Rule 1.6 The Patent Process.

A. Applications to purchase, once accepted by the Secretary of State as complete, shall remain on file at least thirty (30) days before same are finally approved or disapproved (Waiting Period). *Miss. Code Ann. (1972)* § 29-1-37.
B. During the thirty (30) day waiting period, the Secretary of State shall ascertain the current fair market value of the Parcel, using one or both of the following methods:
    a. the Secretary of State shall request the county tax assessor to certify in writing the current fair market value of the Parcel and any improvements thereon, to the best of his information and belief, and/or
    b. the Secretary of State may obtain an appraisal report of the real estate from a real estate appraiser chosen by the Secretary of State. The Secretary of State, in selecting a real estate appraiser, shall give preference to residents of the county in which the property is situated.
C. After a Parcel is certified to the State, the Secretary of State will send by first class U. S. Mail a notification to the original assessed owner at his address as shown on the List of Land Certified to the State by the Chancery Clerk. The notification will include the parcel number and property description as shown on said List of Land Certified to the State and will state in substance that (1) the Parcel has forfeited to the State of Mississippi, (2) the property can be purchase from the State, (3) the address, telephone number and e-mail for contacting the Office of the Secretary of State to arrange for purchase of the Parcel, and (4) the failure to contact the Office of the Secretary of State within fifteen (15) days may result in the property being sold to another applicant.
D. If an application to purchase is received from the original assessed owner, his heirs, executors or administrators, or the mortgagee, and is found to be valid, that applicant takes priority subject to the provision of Rule 1.6 H.
E. Subject to the right of a governmental entity requesting a transfer under Rule 1.4 and the right of the original assessed owner, his heirs, executors or administrators, or the mortgagee under Rule 1.6 D, the application of an owner of property adjoining a tax forfeited Parcel (Adjoining Owner) shall be given priority for the purchase of the tax forfeited Parcel subject to the provisions of Rule 1.6 H. If more than one Adjoining Owner applies for the purchase of a tax forfeited Parcel, then priority among Adjoining Owners shall be accorded to the Adjoining Owner offering the highest purchase price for the Parcel. The priority of the Adjoining owner is contingent on his filing a completed application before the Secretary extends an offer to sell to another applicant. It is responsibility of any Adjoining owner to identify and apply for a Parcel to be accorded this priority. The Secretary of State is under no obligation to give notice to any Adjoining Owner prior to selling a Parcel.
F. If no such application to purchase a Parcel as described in Sections D and E immediately preceding or a transfer request in Rule 1.4 is received by the Secretary of State, the priority for all other applicants will be determined by the order in which completed applications are received by the Secretary of State.
G. The Parcel shall first be offered to the applicant having the highest priority under these Rules. The Sales Price of a Parcel purchased on application shall be determined, using the fair market value of the Parcel as established pursuant to Rule 1.6 B and the criteria set forth for TIERS I, II and III below. An applicant which is the original assessed

owner, his heirs, executors, administrators, or the mortgagee shall be offered the Parcel at the Sales Price derived under TIER I, II and III, below. Any other applicant shall be offered the Parcel at the greater of the Sales Price derived under TIER I, II and III below, or at the highest price offered in any application for the Parcel on file at the time the offer is extended.

a. TIER I criteria shall be applied for all applications received with in three (3) years from and after the expiration of the right of redemption from the county tax sale (date Matured to the State) and may be applied at any time thereafter in the sole discretion of the Secretary of State. The TIER I Sales Price is
   i. for an applicant which is the original assessed owner, his heirs, executors or administrators, or holders of a mortgage interest in the Parcel—
      twenty-five percent (25%) of the fair market value as determined under Rule 1.6 B.
   ii. for an applicant which is the Adjoining Owner—
      twenty-five percent (25%) of the fair market value as determined under Rule 1.6 B.
   iii. for all other purchasers—
      fifty percent (50%) of the fair market value as determined under Rule 1.6 B.
   iv. The following additional amounts may be added to the Sales Price derived under TIER I:
      1. any amounts allowed under Section 29-1-145[1] of the *Miss. Code Ann. (1972)* due or paid by the Secretary of State, and
      2. any special drainage district assessment or special municipal benefit assessment secured by a lien on the Parcel and which was not abated or cancelled by the tax sale. *Miss. Code Ann. (1972)* §29-1-97
   v. Where the Parcel is Blighted, the Secretary of State may allow credit (Credit Allowance) for all or a part of the cost, cleanup, repair or remediation against the Sales Price of the Parcel derived under TIER I. For purposes of this Rule, Blighted shall mean land, improvements or personal property situated thereon, which are in such derelict and dilapidated condition constituting a significant environmental, health or safety hazard such that the cost or cleanup, repair and remediation represent a significant percentage of the fair market value of the Parcel. By way of example, but not by limitation, credit may be given for demolition and disposal of dilapidated structures, removal of rubbish such as appliances and tires, and removal of regulated environmental hazards. Credit

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[1] § 29-1-145. **State reimbursement of county or municipality for maintenance costs of land to be sold for unpaid taxes**. The chancery clerk or municipal clerk shall report to the Secretary of State any reasonable costs incurred by the county or municipality in maintaining unredeemed lands sold for taxes while those lands remain unsold. * * * In no event shall the maintenance costs allowed the county or municipality exceed the market value of the lands or the purchase money received from the sale of those lands.

will not be allowed for mowing of grass, pruning of vegetation or removal of litter.

1. No Credit Allowance shall be given against purchase price unless the purchaser and Secretary of State have entered an agreement in advance and in writing.
2. The agreement for Credit Allowance shall, at a minimum, set forth a detailed scope of work, the time frame for completion of the work, the amount of the Credit Allowance, and the method for final approval and acceptance of the work by the Secretary of State.
3. Said agreement shall provide that failure to complete the agreed scope of work within the time allowed shall result in the termination of the agreement and cancellation of the sale of the Parcel, and may contain such other terms and conditions as the Secretary of State deems advisable.

vi. In no event, shall the Sales Price derived in TIER I be less that the Sales Price derived under TIER II.

b. TIER II criteria will be applied for applications received more than three (3) years after the Parcel Matured to the State unless the Secretary of State in his sole discretion determines that TIER I criteria should be applied. The TIER II Sales Price is

For all purchasers—

ten percent (10%) of the fair market value as determined under Rule 1.6 B plus—

i. all reimbursable taxes and fees pursuant to Section 29-1-93 and Section 29-1-95 of the *Miss. Code Ann. (1972),* (Reimbursable taxes include four (4) years of back taxes. Reimbursable fees include Chancery Clerk and Sheriff fees. Fees are not reimbursed on any Parcel sold by the Secretary of State more than ten (10) years of after the date the Parcel Matured to the State.),

ii. any maintenance costs for the Parcel, paid under Section 29-1-145 of the *Miss. Code Ann. (1972)*, and

iii. any special drainage district assessment or special municipal benefit assessment secured by a lien on the Parcel and which was not abated or cancelled by the tax sale. *Miss. Code Ann. (1972)* §29-1-97.

c. TIER III criteria may in the sole discretion of the Secretary of State be applied for applications received more than Six (6) years after the Parcel Matured to the State.

i. In the event that the Secretary of State determines that the a Parcel cannot be sold for the price established in TIER II, then the Secretary of State may sell and dispose of such Parcel for any consideration he may deem reasonable, irrespective of the amount of taxes for which same was sold. However, in no event, shall the Sales Price of a Parcel be less than the

amount that the Secretary of State has paid as maintenance costs in Section 29-1-145 of *Miss. Code Ann. (1972).*

H. A written offer to sell at the price derived under Rule 1.6 G shall be forwarded to the applicant having the highest priority under these Rules, with instructions to remit payment in full within fifteen (15) calendar days of said offer. Unless an extension of time is granted under Rule 1.6 H a, failure to reply and remit payment within fifteen (15) calendar days shall result in the applicant's loss of priority under Rule 1.6 D E & F and his application will be accorded the lowest priority under Rule 1.6 F. Failure to reply or remit payment within thirty (30) calendar days shall result in the application being rejected and the Secretary of State will be under no obligation to the applicant.

   a. An extension of time for payment of the Sales Price may be granted in the sole discretion of the Secretary of State.
   b. Payment of the Sales Price shall be made in full by certified check or money order delivered within the time provided in Rule 1.6 H to the Office of the Secretary of State at 125 South Congress Street, Jackson, Mississippi 39201-3300 or by U. S. Mail to Post Office Box 136, Jackson, Mississippi 39205.
   c. If an application is canceled for failure to reply or to remit the Sales Price, applicant may re-file, but no more than three (3) times. Subsequent applications shall not qualify for priority pursuant to Rule 1.6 D and E.
   d. If for any reason, an applicant fails to reply or refuses to pay to the Secretary of State, within the time provided in Rule 1.6 H, or any extension thereof under Rule 1.6 H a, the Sales Price for a Parcel, his application will be canceled, and, the Parcel will be then be offered to other applicants based on established priorities and in the order in which applications were received.

Source: *Miss. Code Ann. (1972)* §§29-1-5, -33, -35, -37, -51, -57, -93, 95, -97 and -145.