

By: Representatives Watson, Weathersby

To: Public Property

## HOUSE BILL NO. 286

1 AN ACT TO AMEND SECTION 47-5-66, MISSISSIPPI CODE OF 1972, TO  
2 EXTEND THE REPEALER ON THE SECTION OF LAW WHICH REQUIRES THE STATE  
3 DEPARTMENT OF FINANCE AND ADMINISTRATION TO CONTRACT AGRICULTURAL  
4 LEASES OF PRISON LANDS TO PRIVATE ENTITIES AND PROVIDES FOR  
5 PROCEDURES, METHODS OF PAYMENT OF RENTS, DISPOSAL OF INCOME AND  
6 TAX LIABILITY AND THE CREATION OF THE PRISON AGRICULTURAL  
7 ENTERPRISES FUND; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 47-5-66, Mississippi Code of 1972, is  
10 amended as follows:

11 47-5-66. (1) It shall be the duty of the State Department  
12 of Finance and Administration, with the approval of the Public  
13 Procurement Review Board, to lease lands at public contract upon  
14 the submission of two (2) or more sealed bids to the State  
15 Department of Finance and Administration after having advertised  
16 the land for rent in newspapers of general circulation published  
17 in Jackson, Mississippi; Memphis, Tennessee; the county in which  
18 the land is located, and contiguous counties for a period of not  
19 less than two (2) successive weeks. The first publication shall  
20 be made not less than ten (10) days before the date of the public  
21 contract, and the last publication shall be made not more than  
22 seven (7) days before that date. The State Department of Finance  
23 and Administration may reject any and all bids. If all bids on a  
24 tract or parcel of land are rejected, the State Department of  
25 Finance and Administration may then advertise for new bids on that  
26 tract or parcel of land. Successful bidders shall take possession  
27 of their leaseholds at the time authorized by the State Department  
28 of Finance and Administration. However, rent shall be due no  
29 later than the day upon which the lessee shall assume possession

30 of the leasehold, and shall be due on the anniversary date for  
31 each following year of the lease. The State Department of Finance  
32 and Administration may provide in any lease that rent shall be  
33 paid in full in advance or paid in installments, as may be  
34 necessary or appropriate. In addition, the State Department of  
35 Finance and Administration may accept, and the lease may provide  
36 for, assignments of federal, state, or other agricultural support  
37 payments, growing crops or the proceeds from the sale thereof,  
38 promissory notes, or any other good and valuable consideration  
39 offered by any lessee to meet the rent requirements of the lease.  
40 If a promissory note is offered by a lessee, it shall be secured  
41 by a first lien on the crop of the lessee, or the proceeds from  
42 the sale thereof. The lien shall be filed pursuant to Article 9  
43 of the Mississippi Uniform Commercial Code and Section 1324 of the  
44 Food Security Act of 1985, as enacted or amended. If the note is  
45 not paid at maturity, it shall bear interest at the rate provided  
46 for judgments and decrees in Section 75-17-7 from its maturity  
47 date until the note is paid. The note shall provide for the  
48 payment of all costs of collection and reasonable attorney's fees  
49 if default is made in the payment of the note. The payment of  
50 rent by promissory note or any means other than cash in advance  
51 shall be subject to the approval of the Public Procurement Review  
52 Board, which shall place the approval of record in the minutes of  
53 the board. There is created a special fund to be designated as  
54 "the Prison Agricultural Enterprises Fund." Any monies in hand or  
55 due from the leasing of Penitentiary lands and the sales of timber  
56 as provided in Section 47-5-56 and earmarked for the Prison  
57 Industries Fund shall be deposited to the special fund for prison  
58 agricultural enterprises. All monies in each fiscal year derived  
59 from the leasing of the Penitentiary lands and the sales of timber  
60 as provided in Section 47-5-56 shall be deposited into the special  
61 fund for the purpose of conducting, operating and managing the  
62 prison agricultural enterprises of the department. All profits

63 derived from the prison agricultural enterprises shall be  
64 deposited into the Prison Agricultural Enterprises Fund. All  
65 profits derived from prison industries shall be placed in a  
66 special fund in the State Treasury to be known as the Prison  
67 Industries Funds, to be appropriated each year by the Legislature  
68 to the nonprofit corporation, which is required to be organized  
69 under the provisions of Section 47-5-535, for the purpose of  
70 operating and managing the prison industries. The state shall  
71 have the rights and remedies for the security and collection of  
72 the rents given by law to landlords. Upon the execution of the  
73 agricultural leases to private entities as authorized by Section  
74 47-5-64, the leased land shall be liable to be taxed as other  
75 lands are taxed during the continuance of the lease, but in case  
76 of sale thereon for taxes, only the title of the leaseholder or  
77 his heirs or assigns shall pass by the sale. Any funds obtained  
78 by the corporation as a result of sale of goods and services  
79 manufactured and provided by it shall be accounted for separate  
80 and apart from any funds received by the corporation through  
81 appropriation from the State Legislature. All nonappropriated  
82 funds generated by the corporation shall not be subject to  
83 appropriation by the State Legislature.

84 (2) This section shall be repealed from and after July 1,  
85 2006.

86 **SECTION 2.** This act shall take effect and be in force from  
87 and after July 1, 2004.