

**Adopted
AMENDMENT NO 1 PROPOSED TO**

Senate Bill No. 2232

BY: Representative McCarty

1 **Amend** after line 314 by inserting the following:

2 **"SECTION 2.** Section 29-3-63, Mississippi Code of 1972, is
3 amended as follows:

4 29-3-63. (1) The holder of a lease of sixteenth section or
5 lieu land, at the expiration thereof, shall have a prior right,
6 exclusive of all other persons, to re-lease or to extend an
7 existing lease as may be agreed upon between the holder of the
8 lease and board of education subject to the classification of said
9 land. Provided, however, no holder of a lease of sixteenth
10 section land classified as agricultural land shall have any
11 priority rights in extending his lease contract, except as
12 otherwise provided in Section 29-3-81. Provided, however, the
13 compensation on an annual basis shall be the fair market rental of
14 the land excluding buildings and improvements made on such land by



15 the lessee, the title to which is not held in trust for the public
16 schools, but in no event shall the compensation be less than the
17 minimum amounts prescribed in subsection (2) of this section.

18 (2) The board of education shall not lease or extend a lease
19 on land classified as industrial or commercial at an annual rental
20 less than five percent (5%) of the current market value, exclusive
21 of buildings or improvements not owned by the school district.
22 Such minimum acceptable percentage shall not apply to land
23 classified as farm-residential, residential, recreational and
24 other land; however, fair market rental will apply to those lands
25 as determined by appraisal, comparative analysis or comparison
26 with the private sector.

27 (3) The prior right to re-lease or extend an existing oil,
28 gas and mineral lease, or any part thereof, granted under this
29 section shall be conditioned upon the existence of production of
30 oil, gas or other minerals thereunder in paying quantities, or the
31 existence of a well capable of such production, or the existence
32 of drilling or reworking operations at the time of lease
33 expiration. Provided, however, that said lease may, in the
34 discretion of the board of education, be extended only as to the
35 lands included in a unit or units as defined by the appropriate
36 agency having jurisdiction over said unit or units. The
37 replacement lease shall be upon such terms and conditions as may
38 be agreed upon between the holder of the lease and the board of
39 education, provided that the rental and royalty provisions shall



40 not be less than the rental and royalty provisions as set out in
41 the expired lease and the primary term shall not exceed the
42 limitations in Section 29-3-99. Bonus payment for the replacement
43 lease shall be consistent with the requirements set out in Section
44 29-3-65 with respect to oil, gas and mineral leases.

45 (4) Where used in this section and Section 29-3-65, the term
46 "oil and gas lease" or "oil, gas and mineral lease" shall include
47 all leases originally executed pursuant to Section 29-3-99.

48 (5) The right to re-lease an oil, gas and mineral lease
49 provided in subsection (3) above extends to oil, gas and mineral
50 leases which have already expired as of May 7, 1992, subject to an
51 accounting for production from the date of lease expiration to the
52 date of the replacement lease authorized herein.

53 (6) The board of education of a school district located in a
54 municipality where Interstate 59 and U.S. Highway 49 intersect in
55 the Broadway - West Pine redevelopment area may grant the holder
56 of a valid lease with a term of ninety-nine (99) years, which has
57 completely satisfied the financial obligation of the original
58 lease agreement, being free and clear of any debt pertaining
59 thereto, and which has less than thirty (30) years remaining on
60 its original term, the right to extend said lease for a period not
61 to exceed twenty-five (25) years under any additional agreed upon
62 terms, which shall serve as an addendum to the original lease
63 agreement, and for consideration acceptable to the board and
64 spread upon its minutes."



65 **Further, amend** by renumber the succeeding section
66 accordingly.

67 **Further, amend the title to conform.**

