

*****Adopted***
AMENDMENT No. 1 PROPOSED TO**

House Bill NO. 960

By Senator(s) Committee

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

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.

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

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.