

## REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MADAM PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 431: Agricultural leases of prison lands to private entities; extend repealer on (RP).

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

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

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

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

64 prison agricultural enterprises of the department. All profits  
65 derived from the prison agricultural enterprises shall be  
66 deposited into the Prison Agricultural Enterprises Fund. All  
67 profits derived from prison industries shall be placed in a  
68 special fund in the State Treasury to be known as the "Prison  
69 Industries Fund," to be appropriated each year by the Legislature  
70 to the nonprofit corporation, which is required to be organized  
71 under the provisions of Section 47-5-535, for the purpose of  
72 operating and managing the prison industries. The state shall  
73 have the rights and remedies for the security and collection of  
74 the rents given by law to landlords. Lands leased for  
75 agricultural purposes under Section 47-5-64 shall be subject to a  
76 fee-in-lieu of ad valorem taxes, including taxes levied for school  
77 purposes. The fee-in-lieu shall be Nine Dollars (\$9.00) per acre.  
78 Upon the execution of the agricultural leases to private entities  
79 as authorized by Section 47-5-64, the Department of Finance and  
80 Administration shall collect the in lieu fee and shall forward the  
81 fees to the tax collector in which the land is located. The tax  
82 collector shall disburse the fees to the appropriate county or  
83 municipal governing authority on a pro rata basis. The sum  
84 apportioned to a school district shall not be less than the school  
85 district's pro rata share based upon the proportion that the  
86 millage imposed for the school district by the appropriate levying  
87 authority bears to the millage imposed by the levying authority  
88 for all other county or municipal purposes. Any funds obtained by  
89 the corporation as a result of sale of goods and services  
90 manufactured and provided by it shall be accounted for separate  
91 and apart from any funds received by the corporation through  
92 appropriation from the State Legislature. All nonappropriated  
93 funds generated by the corporation shall not be subject to  
94 appropriation by the State Legislature.

95       Any land leased, as provided in this section, shall not be  
96       leased for an amount less than would be received if such land were  
97       to be leased under any federal loan program. In addition, all  
98       leases shall be subject to the final approval of the Public  
99       Procurement Review Board before such leases are to become  
100       effective.

101       (2) This section shall be repealed from and after July 1,  
102       2008.

103       **SECTION 2.** This act shall take effect and be in force from  
104       and after its passage.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1       AN ACT TO AMEND SECTION 47-5-66, MISSISSIPPI CODE OF 1972,  
2       WHICH AUTHORIZES THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO  
3       LEASE PRISON LANDS TO PRIVATE ENTITIES FOR AGRICULTURAL PURPOSES,  
4       TO EXTEND THE DATE OF REPEAL ON THIS SECTION FROM JULY 1, 2007, TO  
5       JULY 1, 2008; TO PROVIDE THAT A PER ACRE FEE SHALL BE COLLECTED IN  
6       LIEU OF AD VALOREM TAXES ON LANDS LEASED FOR AGRICULTURAL  
7       PURPOSES; TO PROVIDE THAT SUCH LEASES SHALL NOT BE LEASED FOR AN  
8       AMOUNT LESS THAN WOULD BE RECEIVED IF SUCH LAND WERE TO BE LEASED  
9       UNDER ANY FEDERAL LOAN PROGRAM; AND FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

X (SIGNED)  
Malone

X (SIGNED)  
Vince

X (SIGNED)  
Huddleston

CONFEREES FOR THE SENATE

X (SIGNED)  
Doxey

X (SIGNED)  
Jackson (11th)

X (SIGNED)  
Kirby