

APPENDIX I

REPORT ON THE OPERATION OF THE LAND SAVING PROJECT  
CARRIED OUT BY THE MOUND BAYOU DEVELOPMENT CORPORATION

1971 - 1973

In April, 1971, the Black Economic Research Center made a grant of \$3500. to the Mound Bayou Development Corporation, to enable it to organize a pilot program to stem the loss of black owned land via tax sales in Bolivar County, Mississippi. This report summarizes the results of the first two years of operation of this project.

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for the Black Economic Research Center

Whites in the Bolivar County area have traditionally utilized the tax sale primarily as a means for increasing their land holdings. (This primacy of actual acquisition of property differs from the investment function of the tax sale which is the motivating force in other areas such as Jackson.)

The opportunities to increase land holdings are enhanced by versions of the following:

Black land owner rents part of land to white farmer who would like to add the acreage permanently to his own large farm operation. Included in the lease is an agreement that the leasee will pay the property tax on the acres concerned. The white farmer deliberately fails to pay the taxes. White farmer bids on property at tax sale. Black owner is not given any notice of the tax sale and the fact that the land must be redeemed to maintain ownership. White farmer eventually assumes title to the entire property.

The county assessor-collector does his part to help whites acquire the maximum number of acres with the least amount of money. The assessor-collector usually failed to notify black land owners that their property had been sold in the tax sale and to indicate the amount necessary to redeem the property. If a taxpayer, having missed tax payment one year, came in to pay

taxes for the second year, the property owner would not be told that it was necessary to redeem the property from the tax sale of the previous year. Black landowners would find in three years that their property belonged to someone else.

Herman Johnson, former president of the Development Corporation, has caused some changes in traditional practices. Mr. Johnson attends the tax sales representing the Land Fund of the Mound Bayou Development Corporation. Since the Land Fund has been operating, the county assessor-collector now notifies black owners when their property is sold during a tax sale. The notice includes identification of the buyer and the amount necessary for redemption.

The Mound Bayou Development Corporation has participated in tax sales in Bolivar County since 1971. The property purchased during tax sales falls within the following categories:

- a. Property belonging to out-of-town owners whom the corporation has not yet located.
- b. Non-federally financed houses.
- c. Owners not readily able to redeem property within the three year period.

Since 1971, the corporation has purchased land valued at approximately \$361,715 for \$3,355.90 during tax sales. Since 1971 only a third of the property has been redeemed. The remaining

two-thirds is worth approximately \$205,800. It is this land which would have been acquired by whites had the Land Fund not existed.

After introducing the Land Fund at the 1971 county tax sale, it was anticipated that whites would develop tactics to use in future sales to shut out black bidders. Competitive bidding, however, has developed. The excess (the difference between the bid price and the actual taxes due) has not risen sharply to indicate introduction of such bidding. In 1971 the excess was \$157.12; in 1972 it was \$207 or 32% more for 62% more in property values.

When the tax sale is conducted without competitive bidding, black land can be retained with a minimum financial outlay. But in areas where competitive bidding is normally practiced or introduced by political forces in response to the presence of black bidders posing considerable threat to business as usual, large amounts of money can be tied up in excess bidding. (In Jackson the bid prices averaged 125% of the taxes due.) Unless the tax sale is attended every year its effects are extremely short range. The acquisition of property which will eventually occur requires some general guidelines as to its use and disposition.

## Mound Bayou Development Corporation Land Fund - 1971 thru 1973

Year	Property* Value	Taxes Due	Bid Price	Excess	Redemptions
1971	\$126,595	\$1,129.48	\$1,286.60	\$157.12	\$822.84
1972	205,220	1,542.21	1,748.83	207.62	576.17
1973	29,900	236.71	319.47	82.76	
Total	\$361,715	\$2,908.40	\$3,035.43	447.50	\$1399.01

\*

This is an estimate of the true value of the property. The tax roll listings are claimed to be 20% of a 1968 reappraisal while cultivatable land is assessed at \$39 per acre and uncultivable land at \$10 per acre. The figures used here are based upon the assumption that the tax roll figures are 20% of the full value of the property being considered.