

# 16th Section Land Bringing More Revenue

By CAROL MINYARD  
Daily News Staff Writer

Don Christensen, the Oktibbeha County school superintendent, recently said that his actions to increase 16th Section land revenue "are going to cost me."

But he added that he is willing to take that chance, and it seems that Oktibbeha County school lands, a touchy political subject for years, may finally start to yield reasonable profits.

Secretary of State Dan Molpus has indicated in the past that he is willing to back down on school board members and 16th Section land managers who have been wasting and misusing the school "trust lands."

Many of those people seem to be taking him seriously.

Molpus held a seminar at the end of May for 16th Section land managers, in which he said his office "will commit money, personnel, equipment, and ... the time needed to give 16th Section land the priority it deserves."

Molpus said that many problems with 16th Section land still exist

throughout the state, including a lack of proper classification, failure of some counties to obtain an appraisal before certain land is leased, and the lower-than-market-value lease of land.

Oktibbeha County is one county that did not have all of its land properly surveyed and classified until recently.

Christensen said that in response to Molpus' request, most of the land has been classified, and his office is working to draw and label a graph of each section of school land in the county.

He also plans to suggest to school board members that they sell hunting and fishing rights for some of the forest land, since that land cannot be otherwise rented.

Much of the homestead land recently returned to the schools is being reverted to forest and timber land. Christensen said, "In the long run you're going to make more money off of timber land than off leasing."

Christensen said that he still has a job to "educate the public."

"This land is not public land. This land is set aside to bring money for

the schools."

He said that 16th Section land "has always been misused. It's caused a lot of controversy and a lot of hard feelings."

Sixteenth Section land was handled by the county Board of Supervisors until 1978, when the Legislature ordered that it be turned over to the local school boards.

During the time that supervisors handled the 16th Section leases, several 99-year leases were renewed. About 15 towns throughout the state are still leased on 16th Section land.

The town of Sturgis is one such case. Its 99-year lease, due to expire in 2044, is now being brought into question by school officials.

Christensen recently asked the attorney general's office for an opinion about the validity of the contract; in 1945 the town paid a total of \$100 for the entire term.

"I don't know how we're going to approach it yet," Christensen said. "I've even got a business on it (Sturgis land), but I don't care. We've got to do what's right."

Constance Slaughter-Harvey, assistant secretary of state for

public lands, said that "it is the responsibility of the school board" to rule the lease void.

"Our position is that if the lease is for an amount that could be considered a donation, the school board should rule the lease void and release it for a fair market value," she said.

Bryce Griffis, a Sturgis businessman, spoke to Molpus about the leases there.

Griffis said that the secretary of state indicated support for voiding the Sturgis lease. However, he added that everyone with homes or businesses on the school land would probably be given the option of renting for 25 years at fair market prices.

The lots would have to be reappraised, Griffis said, and leaseholders required to pay about 5 percent of the appraised value of the land.

"We'll wind up paying more," Griffis said. Up until now, leaseholders paid only ad valorem taxes on the land, submitted to the county treasurer rather than the schools.

"The whole thing's been fouled

up," Griffis said.

County school land has been underpriced in recent years as well; \$10-\$12.50 leases were rarely seen until a few years ago.

Christensen has said that he objects to any land being leased for less than \$12.50 an acre.

County extension agent Daniel Glover said that \$10-12.50 an acre is "about right" here because some of the land is hilly and not the best quality.

During 1983-84, the county schools earned about \$62,500 from 16th Section revenues. That compares with a total of \$3,228 from 16th Section revenue in 1968, which is less than \$10,000 in today's money.

Most of that revenue comes from timber sales, oil and mineral leases and farmland and homesteads.

The county school board has taken a few legal measures this year against 16th Section land misuses in the county; it recently filed a suit against three Clay County residents who allegedly cut timber on 16th Section land without a contract.

That suit is now being settled out

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of court, according to Christensen.

Present school board members say that they think 16th Section revenue is being more efficiently managed than it has been in the past.

Harless Dewberry, who has been a board member for three years, said, "We're getting more per acre out of the land."

Dewberry said that the board normally leases pasture land for 12.50 per acre and crop land for about \$15 per acre. "We're trying to get everything up to that," he said.

Board President Bart MacNeill said that members are trying to follow the stricter leasing policies Molpus has mandated for school boards. "We're trying to fulfill the charge that he has placed upon us," he said.

Some people have protested raising the lease prices because of fear that higher prices might squeeze out older couples or the poor on fixed incomes.

However, Dewberry said that in those cases, the board usually leases a smaller number of acres to the people and thus keeps the price within reason.

"We try to work with them because we realize it is hard on them," Dewberry said. "I feel like people will get adjusted to it."

MacNeill said that some people had turned their leases back because of inability or unwillingness to pay the higher lease. But he added, "People that want the lease and want to work the land will pay the price."

There have been several suggestions for more efficient use of 16th Section land in the future. One has been raised by both school administrators and a statewide group called the 16th Section Landholders Association.

Although 16th Section land cannot now be sold, some people have suggested that the law be changed to allow 16th Section land to be sold at a fair market price. Returns from the sales could be put into an escrow fund, they say, and interest off that fund would supply the schools with both a steady and an increased income.

Whatever is done, it does appear that 16th Section land management is changing.

As Christensen pointed out, however, what is being tackled now are results of a situation which could have been avoided in the first place.

"Those type of things, these sweetheart deals, if it was done right in the beginning, we wouldn't have the problem now," he said.