO

House Bill NO. 803

By Senator(s) Committee

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 the highest bid received in response to the
58 advertisement.

59 (2) If, during the final year of an existing lease, the
60 Board of Education notifies the holder of the existing lease that

61 the school board intends to reclassify the land under Section
62 29-3-39, the holder of the existing lease may re-lease the land
63 for a term of five (5) years and for a rental amount that is equal
64 to one hundred twenty percent (120%) of the total rental value of
65 the existing lease. Thereafter, the Board of Education shall
66 proceed with the reclassification of the land, and the new
67 classification will be implemented upon the expiration of the
68 lease. This paragraph shall not apply if the Board of Education
69 intends to reclassify the land to the "commercial" or "industrial"
70 classification based on a valid business proposal presented to and
71 approved by the Board of Education.

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

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

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

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

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

122 (4) Any holder of a lease on agricultural land that: (a)
123 was granted before July 1, 1997; and (b) has an expiration date on
124 or after April 1 but before December 31 during the final year of
125 the lease term, may extend the term of such lease to December 31
126 next following the expiration date originally provided for in the
127 lease. If such lease is extended, the rent for the period from
128 the original expiration date in the lease to December 31 next
129 following the original expiration date shall be one hundred five
130 percent (105%) of the annual rent provided in the existing lease

131 prorated over the period of the lease extension. At the
132 expiration of the extended lease term or at the expiration of the
133 original lease term if the lease holder does not extend such
134 lease, the land shall be offered for lease as provided in
135 subsections (1) and (3) of this section.

136 **SECTION 2.** This act shall take effect and be in force from
137 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 SIXTEENTH SECTION LANDS THAT THE LOCAL
3 SCHOOL BOARD INTENDS TO RECLASSIFY FOR A TERM OF FIVE YEARS FOR A
4 CERTAIN RENTAL AMOUNT; AND FOR RELATED PURPOSES.