
REGIONAL COMMISSIONS - MISSISSIPPI

Northeast Mental Health-Mental Retardation Com'n v. Cleveland

Supreme Court of Mississippi - March 17, 2016 - So.3d - 2016 WL 1063329

Tenant, a regional health commission, sought to rescind 99-year fixed-lease agreement. The Chancery Court found the agreement was enforceable and awarded back rent. Tenant appealed.

The Supreme Court of Mississippi held that:

- The 99-year fixed-lease agreement was voidable at tenant's discretion as a matter of law;
- Evidence supported finding that tenant exercised discretionary authority, rather than mandatory authority, when signing 99-year fixed lease agreement; and
- The statutory authority for tenant, a regional health commission, to lease and contract did not allow it to enter into 99-year fixed lease agreement.

Under the common law in Mississippi, governing bodies, whether they be elected or appointed, may not bind their successors in office by contract, unless expressly authorized by law, because to do so would take away the discretionary rights and powers conferred by law upon successor governing bodies.

The 99-year fixed-lease agreement, which authorized landlord to build and operate facility, which tenant leased, on land owned by tenant, was voidable at tenant's discretion as a matter of law. Tenant was a regional health commission, commission was governed by a board of commissioners, who each served a four year term, the excessive duration of the lease prohibited future commissioners from selling or conveying the property, and statute granted the commission authority to acquire, own, or dispose of real and personal property.

Evidence supported finding that tenant, a regional health commission, exercised discretionary authority, rather than mandatory authority, when signing 99-year fixed lease agreement, which authorized landlord to build and operate facility that tenant leased, on land owned by tenant. The discretionary act was signing the lease agreement to carry out its mandated function of administering mental health programs.

The statutory authority for tenant, a regional health commission, to lease and contract did not allow it to enter into 99-year fixed lease agreement that would bind successor board of commissioners. No statute granted tenant, a regional health commission, the authority to enter into long-term contracts or leases, and thus the rule precluding current governing bodies from binding their successors by contract in the exercise of their discretionary powers applied.

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