

By: Senator(s) DeLano

To: Education

SENATE BILL NO. 2410

1 AN ACT TO AMEND SECTION 29-3-65, MISSISSIPPI CODE OF 1972, TO
 2 PROVIDE THAT A BOARD OF EDUCATION MAY USE RENT ESCALATION CLAUSES
 3 OR OTHER SUCH DEVICES IN SIXTEENTH SECTION LAND CONTRACTS TO
 4 ADJUST RENTAL AMOUNTS DURING THE LEASE TERM, PROVIDED THAT SUCH
 5 ADJUSTMENTS WILL NOT EXCEED THE FAIR MARKET RENTAL VALUE OF THE
 6 LANDS, EXCLUSIVE OF IMPROVEMENTS THEREON, AS OF THE RENTAL
 7 ADJUSTMENT DATES; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 29-3-65, Mississippi Code of 1972, is
 10 amended as follows:

11 29-3-65. One (1) year prior to the date, when any such
 12 lands, not subject to competitive bid procedures, shall become
 13 available for lease, the board of education shall appoint a
 14 competent appraiser to appraise the land and report to the board
 15 his recommendation for the fair market rental amount. The board
 16 shall then determine whether the same be a reasonable amount, and
 17 shall grant the lease pursuant to Section 29-3-63. Provided that
 18 in the event any such land becomes available for lease prior to
 19 July 1, 1979, an appraisal shall be required prior to the granting
 20 of said lease.



21 The board of education may use rent escalation clauses or
22 other such devices to adjust rental amounts during the lease term,
23 provided that such adjustments will not exceed the fair market
24 rental value of the lands, exclusive of improvements thereon, as
25 of the rental adjustment dates. Owners of leaseholds under a lease
26 granted prior to July 1, 1978, which have improvements constructed
27 thereon, shall not be charged for such improvements in successive
28 lease periods unless the lease contract clearly specifies
29 otherwise. The cost of the appraisal under this section shall be
30 paid from any available sixteenth section school funds or other
31 school funds of the district.

32 The appraisal pertaining to renewal oil, gas and mineral
33 leases executed pursuant to Section 29-3-63 may be made either
34 before or after the expiration of the original lease and shall
35 appraise the fair market value for the bonus to be paid for a
36 renewal lease containing the terms and conditions agreed upon by
37 the holder of the lease and the board of education.

38 **SECTION 2.** This act shall take effect and be in force from
39 and after July 1, 2024.

