

By: Representative Warren

To: Public Property;
Corrections

HOUSE BILL NO. 200

1 AN ACT TO AMEND SECTION 47-5-66, MISSISSIPPI CODE OF 1972,
2 WHICH REQUIRES THE STATE DEPARTMENT OF FINANCE AND ADMINISTRATION
3 TO CONTRACT AGRICULTURAL LEASES OF PRISON LANDS TO PRIVATE
4 ENTITIES AND PROVIDES FOR PROCEDURES, METHODS OF PAYMENTS OF
5 RENTS, DISPOSAL OF INCOME AND TAX LIABILITY AND THE CREATION OF
6 THE PRISON AGRICULTURAL ENTERPRISES FUND, TO EXTEND THE DATE OF
7 REPEAL ON THIS SECTION FROM JULY 1, 2005, TO JULY 1, 2007; AND FOR
8 RELATED PURPOSES.

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

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

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

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

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

85 (2) This section shall be repealed from and after July 1,
86 2007.

87 **SECTION 2.** This act shall take effect and be in force from
88 and after July 1, 2005.