

By: Representatives Pigott, Carpenter,
Corley, Evans (45th), Gipson, Hale, Horne,
Johnson (87th), Morgan, Scoggin, Staples,
Steverson, Touchstone, Tullos, Dixon, Walker

To: Agriculture

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 669

1 AN ACT TO AMEND SECTION 29-3-81, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE MANNER BY WHICH AGRICULTURAL LEASES ON SIXTEENTH
3 SECTION LANDS AND LANDS GRANTED IN LIEU OF SIXTEENTH SECTION LANDS
4 ARE EXTENDED BY PROVIDING THE EXISTING LEASEHOLDER THE FINAL RIGHT
5 TO EXTEND THE LEASE PROVIDED THAT IT MATCHES THE HIGHEST BID
6 RECEIVED BY THE SCHOOL BOARD, RECEIVED AT PUBLIC AUCTION OR
7 ENTERED IN BY PRIVATE CONTRACT ON THE SAME TERMS AND CONDITIONS OF
8 SUCH CONTRACT; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 29-3-81, Mississippi Code of 1972, is
11 amended as follows:

12 29-3-81. (1) Sixteenth section lands, or any lands granted
13 in lieu of sixteenth section lands, classified as agricultural may
14 be leased for the cultivation of rice, or pasturage, for a term
15 not to exceed ten (10) years. All other sixteenth section or lieu
16 lands classified as agricultural may be leased for a term not
17 exceeding five (5) years. All leases of land classified as
18 agricultural shall be for a term to expire on December 31. Except
19 in those cases when the holder of an existing lease on
20 agricultural land elects to re-lease such land, as authorized
21 under this subsection, it shall be the duty of the board of



22 education to lease the sixteenth section or lieu lands at public
23 contract after having advertised such lands for rent in a
24 newspaper published in the county or, if no newspaper is published
25 in the county, then in a newspaper having a general circulation
26 therein, for two (2) successive weeks, the first being at least
27 ten (10) days before the public contract. The lease form and the
28 terms so prescribed shall be on file and available for inspection
29 in the office of the superintendent from and after the public
30 notice by advertisement and until finally accepted by the board.
31 However, before the expiration of an existing lease of land
32 classified as agricultural land, except as otherwise provided in
33 subsection (2) for lands intended to be reclassified, the board of
34 education, in its discretion and subject to the prior approval of
35 the Secretary of State, may authorize the holder of the existing
36 lease to re-lease the land, on no more than * * * two (2)
37 occasions, for a term not to exceed five (5) years and for a
38 rental amount that is no less than one hundred twenty percent
39 (120%) of the total rental value of the existing lease. If the
40 holder of the existing lease elects not to re-lease the land, the
41 board of education shall publish an advertisement of agricultural
42 land for rent which publication shall be not more than four (4)
43 months before the expiration of the term of an existing lease of
44 the land. An election by the holder of the existing lease not to
45 re-lease the land shall not preclude his participation in the
46 bidding process established under this section. Subject to the



47 classification of the land, the board of education shall enter
48 into a new lease on agricultural land before the expiration of an
49 existing lease on the same land, and the new lease shall take
50 effect on the day immediately following the day on which the
51 existing lease expires. The board of education may require
52 bidders to furnish bond or submit evidence of financial ability.

53 Bids received by the board of education in response to the
54 advertisement shall be opened at a regular or special meeting of
55 the board. The board of education, at its option, may reject all
56 bids or accept the highest and best bid received in response to
57 the advertisement, or the board of education may hold an auction
58 among those who submitted bids in response to the advertisement.
59 If the board of education elects to hold an auction, no bidder
60 shall be granted any preference. The opening bid at the auction
61 shall be highest bid received in response to the advertisement.

62 (2) If, during the final year of an existing lease, the
63 board of education notifies the holder of the existing lease that
64 the board of education intends to reclassify the land under
65 Section 29-3-39, the holder of the existing lease may re-lease the
66 land for a term of five (5) years and for a rental amount that is
67 equal to one hundred twenty percent (120%) of the total rental
68 value of the then existing lease. Thereafter, the board of
69 education shall have the option to proceed with the
70 reclassification of the land or may re-lease the land for one (1)
71 additional term of five (5) years after advertising for bids or



72 holding an auction in the same manner as provided in subsection
73 (1) of this section, and the new classification will be
74 implemented upon the expiration of the then existing lease. This
75 subsection does not apply if the board of education intends to
76 reclassify the land under the "commercial" or "industrial" land
77 classification based on a valid business proposal presented to and
78 approved by the board of education.

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

92 (b) If the holder of the existing lease elects to
93 submit a second bid, the board of education shall hold an auction
94 among those who submitted bids in response to the advertisement.
95 The opening bid at the auction shall be the second bid of the
96 holder of the existing lease. However, no leaseholder may submit



97 a second bid if: (i) any rent, taxes or other payment required
98 under his lease are past due; or (ii) he is otherwise in default
99 of any term or provision of the lease and such default has not
100 been corrected or cured to the satisfaction of the board of
101 education after more than thirty (30) days' notice to the
102 leaseholder of the default.

103 (c) If an auction is held, the auction may be conducted
104 at the meeting at which bids are opened or at a subsequent regular
105 or special meeting. The board shall announce the time and place
106 of the auction at the meeting at which bids are opened, and no
107 further notice of the auction is required.

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



121 (e) If an existing lease is terminated before the
122 expiration of the term originally set therein, upon finding that
123 immediate action is necessary to prevent damage or loss to growing
124 crops or to prevent loss of opportunity to lease the land for the
125 current growing season, the board of education may negotiate a
126 private contract for a fair rental value, and the term of such
127 lease shall expire on December 31 of the same calendar year in
128 which the contract is made.

129 (4) Any holder of a lease on agricultural land that: (a)
130 was granted before July 1, 1997; and (b) has an expiration date on
131 or after April 1 but before December 31 during the final year of
132 the lease term, may extend the term of such lease to December 31
133 next following the expiration date originally provided for in the
134 lease. If such lease is extended, the rent for the period from
135 the original expiration date in the lease to December 31 next
136 following the original expiration date shall be one hundred five
137 percent (105%) of the annual rent provided in the existing lease
138 prorated over the period of the lease extension. At the
139 expiration of the extended lease term or at the expiration of the
140 original lease term if the lease holder does not extend such
141 lease, the land shall be offered for lease as provided in
142 subsections (1) and (2) of this section.

143 **SECTION 2.** This act shall take effect and be in force from
144 and after July 1, 2018.

