

By: Senator(s) Younger

To: Education

SENATE BILL NO. 2680

1 AN ACT TO AMEND SECTION 29-3-81, MISSISSIPPI CODE OF 1972, TO
 2 REVISE CERTAIN PROVISIONS RELATED TO SIXTEENTH SECTION LAND LEASES
 3 CLASSIFIED AS AGRICULTURAL; TO REQUIRE THAT SUCH LEASES CONTAIN
 4 PROVISIONS RELATED TO BEST FARM MANAGEMENT PRACTICES AS
 5 ESTABLISHED BY THE SECRETARY OF STATE IN CONSULTATION WITH THE
 6 FEDERAL AGRICULTURE AGENCIES, MISSISSIPPI STATE UNIVERSITY
 7 AGRICULTURE EXTENSION SERVICE, OR OTHER AGRICULTURE ASSOCIATIONS;
 8 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 a term not to exceed ten (10) years. * * *
 15 All leases of land classified as agricultural shall be for a term
 16 to expire on December 31 and shall contain provisions related to
 17 best farm management practices as established by the Secretary of
 18 State in consultation with Federal Agriculture Agencies,
 19 Mississippi State University Agriculture Extension Service, or
 20 other agriculture associations.



21 (2) * * * It shall be the duty of the board of education to
22 lease the sixteenth section or lieu lands at public contract after
23 having advertised such lands for rent in a newspaper published in
24 the county or, if no newspaper is published in the county, then in
25 a newspaper having a general circulation therein, for two (2)
26 successive weeks, the first being at least ten (10) days before
27 the public contract. The publication shall be not more than four
28 (4) months before the expiration of the term of an existing lease
29 of the land. The managing board may also publish additional
30 notices at school offices, in trade publications, or at any other
31 location, in any other media, or by any other means it finds
32 likely to result in competitive bids.

33 The lease form and the terms so prescribed shall be on file
34 and available for inspection in the office of the superintendent
35 from and after the public notice by advertisement and until
36 finally accepted by the board. * * * The board of education may
37 require bidders to furnish bond or submit evidence of financial
38 ability.

39 An election by the holder of the existing lease not to
40 request an extension of lease as described in subsection (3) shall
41 not preclude his participation in the bidding process established
42 under this section. Subject to the classification of the land,
43 the board of education shall enter into a new lease on
44 agricultural land before the expiration of an existing lease on



45 the same land, and the new lease shall take effect on the day
46 immediately following the day on which the existing lease expires.

47 Before the expiration of a current existing lease of land
48 classified as agricultural land, except as otherwise provided in
49 subsection (4) for lands intended to be reclassified, the board of
50 education, in its discretion and subject to the prior approval of
51 the Secretary of State, may authorize the holder of the existing
52 lease to re-lease the land, on no more than one (1) occasion, for
53 a term not to exceed ten (10) years and for a rental amount and
54 lease terms related to best farm management practice as
55 established by the Secretary of State in consultation with Federal
56 Agriculture Agencies, Mississippi State University Agriculture
57 Extension Service, or other agriculture association

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

67 (* * *3) If, during the final year of an existing lease,
68 the board of education notifies the holder of the existing lease
69 that the board of education intends to reclassify the land under



70 Section 29-3-39, the holder of the existing lease may re-lease the
71 land for a term of five (5) years and for a rental amount that is
72 equal to one hundred twenty percent (120%) of the total rental
73 value of the then existing lease. Thereafter, the board of
74 education shall have the option to proceed with the
75 reclassification of the land or may re-lease the land for one (1)
76 additional term of five (5) years after advertising for bids or
77 holding an auction in the same manner as provided in subsection
78 (1) of this section, and the new classification will be
79 implemented upon the expiration of the then existing lease. This
80 subsection does not apply if the board of education intends to
81 reclassify the land under the "commercial" or "industrial" land
82 classification based on a valid business proposal presented to and
83 approved by the board of education.

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



95 basis in the preparing, planting, growing, cultivating or
96 harvesting of crops or other farm products.

97 (b) If the holder of the existing lease elects to
98 submit a second bid, the board of education shall hold an auction
99 among those who submitted bids in response to the advertisement.
100 The opening bid at the auction shall be the second bid of the
101 holder of the existing lease. However, no leaseholder may submit
102 a second bid if: (i) any rent, taxes or other payment required
103 under his lease are past due; or (ii) he is otherwise in default
104 of any term or provision of the lease and such default has not
105 been corrected or cured to the satisfaction of the board of
106 education after more than thirty (30) days' notice to the
107 leaseholder of the default.

108 (c) If an auction is held, the auction may be conducted
109 at the meeting at which bids are opened or at a subsequent regular
110 or special meeting. The board shall announce the time and place
111 of the auction at the meeting at which bids are opened, and no
112 further notice of the auction is required.

113 (d) If no bid acceptable to the board of education is
114 received after the advertisement or at auction, the board of
115 education may lease, within ninety (90) days, the lands by private
116 contract for an amount greater than the highest bid previously
117 rejected in order to acquire a fair rental value for the lands.
118 If no bids are received in response to the advertisement, the
119 board of education may negotiate a private contract for a fair



120 rental value, and the term of such contract shall expire on
121 December 31 of the same calendar year in which the contract is
122 made. The board of education may take the notes for the rent and
123 attend to their collection. The board has the right and remedies
124 for the security and collection of such rents given by law to the
125 agricultural landlords.

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

134 * * *

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

