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TAXATION OF FOREST LAND IN THE YAZOO DELTA OF MISSISSIPPI

by

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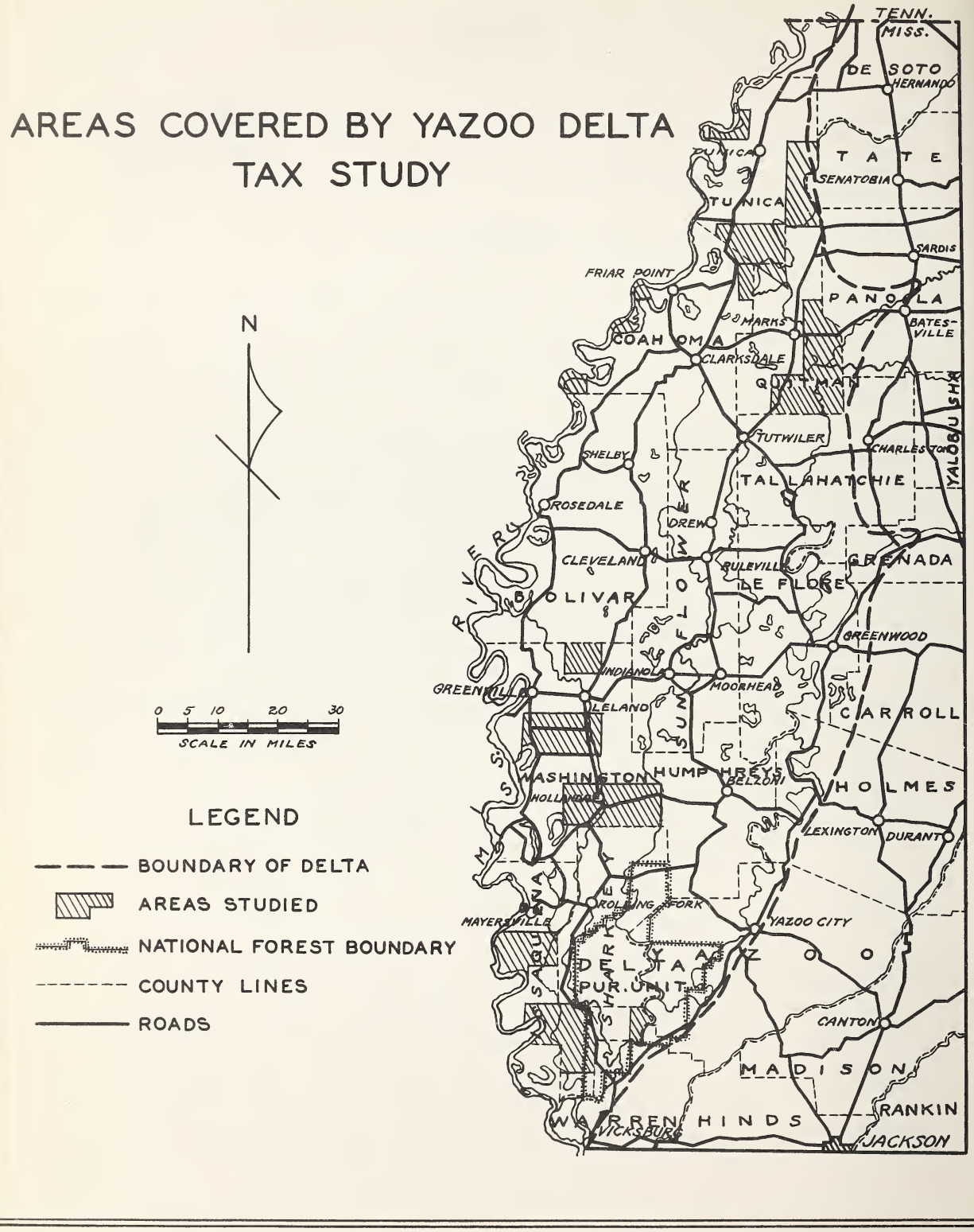
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FIGURE 1

TAXATION OF FOREST LAND IN THE YAZOO DELTA OF MISSISSIPPI [1]

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INTRODUCTION

Purpose of study

The purpose of this study is to determine the current total property tax on forest land in the Yazoo Delta of Mississippi, the relative importance in this total of the levies made by the several taxing authorities, and the relation of forest taxation to the future possibilities for private forestry. The study was undertaken to provide information that would aid the Southern Forest Experiment Station and other agencies that are seeking to appraise the land-use possibilities and the forest economy of this important forest region.

Location of area surveyed

The name Yazoo Delta is applied to the roughly elliptical area of the Mississippi River alluvial plain in Mississippi, bounded on the west by the river and on the north, south, and east by the line of loessal bluffs marking the eastern edge of the original flood plain of the river (fig. 1). This region, comprising all or parts of eighteen counties, has an area of 4,420,400 acres, of which 1,736,900 acres (39 percent) is hardwood forest land (7).[2] Fifty-two percent of the area (2,319,700 acres) is in cultivation, cotton being the principal crop, with corn second. The forest land lies, for the most part, in two types of location: (1) on the Mississippi River batture (the land between the main levees and the bank of the river), and (2) on the interstream swales in the drainages of the Yazoo River and its principal tributaries, the Tallahatchie, Coldwater, and Sunflower Rivers. All these streams being aggrading rivers, the areas nearest their banks are built up higher than the interstream swales, except where two or more streams unite, in which case the surrounding territory is generally low and subject to annual overflow (e.g., the area around the junction of the Coldwater, Tallahatchie, and Yocona Rivers in Quitman County). In general, all land now economically suitable for cotton or corn production has been put in crop, although there is a considerable acreage of potential cropland, which, with draining and improvement, could be cultivated if market conditions should warrant its use for this purpose.

1/ The author extends his sincere thanks to all who aided in this study. Cordial and helpful cooperation was provided especially by the Delta Chamber of Commerce, the Mississippi State Planning Commission, the Mississippi State Tax Commission, and by all county officials in the Yazoo Delta.
2/ Figures in parentheses refer to list of literature cited at the end of this paper.

Since this study was concerned only with forest land, and since available funds permitted only a relatively small area to be intensively studied, the sample areas were confined to five counties. The counties chosen among the ten all-Delta counties, after consultation with all cooperating agencies, were, from north to south, Tunica, Coahoma, Quitman, Washington, and Issaquena. The reason for selection of these counties was their representative character in respect to geographical location, land use, tax delinquency, and taxes per acre. Within each county, all public-land survey townships which were 50 percent or more forested, as determined by aerial survey maps of the Delta, were listed, and a definite number was selected in each county in such a way as to give the widest possible distribution of area within each county. The tendency noted above for the forest land to be concentrated either on the batture or in the interior overflow lands prevented a randomized distribution of sample areas over any entire county. The sample townships are shown in figure 1. Within each sample township, every ownership reported on the county Land Roll as totalling 250 acres or more in gross area (cultivated, pasture, and forest land) was listed and included in the study.

Method of study

The following data were recorded for each Land Roll description of each sample property:

1. Owner's name.
2. Location of property (by Public Land Survey description).
3. Area by land-use classes as reported on Land Roll.
4. Assessed value of each class of land and of improvements.
5. Location in respect to general and special taxing districts.
6. Drainage benefit assessment, if any.

In addition to these data, copies were obtained of the tax levy order of the Board of Supervisors of each county for 1936, and a statement obtained from each drainage and levee district of the tax rate imposed by it, and in the case of drainage districts, of the benefit assessment. From all these data, the total property tax in 1936 was computed for each levying agency (state, county, school, road, levee, and drainage districts) on each description. In order to determine the relation between drainage benefit assessment and assessed value for ad valorem tax purposes as of the same year, for each sample property in a drainage district data were also obtained on the assessed value as of the year in which the particular drainage district made its benefit assessment.

All properties in the selected townships which were shown on the 1936 Land Roll 3/ as State title on Jan. 1, 1936, for non-payment of taxes were listed, the following data being taken for each:

1. Year of forfeiture (i.e., original tax sale).
2. Name and occupation of original owner.
3. Location.
4. Area by land-use classes as of year prior to that of forfeiture.
5. Assessed value by above classes for indicated year.
6. Ad valorem, levee, and drainage taxes levied in year prior to that of forfeiture (for the non-payment of which the property forfeited).
7. Name and occupation of patentee, if any (only, of course, for patents issued between Jan. 1, 1936, and date of study, here considered as Apr. 1, 1937).

STRUCTURE OF LOCAL GOVERNMENT IN MISSISSIPPI

The structure of government in Mississippi is much like that in other Southern States. The State exercises only nominal advisory powers in relation to local government, the individual counties and municipalities being given almost a free hand in matters of finance and taxation. The State levies a property tax, poll tax, various excise taxes and privilege taxes, and a 2-percent general-sales tax. The counties have, as indicated, nearly unlimited powers in respect to taxation and can levy property taxes, a few per capita taxes (dog tax, commutation road tax, etc), limited privilege taxes, and excise taxes (especially on gasoline). The counties are divided into "beats" for voting and judicial procedures, but the beats are not taxing agencies.

Schools and roads are financed according to the wishes of each county. In some counties there are no special school districts, all school taxes being levied at a uniform rate throughout the county and disbursed by the county Board of Education and Board of Supervisors. In other counties, as

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3/ The various public records referred to throughout this study, or used as sources of the data, are as follows:

a. "Land Roll" - the county assessment roll for "acreage" (unplatted) lands. Assessment of such lands is biennial, in even years.
b. "Abstract of Titles" - the county abstract of property transfers, including patents issued by State for tax-forfeited lands.
c. "List of Lands Sold to State" - the annual county register of properties "struck off" to the State at the sheriff's sale of tax-delinquent lands. This list, which does not include sales to individuals, also shows data on redemption and/or ultimate maturity in State of each property so listed.
d. "Drainage District Benefit Assessment Roll." This roll, which is not a county record but is kept by each individual drainage district at the district office, shows the total benefit assessment against each description of property in that district and also shows (in most cases) the percentage rate levied annually on the said benefit for taxation purposes.

many as 15 special school districts have been set up, each of which may have a different tax rate and may handle all its own finances, subject only to approval of a majority of the qualified electors in that district. A similar condition obtains in respect to road districts, although there is an increasing tendency in many counties to abolish small special road districts in favor of one county-wide district.

There are two levee districts in the State, dealing, however, only with the main levees along the Mississippi River. The other districts responsible for levees in the Yazoo drainage are organized in all cases as "drainage" districts, to be discussed presently. The two levee districts are (1) the Mississippi River Levee District, comprising all of the counties of Bolivar, Washington, Sharkey, and Issaquena, and that part of western Humphrey County which was a part of Washington County in 1865, when this district was organized; and (2) the Yazoo-Mississippi Delta Levee District, comprising the rest of the Delta proper. They are completely independent of the county governments. Their methods of taxation differ somewhat, but are essentially the same so far as taxes on land are concerned. Both levy and ad valorem tax on all real and personal property and a tax of 2¢ per acre on all rural land within their respective districts. Both levy certain privilege taxes (though not the same ones), and the Mississippi River District levies also a commodity tax on cotton produced within the district.

In the State there are 273 drainage districts that have bonds outstanding, of which 110 are in the Yazoo Delta. They vary in size from less than 1,000 acres to more than 75,000 acres. They were organized, under various laws of the State, for the purpose of draining land suitable for agricultural purposes, or, through levee construction, of protecting such land from overflow. Like the levee districts, they are entirely independent of the county governments and subject only to the provisions of the laws under which they were organized, as interpreted and enforced by courts of competent jurisdiction. Their methods of raising funds for construction and maintenance of improvements vary, including benefit assessments, acreage taxes, and ad valorem taxes. Since these drainage taxes constitute the major land tax burden in the Delta, they will be discussed in more detail in connection with the specific areas studied.

LAND TAXATION

The preceding section of this report has dealt with the general structure of government in Mississippi as a whole. This section deals with the methods of levying and current rates of taxes on real estate in the five selected counties and their subdivisions, and in the levee and drainage districts within or partly within their boundaries.

State tax

The only State tax with which this study is concerned is that on land. The State property tax is, of course, levied on both real and personal property, but this study is concerned only with the land tax. Homesteads are exempt from State tax to a limit of $2,500 of assessed value. The State funds derived from the property tax are used for common schools, pensions (chiefly Confederate), and general purposes. In 1936 the rate of

State property tax was 8 mills per dollar of valuation, but in 1937, owing to the excellent financial condition of the State, Governor White reduced the rate to 4 mills, to be effective Jan. 1, 1938.

County, school, and road taxes

The general administration of county taxation is uniform in all the counties covered by the study. The Board of Supervisors, with the completed tax digest before it and with its budget determined, computes the rates necessary to raise the required revenue for each purpose of disbursement, and issues an order levying the determined rates on each dollar of property subject to taxation in the county. It is only the inclusion or exclusion of school- and road-fund levies that varies among the counties. Every county is required by law to levy a county-wide tax for common-school purposes. In many counties, however, the proceeds of this tax are used only for an equalization fund and for actual costs of administration by the county Board of Education and similar purposes, the maintenance, debt service, and incidental costs of local schools being met by the setting up of special school districts, each of which levies a tax at a rate determined by the district Board of Trustees. These special district levies must be approved by a majority of the qualified electors in the district; otherwise the district board has full authority for these purposes. Among the five counties studied, Issaquena is the only one without special school districts. Tunica County has three such districts, covering only about a third of the county, the remainder of the county being outside any special district. Coahoma County has 8 districts, covering about half the county; Quitman County, 12 districts, covering almost the entire county; and Washington County, 11 districts, covering all but a few thousand acres of the county.

The same general situation exists in respect to road districts, except that the county government, through the road district supervisor, controls the special road districts. Each county levies a county-wide tax for road purposes, whether or not it has special road districts. The people in a given area of the country, however, may organize a special district, as in the case of schools, and, by vote of a majority of the qualified electors resident in the district, levy a special tax for the purposes of road construction or improvement. Among the five counties, Washington alone has no special road districts, although Issaquena and Coahoma have but one each. Tunica has seven special districts or subdistricts, and Quitman has nine (including subdistricts).

The "county general" tax rate (exclusive of State, special school and road, levee, and drainage taxes) in 1936 was as follows: Tunica, 20 mills; Coahoma, 17 mills; Quitman, 17 3/4 mills; Washington, 26½ mills; and Issaquena, an average of 25½ mills, with variation among beats.

The rates for the numerous special school and road districts are, of course, variable. In general, school district rates ranged from 1 to 10 mills, with a few rates up to 13 mills, while road district rates ranged from 1 to 12 mills. In this connection, however, mention must be made of the gravest problem in connection with special district taxation. This is the multiplicity of overlapping or pyramided special districts. Some districts have been superimposed on earlier districts, and the properties therein are then subject to the levies of both districts. When, as is

sometimes the case, this has occurred with both school and road districts in relation to a particular property, the resulting taxes may become extremely burdensome. An even more aggravated form of this practice is found in drainage districts, but it is too prevalent even with school and road districts.

Levee district taxes

The levee taxes imposed on land in the Lower (Mississippi River) District are: (1),a flat levy of 2¢ per acre, and (2), an ad valorem levy at the rate of 3 mills per dollar. The commodity tax on cotton (2 mills per pound), although paid by the rural land owner, is not a direct tax on the land which produced the cotton.

In the Upper (Y.M.D.) district, the acreage tax is also at the rate of 2¢, but the ad valorem tax rate varies between the "front" (facing on the river) counties, and the "back" counties. In the former counties (De Soto, Tunica, and Coahoma) the rate is 4.40 mills, and in the "back" counties 3.19 mills.

Drainage district taxes

As stated previously, the complexity, as well as the importance, of the drainage-tax problem requires detailed consideration. Drainage districts have been organized under enabling legislation of 1906 and 1912 (and amendments) for the purpose of draining land or protecting it from overflow "for the promotion of public health and for agricultural purposes" (Chapter 195, Laws 1912, as amended by Chapter 269, Laws 1914). The drainage district is a "body corporate and politic" (Secs. 4401 and 4450, 1930 Code), and hence it can issue bonds.

The basis of determining drainage-benefit assessments is not clearly defined. The common legal basis for assessing special benefits is the distribution of the total cost of the improvements among the properties affected, in proportion to the value added by the improvement, but in no case exceeding the value presumed to be added thereby. In the case of the Delta drainage districts, however, there is absence of evidence, either in the laws or in relevant data subsequently acquired, that this principle was adopted. The basis of assessment appears to have varied widely from district to district, the actual assessment seldom being predicated on any clear-cut principle. In some districts the assessment may have represented nothing more than a following of the line of least political resistance.

As to method, the Board of Drainage District Commissioners determines the benefit assessment against every piece of real property in the district, which assessment must be approved by the Chancery Court. This benefit assessment is fixed once and forever at so much per acre immediately subsequent to organization of the district. This per-acre assessment is then multiplied by the total acreage in the given property to arrive at its total benefit assessment. On this benefit assessment a percentage tax, ranging generally from 1 to 5 percent and uniform throughout the drainage district, is levied; or, in some districts all the benefit assessments are due and payable on order of the Court either immediately or in installments. In actual practice, the district benefit assessment, in the aggregate, is merely the total amount of revenue required for construction, maintenance,

organization, and contingent costs, in the form of principal and interest payments on the bonds issued to cover those costs. A common procedure is to make the district benefit assessment equal to three times the face of the bond issue, in order to be prepared for possible tax delinquencies and other contingencies. As can be seen, the so-called benefit assessment is, in practice, based on the prospective future need for revenue, with no relation to the actual benefits derived from the drainage ditch.

In the event that property in a drainage district forfeits to the State for unpaid taxes (State and county, or drainage, or both), the lien of the district is not extinguished but is merely suspended, and on sale of the property to a private person under patent title from the State, the drainage district lien reattaches. A drainage district may bid in and retain title to, or subsequently sell, lands forfeited for nonpayment of drainage taxes.

There are three major types of drainage-district taxes imposed in this State. In the majority of districts, taxes are assessed as a percentage of the benefit assessment. In a few other cases, a flat acreage tax is imposed, that is, a tax of so many cents per acre uniformly throughout the district. In still fewer cases, chiefly in those districts in liquidation or dissolution, the tax is a flat ad valorem levy on the current assessed valuation, as determined for the levying of State and county taxes, at a millage rate determined by the Board of District Commissioners and approved by the Chancery Court.

Mention has been made previously of the evil of overlapping tax districts. This is especially notorious in the case of drainage districts. Indeed, a map of the drainage districts in some counties (especially those along the Tallahatchie, Coldwater, and Yocona Rivers, and the upper Yazoo River which these tributaries unite to form) resembles a set of superimposed jig-saw puzzles. In a few cases among the five counties studied, individual properties lay in <u>three</u> drainage districts and were consequently subject to the tax levies(as a percentage of benefit assessment, or as acreage tax, or both) of all three districts. Obviously, such a condition at the current tax rates is almost prohibitive of private ownership of property, as evidenced by the marked concentration of tax-forfeited land matured in State title in these areas. Were it not for the compromising of delinquent drainage taxes, the area in State title would be much larger.

VARIATIONS IN ASSESSMENT PRACTICE AND IN CONCEPT OF ASSESSED VALUES

State-wide legal classification of land

Mississippi classifies her rural lands into three types for taxation purposes. These are legally defined as follows (Sec. 3145, 1930 Code):

"Cultivatable lands:

(a) Lands which were in cultivation during the year previous.

(b) Lands which were ready for the plow on January 1.

(c) Lands susceptible of cultivation, but are used for pasture, or are unused — 'lying out.'

(d) Lands with soil and surface suitable for agriculture but covered, entirely or partly, with shrubbery which has grown up through lack of use, but which may be cultivated with the ordinary annual clearing.

"Timbered lands:

(e) Lands covered with merchantable timber; that is, regardless of kind, timber which can be sold in the market. It would necessarily be timber out of which lumber, ties, staves, spokes, shingles, boards, heading, pulpwood, laths, etc., could be made. Land covered by small trees (out of which the foregoing cannot be made, but out of which firewood can be made) are not to be classified as timbered lands but as uncultivatable lands, if the soil and surface are not susceptible of agriculture, or trees or undergrowth are so dense that the lands cannot be cultivated without unusual clearing.

"Uncultivatable lands:

(f) Gullies, sand beds, and hills, which cannot be used for agricultural purposes; low lands which are so often overflowed that they cannot be used for agriculture.

(g) Lands so thickly in stumps or small trees as not to be susceptible of agriculture.

(h) Lands so lacking in fertility that the soil is not capable of producing crops by the use of ordinary methods of preparation and the ordinary use of fertilizer."

Local concepts of classification and value

The above definitions of the three land classes, while written into the statute code of the State, are not strictly or uniformly followed in all counties. Indeed, while the Legislature doubtless intended arability to be the major basis of classification, no attempt has been made in the counties studied to classify land on its crop-producing capacities. In actual practice, only lands falling in the groups defined under paragraphs (a), (b), and (c) are classed as "cultivatable lands," those falling in the (d) group being classed as "uncultivatable." Furthermore, there is wide variation among the counties in the concept or interpretation of "timbered" land and of "uncultivatable" land under group (g). In all counties studied, except Issaquena, no land is classed as "timbered" on the Land Roll unless there is an assessed volume of timber on it, although the actual volume in board feet present on the ground may frequently be very different from that shown on the Land Roll. In Issaquena County, however, it was noted that thousands of acres on which no timber is assessed or even present on the ground are assessed as "timbered" land. An explanation was made locally that these lands had been so classified originally when timber was present, but that, when the timber was removed, the classification was not changed, although the assessment of the standing timber was dropped from the roll. The assessment per acre is in general the same for all such lands, irrespective of classification as "timbered" or "uncultivatable." Similar conditions doubtless obtain in other Delta counties not included in this study.

This statement raises another serious problem, arising through the very means by which its solution was attempted. Analysis of actual practices (as distinguised from legislative intent) in property classification in the Delta (and probably throughout the State) reveals that if taxable land is not properly classified, the purposes for which the classification was originally made will not be accomplished. The outstanding example of this, as just indicated, is the "freezing" of assessed values at a uniform figure for all land in each class (particularly on "timbered" and "uncultivatable" land) throughout an entire county. For example, in Washington County all "uncultivatable" lands and all "timbered" lands, except on the batture and a few scattered tracts, are assessed at $5 per acre, and all timber, except on the batture, is assessed at $6 per thousand feet board measure, quite irrespective of location, condition, or any other factor affecting its actual market value. This condition obtains, under the present system of land classification, in spite of official advice from the State Tax Commission that location, condition, soil fertility, and similar factors are to be taken into consideration in assessing land within each land class, and that "actual value should govern, not the classification"(6, p. 27).

In tables 1 and 2 are presented data on the area in each land class in the county and in the sample studied, the average assessed value per acre of each land class in the county as a whole, and the average of, and range in, assessed value per acre of each land class within the samples. These tables are self-explanatory.

Table 1.-Area of classes of land in county and in samples studied - 1936[1]

County	Cultivatable land			Uncultivatable land			Timbered land		
	Area in county	Area in samples	Ratio of sample to county area	Area in county	Area in samples	Ratio of sample to county area	Area in county	Area in samples	Ratio of sample to county area
	Acres	Acres	Percent	Acres	Acres	Percent	Acres	Acres	Percent
Tunica	131,882	10,615	8	94,758	21,342	23	18,045	3,657	20
Coahoma	219,575	1,523	1-	77,477	5,943	8	39,881	8,656	22
Quitman	117,748	4,820	4	93,061	18,322	20	406	195	48
Washington	249,898	12,761	5	154,083	25,095	16	6,662	1,162	17
Issaquena	66,213	9,520	14	97,657	35,414	36	58,400	23,280	40

1/ Data from recapitulation of county Land Rolls (5) and from rolls of sample townships for 1936.

Table 2 -- Average of, and range in, assessed values per acre by classes of land - 1936 1/

County	Cultivatable land			Uncultivatable land			Timbered land		
	County average 2/	Sample average 3/	Range in sample 3/	County average 2/	Sample average 3/	Range in sample 3/	County average 2/	Sample average 3/	Range in sample 3/
	Dollars								
Tunica	29.33	24.81	13.12 - 43.65	3.20	2.23	1.25 - 5.00	2.07	1.97	1.50 - 2.00
Coahoma	31.19	4/24.83	21.00 - 31.25	6.57	4/3.44	5/1.00 - 7.00	2.01	2.00	2.00 - 2.00
Quitman	26.53	25.94	20.00 - 60.00	2.57	2.69	1.11 - 4.05	2.09	1.85	- 1.85 -
Washington	27.41	24.49	15.00 - 37.54	4.64	5.00	4.78 - 5.98	3.21	5.00	5.00 - 5.00
Issaquena	19.79	19.90	15.00 - 20.00	3.71	4.00	5/0.02 - 6.01	3.52	4.09	5/1.02 - 4.50

1/ Data from county Land Rolls for 1936.
2/ Average value per acre of all land in given class in entire county.
3/ Average of, and range in, values of land in given class in sample areas only.
4/ Sample average is much lower than county average because the bulk of the sample area lay in the batture, where assessments are much lower than on protected land behind the levees.
5/ On batture land.

It will be noted that all the counties except Issaquena are primarily agricultural in character, the area classed as "cultivatable land" exceeding the combined area classified as "uncultivatable" or "timbered." In Issaquena County, however, the uncultivated area is $2\frac{1}{2}$ times as large as the cultivated area. Since this study was concerned primarily with forest land, the portion of "uncultivatable" and "timbered" land included in the sample greatly exceeded the portion of "cultivatable" land so included.

In respect to county average assessed values per acre, it will be noted that with four or five obvious exceptions there are only slight variations among the five counties in this value for any one land class.

One fact not revealed by table 2, but of importance in relation to later data on tax per acre, relates to an assessment practice in Tunica County. In order to equalize the tax per acre between lands inside and outside drainage districts, Tunica reduces the assessment on lands in drainage districts to such an extent that the high tax rate on these lands will result in a tax per acre approximately equal to that produced by a low tax rate (i.e., without drainage tax) on the higher assessments of lands outside drainage districts. In general, "uncultivatable" lands are assessed as follows in this county:

In drainage districts	- $1.60 per acre
Outside drainage districts	- 4.50 per acre
Batture lands	- 2.00 per acre

Comparable adjustments are made in assessed values of other classes of land. Although this practice may not have had any conscious objective, it is in part justified by the capitalization of the higher taxes levied on land in drainage districts, the effect of which is to reduce the actual value of lands in those districts. No other county among the five studied makes such a distinction in assessing lands in respect to their location inside or outside drainage districts, although batture land is assessed in all counties at much lower values than protected land behind the levees.

The distribution of the area of the sample in each land-class by assessed values per acre is shown in table 3. In all counties except Tunica, most of the "cultivatable" land was assessed at $20 to $24.99 per acre. In Tunica County, owing to the assessment methods previously described, there is a much wider distribution of assessed values per acre. Most "uncultivatable" land is assessed at $1 to $4.99 per acre, and timbered land at the same rate. In Washington County, however, almost all the "uncultivatable" and "timbered" land other than batture land is assessed uniformly at $5.00 per acre. The total sample area was 182,305 acres, or 13 percent of the total area of these five counties.

Timber is assessed only if currently merchantable in local practice (see legal definition of "timbered" land, page 8). The range in assessed values is not shown since there is no significance in such a range when the individual values, with few exceptions, are so nearly uniform. The following tabulation shows the number of thousands of board feet assessed in each county and the county average assessment per thousand board feet.

County	Volume assessed	Assessed value per M bd. ft.
	M bd. ft.	Dollars
Tunica	12,977	5.06
Coahoma	11,395	5.00
Quitman	1,590	3.15
Washington	4,645	4.34
Issaquena	42,595	6.00

Effect of concept of agricultural value on assessed values of forest land

It has been shown by many studies of assessed values of rural land throughout the nation that the dominant land use in the taxing unit (county, township, or district) determines in large measure the concept governing the assessment of the various classes of land. For example, in a county where the dominant land use, from either the areal or investment viewpoint, is agricultural (crop or livestock production), there is a definite tendency to regard and assess all land as potential agricultural land. On the other hand, in a county where the dominant land use is timber production (or that of such a byproduct as naval stores), there is a tendency to assess all land at lower values, or at least at values close to those of forest land. Assessment practice in the Yazoo Delta is also strongly influenced by the future expected demand for large areas of agricultural land.

Coahoma County is an example of the tendency to assess forest land at an agricultural-value level. As shown in tables 2 and 3, "uncultivatable" land in this county is assessed much higher than in any other of the five counties (average, $6.57 per acre). Reference to table 1 shows that Coahoma County land is overwhelmingly agricultural as compared with land in the other counties. Issaquena County is an example of the opposite tendency. It will be noted (table 2) that agricultural land in this county is assessed at the lowest level of any county, while its "cultivatable" land comprises only 30 percent (also lowest percentage for these counties) of the rural area.

This practice is not without some justification, of course, since it is true that in the Delta the high-quality soils of much of the uncultivated areas will, on proper drainage and clearing, yield abundant crops. It should be pointed out, however, that soil value, per se, does not enter into the assessment as now made, and that the practice of freezing of values by land class, rather than actual assessment of the true value of each individual property in each class and all of its component parts, tends in Coahoma County, for example, to overassessment of much "uncultivatable" (or, more accurately uncultivated) land and in Issaquena County (as the other example) to underassessment of much cultivated land. Relative accessibility, which is sometimes considered in assessing cultivated lands, may account in small part for these differences, but the above data indicate that one major factor in assessment is the dominant land use of the county. This conclusion was also confirmed by discussions with county officials.

Table 3.- Acreage distribution of assessed values per acre of land in sample, by classes of land[1]

Land class	Assessed value	County											
		Tunica		Coahoma		Quitman		Washington		Issaquena		Total	
	Dollars	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%
Cultivatable	10.00-14.99	70	1	-	-	-	-	-	-	-	-	70	3/
	15.00-19.99	2,976	28	-	-	-	-	272	2	185	2	3,433	9
	20.00-24.99	2,149	20	945	62	2,210	46	6,121	48	9,335	98	20,760	53
	25.00-29.99	3,500	33	-	-	1,458	30	3,346	26	-	-	8,304	21
	30.00-34.99	1,568	15	578	38	1,150	24	1,242	10	-	-	4,538	11
	35.00-39.99	104	1	-	-	-	-	1,780	14	-	-	1,884	5
	40.00-44.99	248	2	-	-	-	-	-	-	-	-	248	1
	45.00 & up	-	-	-	-	2/ 2	3/	-	-	-	-	2/ 2	3/
	Total	10,615	100	1,523	100	4,820	100	12,761	100	9,520	100	39,239	100
Uncultivatable	0.01- 0.99	-	-	-	-	-	-	-	-	2,013	6	2,013	2
	1.00- 4.99	21,330	100	3,997	67	18,322	100	252	1	33,319	94	77,220	73
	5.00- 9.99	12	3/	1,946	33	-	-	24,843	99	82	3/	26,883	25
	Total	21,342	100	5,943	100	18,322	100	25,095	100	35,414	100	106,116	100
Timbered	1.00- 4.99	3,657	100	8,656	100	195	100	-	-	23,280	100	35,788	97
	5.00- 9.99	-	-	-	-	-	-	1,162	100	-	-	1,162	3
	Total	3,657	100	8,656	100	195	100	1,162	100	23,280	100	36,950	100
Grand total of all classes-acres		35,614	-	16,122	-	23,337	-	39,018	-	68,214	-	182,305	-
Percent of total rural taxable area		15.7	-	5.4	-	11.1	-	9.5	-	38.9	-	13.8	-

1/ Exclusive of all improvements. Assessed values derived from county Land Rolls - 1936.
2/ Two acres at $60.00.
3/ Less than 0.5 percent.

TAXES PER ACRE ON FOREST LAND

As stated previously, agricultural land use in most counties of the Delta is so intensive that idle or abandoned crop land is practically non-existent. Hence almost all "uncultivatable" land is, in reality, forest land either clear-cut or bearing timber under sawlog size. For this reason all lands of this class, together with those of the "timbered land" class, have been grouped in tables 4 and 5 as "forest land."

In table 4 are shown the area and the average tax per acre of forest land in the sample, classified in accordance with the levee and drainage protection afforded. Batture land is subject only to State and county general taxes, since it does not have the benefit of schools or roads (very few persons live between the main levees and the river bank), or of levee protection and drainage. All protected land behind the levees but not included in drainage districts is subject to State, county general, special school and road (if within a special district), and levee taxes. Such lands within a drainage district are subject to the drainage district tax, in addition to all the above taxes. The one exception to this condition is found in Coahoma County, where one drainage district lies on the batture; here land is subject to State, county general, and drainage taxes.

It will be noted that the tax on batture land, other than in the drainage district in Coahoma County, ranges from $4\frac{1}{2}$ to 7¢ per acre. Although the batture comprises only a small percentage of the total available hardwood timber land in the Delta, it contains a substantial percentage of the better grade merchantable hardwood timber. The important, if not the major, reason for this condition is the low tax on the land, making it financially profitable to hold this timber until it has attained a large size. Even when the tax on standing timber is added (generally 18 to 28¢ per acre on well-stocked stands of merchantable timber, but nothing on unmerchantable stands) the total tax (land and timber) is no greater than the average bare land tax on forest land in other locations.

The average tax on forest land in levee districts but outside drainage districts ranges from 13 to 26¢ per acre, while on such land within drainage districts it ranges from 23 to 67¢. Mention has been made previously of the method of equalizing the tax per acre between lands inside and outside drainage districts in Tunica County. As shown in table 4, the difference in tax is only 1.1¢ per acre in the county, whereas in other counties this difference is 37 to 54¢.

The distribution of the forest land in the sample by tax per acre and by location is shown in table 5. Batture land is included in the "forest land not in drainage districts," and the areas so located are indicated by a footnote. None of the samples studied in Issaquena County fell within that county's one drainage district. One feature of this distribution is the much wider spread in tax per acre within drainage districts than outside them. There are, of course, more tax-per-acre classes in the distribution in drainage districts, but also the area is much more evenly distributed among all classes. This condition arises chiefly through the wide variation in drainage benefit assessments, and in the rates of levy upon these benefits, among the large number of districts involved. Contributing factors are the differences in assessed values and in tax rates among the counties.

Table 4.- Area of forest land[1] in sample and average tax per acre[2]

County	Batture land		All other land									Grand total	
			Subject only to ordinary ad valorem tax			Subject to both ad valorem and drainage taxes			Total				
	Area	Tax	Area	Portion of area	Tax	Area	Portion of area	Tax	Area	Portion of area	Av. tax	Area	Av. tax
	Acres	Cents	Acres	Percent	Cents	Acres	Percent	Cents	Acres	Percent	Cents	Acres	Cents
Tunica	7,040	7.1	7,736	43	21.5	10,223	57	22.6	17,959	100	22.1	24,999	17.9
Coahoma	[3] 12,653	[3] 9.2	1,946	100	24.1	0	0	0	1,946	100	24.1	14,599	11.2
Quitman	0	0	4,282	23	12.9	14,235	77	66.6	18,517	100	54.2	18,517	54.2
Washington	0	0	326	1	23.5	25,931	99	60.7	26,257	100	60.2	26,257	60.2
Issaquena	8,805	4.5	49,889	100	25.7	0	0	0	49,889	100	25.7	58,694	22.5
Total	28,498		64,179	56		50,389	44		114,568	100		143,066	

1/ "Forest land" in this table and tables 5, 12, 13, 14, and 15 includes both "timbered" and "uncultivatable" land.
2/ Data derived from Land Rolls and tax levy orders of county Boards of Supervisors.
3/ Of this total area, 1,159 acres are inside a batture drainage district. On the area within this district, the average tax per acre is 52.6¢ while on the area outside the district (11,494 acres) the average tax per acre is 4.8¢.

Table 5.- Acreage distribution of forest area in sample, by tax per acre, including all taxes to which each location-class is subject

A. Forest land not in drainage districts

Tax per acre	County											
	Tunica		Coahoma		Quitman		Washington		Issaquena		Total	
Dollars	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%
0.01-.04	-	-	2/1,181	9	-	-	-	-	2/6,707	11	7,888	9
0.05-.09	1/8,235	56	2/10,313	76	41	1	-	-	2/1,422	2	20,011	22
0.10-.19	1,425	10	-	-	4,241	99	-	-	4/7,369	13	13,035	14
0.20-.29	5,112	34	1,946	15	-	-	326	100	43,196	74	50,580	55
0.30-.39	4	3/	-	-	-	-	-	-	-	-	4	3/
Total	14,776	100	13,440	100	4,282	100	326	100	58,694	100	91,518	100

B. Forest land in drainage districts

Tax per acre	County									
	Tunica		Coahoma		Quitman		Washington		Total	
Dollars	Acres	%	Acres	%	Acres	%	Acres	%	Acres	%
0.10-.19	4,893	48	-	-	599	4	-	-	5,492	11
0.20-.29	3,348	33	-	-	3,914	28	380	2	7,642	15
0.30-.39	1,297	13	-	-	521	4	2,180	8	3,998	8
0.40-.49	680	6	2/560	48	1,200	8	6,429	25	8,869	17
0.50-.59	-	-	2/400	35	1,320	9	2,967	12	4,687	9
0.60-.69	5	3/	2/177	15	589	4	3,214	12	3,985	8
0.70-.79	-	-	2/ 22	2	956	7	5,302	21	6,280	12
0.80-.89	-	-	-	-	818	6	4,989	19	5,807	11
0.90-.99	-	-	-	-	547	4	110	3/	657	1
1.00-1.19	-	-	-	-	1,775	12	360	1	2,135	4
1.20-1.39	-	-	-	-	1,651	12	-	-	1,651	3
1.40-1.59	-	-	-	-	345	2	-	-	345	1
Total	10,223	100	1,159	100	14,235	100	25,931	100	51,548	100

1/ Of this area 7,040 acres is batture land.
2/ All batture land.
3/ Less than 0.5 percent.
4/ Of this area 676 acres is batture land.

Although practically 100 percent of the forest land outside drainage districts in the five counties is taxed less than 30¢ an acre, only 26 percent of the land within drainage districts is taxed as low, while 40 percent of the latter land is taxed more than twice as much, and 9 percent is taxed more than three times as much.

In all counties (except Issaquena, which has no drainage districts in the sample areas), the drainage tax on forest land comprises more than 50 percent of the total tax charge, the percents ranging from 54 in Tunica County to 90 in Coahoma County (table 6). The lower percentage in Tunica County is due to the practice of lowering ad valorem assessments for general governmental purposes on land in drainage districts (page 12), while the abnormally high percent in Coahoma County is the result of the location of the sample in a batture drainage district where the land was not subject to special school, road, and levee district taxes, and where it was assessed at a lower value per acre than the protected land in other counties. In some districts, however, where the debt burden is lighter, the drainage tax is about equal to the total ad valorem tax (state, county, school, and/or road taxes).

The fact that the drainage tax exceeds the combined total of all other property taxes to which forest land in the Delta is subject is further evidence of the paramount importance of this phase of taxation in the solution of the forest-tax problem.

The tax on standing timber varies, of course, with its location, i.e., whether on the batture or protected. Timber within a drainage district is not subject to the drainage tax, which is levied only on the land. While the drainage district laws (Chap. 107, 1930 Code) provide that all taxable real property within the district is subject to tax for amortization of district bonds, the Supreme Court of Mississippi has held that the law does not act "to prevent the removal of the timber at any time and for any purpose desired by the owner, and this, too, without any payment of the installments of assessments to become due on the land subsequent to the removal" (Matthews et al. vs. Panola-Quitman Drainage District. 130 So. 910).

The average assessed value of timber per M board feet in each county as a whole has been given on page 13. The average tax per M board feet of timber, by location classes within the sample in each county, is shown in the following tabulation:

County	Location	
	Batture	All other land
	Cents	Cents
Tunica	14	29
Coahoma	12½	no data
Quitman	—	4/ 41
Washington	no data	23
Issaquena	18½	34

4/ Based on only one property, assessed at $9.20 per M bd.ft.

Table 6.-Apportionment among taxing authorities of average tax per acre on forest land[1] in drainage districts - 1936

(sample properties only)

County		State	County general[2]	Special school[2]	Special Road[3]	Total ad valorem	Levee[4]	Drainage	Grand total	Basis area
		Cents								Acres
Tunica	- Tax	1.3	3.3	[5]0.1	3.0	7.7	2.8	12.2	22.7	10,223
	Percent	6	15	[6]	13	34	12	54	100	
Coahoma[7]	- Tax	1.6	3.4	-	-	5.0	-	47.5	52.5	1,159
	Percent	3	7	-	-	10	-	90	100	
Quitman	- Tax	2.2	4.7	1.2	4.0	12.1	2.9	51.7	66.7	14,235
	Percent	3	7	2	6	18	4	78	100	
Washington	- Tax	4.0	11.6	4.4	[8]	20.0	3.5	38.2	61.7	25,931
	Percent	6	19	7	-	32	6	62	100	

1/ "Timbered" and "uncultivatable" land.
2/ Including county-wide general school and road levies.
3/ Special district levies only.
4/ Including both acreage and ad valorem taxes.
5/ Only a small portion of the total sample area lay in special school districts. This figure represents total special district taxes divided by total sample area.
6/ Less than 0.5 percent.
7/ All of the sample in Coahoma County lay in a batture drainage district and was not subject to special school, road, or levee district taxes. This location also accounts for the relatively low taxes for State and county purposes, since the batture properties are assessed at a lower value than protected properties.
8/ Washington County has no special road districts.

RELATIONSHIP BETWEEN DRAINAGE BENEFIT ASSESSMENT AND AD VALOREM ASSESSMENTS

The evidence (previously presented) that the drainage tax represented more than 50 percent of the total tax charge, led to an investigation of the relationship between the drainage benefit assessments and the ad valorem assessments of the same properties. Data were obtained as to (a) the drainage benefit assessment of each property in the sample that lay in a drainage district, (b) the assessed value as of 1936, and (c) that of the date of fixing of the drainage benefit assessment. Since the benefit assessment is fixed uniformly at a certain sum per acre for each tax-roll description, and since an analysis of such assessments indicated that no cognizance was taken of the presence or absence of improvements, the benefit assessment against each tract ("description") was prorated to each land-use class on an acreage basis, if the given tract contained two or more classes of use (e.g., "cultivatable" and "uncultivatable").

In connection with this study, it should be remembered that while the ratio of the assessed value for ad valorem purposes to the true or market value of property is theoretically 100 percent, it is generally recognized that in actual practice the assessment ratio varies from as low as 25 percent to as high as 150 percent. In general, the lower the true value, the higher is the assessment ratio.

With this background of knowledge, an analysis of the data in table 7 reveals the gross inequity of the benefit assessments, particularly on "uncultivatable" and "timbered" lands. On "cultivatable" land, for example, the benefit assessment, based on county averages, is 56 to 117 percent of the 1936 ad valorem assessments, averaging 67 percent for all four counties. On "uncultivatable" land, however, it is 344 to 1457 percent, averaging 622 percent; while on "timbered land" it is 234 to 810 percent, averaging 446 percent! When the benefit assessment, fixed once and for all when the district was organized, is compared with the assessed value for ad valorem purposes as of the same year in which the benefit was fixed, a slightly more logical picture is shown. In the case of each land-use class, the ratio of benefit assessment to assessed value is lower for the original assessed value than for the 1936 value. Even in this comparison, however, it is evident that "uncultivatable" and "timbered" lands are inequitably treated in respect to drainage benefit, since "cultivatable" land has an average ratio of only 52 percent, while uncultivatable land has a ratio of 332 percent, and timbered land one of 160 percent. Whatever might have been said for the reasonableness of these benefit assessments at the time they were made, it is clear that the anticipated benefits have not been realized.

These relationships are further emphasized by the range in relationship between the benefit assessments and 1936 assessed values for each land-use class of each county (table 8). These figures are even more concrete evidence of the lack of a sound basis for fixing drainage benefits, ad valorem assessments, or both. The very wide range of ratios in every use-class and in nearly every county (only one tract was included under "timbered" land in Washington County), and the absurd ratios shown as maxima on "uncultivatable" land, are proof that the benefit assessments have no consistent relation to either the assessed value or market value of the lands on which they are assessed, nor, indeed, to the actual monetary value of the benefits conferred by the drainage ditch.

Table 7.- Average relationships of drainage benefit assessments to assessed values[1]

Counties	Cultivatable land					Uncultivatable land					Timbered land				
	Average drainage benefit assessment per acre[2]	Average assessed value per acre		Ratio of benefit to assessed value		Average drainage benefit assessment per acre[2]	Average assessed value per acre		Ratio of benefit to assessed value		Average drainage benefit assessment per acre[2]	Average assessed value per acre		Ratio of benefit to assessed value	
		1936	Orig.[3]	1936	Orig.		1936	Orig.[3]	1936	Orig.		1936	Orig.[3]	1936	Orig.
	dollars			percent		dollars			percent		dollars			percent	
Tunica	14.27	20.83	45.18	69	32	12.51	1.65	8.72	758	143	3.95	1.69	8.92	234	44
Coahoma	13.69	21.00	[4]	65	[4]	14.53	2.03	[4]	716	[4]	11.40	2.00	[4]	570	[4]
Quitman	29.96	25.58	37.91	117	79	39.93	2.74	11.15	1457	358	14.98	1.85	9.77	810	153
Washington	13.60	24.49	23.20	56	59	17.20	5.00	4.56	344	377	22.38	5.00	[6]	448	[6]
Average[8]	15.89	23.80	[5]30.58	67	[5]52	22.69	3.65	[5]6.83	622	[5]332	15.28	3.43	[7]9.55	445	[7]160

1/ Based on all land in sample lying within drainage districts. See table 4 for areas. None of the sample properties lay within the one drainage district in Issaquena County. All data relate to the same properties. Data from county Land Rolls and drainage district benefit assessment rolls.
2/ These figures represent the weighted-average drainage-benefit assessment per acre for each class of land use. See text for discussion of method of fixing such assessments.
3/ These figures represent the weighted-average assessed value per acre of all land in each land-use class, as of the year in which the benefit assessment was fixed on said land. Since the benefits were assessed (i.e., since the districts were organized) in different years (1912 - 1927), these figures do not represent the value as of any given year, but are the average values as of date of benefit assessment, for the purpose of comparing the relationship between benefit assessments and corresponding assessed values of the same year. Drainage benefits are fixed once and for all at moment of assessment, whereas the ad valorem assessment may change biennially.
4/ Impossible to compute, owing to changes in area and ownership of these batture properties. Much of the original area has been lost through flood washing, and it was impossible to locate original properties on the 1925 tax roll (date of organization of this batture drainage (levee) district).
5/ Based on 3 counties only; Coahoma excluded.
6/ Land bearing timber was classified as "unimproved" in 1912 - 1918, the years when drainage districts in Washington County were being organized. All such land is included here under "uncultivatable."
7/ Based on two counties only (Tunica, Quitman).
8/ Weighted average of all properties in sample in all four counties.

Table 8.- Ranges in relationship of benefit assessments to assessed values - 1936[1]

County	Cultivatable land	Uncultivatable land	Timbered land
	Percent		
Tunica	7 - 183	53 - 2,013	100 - 362
Coahoma	64 - 66	540 - 1,326	488 - 666
Quitman	6 - 315	108 - 4,501	- 810 -
Washington	11 - 150	48 - 600	376 - 600
All four counties	6 - 315	48 - 4,501	100 - 810

1/ These data represent the individual properties, within each land-use class, which had the highest and lowest ratios, respectively, of benefit assessment to assessed value as of 1936. For average ratios, see table 7.

The lack of any consistent relation between benefit assessments and assessed values is of particular moment in respect to "uncultivatable" and "timbered" lands. In the enabling acts under which the drainage districts were organized, their purposes are declared to be strictly "agricultural" and "for promotion of the public health" (Sec. 2, Chap. 269, Laws 1914). These purposes have been repeatedly reaffirmed by the courts, and in at least the one case previously cited (130 So. 910), the Supreme Court of the State called particular attention to the impossibility of agricultural use on lands covered with timber. While the Court held in this case that the timber itself could be removed, it has as rigidly held in other cases, and in obvious accord with the law, that the drainage district lien attaches to all land in the district, whether the same be in agricultural or forest use or be unused for any purpose. It is also recognized that land which will remain in forest use is benefited to a minor degree by the drainage improvements. Nevertheless, the data presented as to the relation of the drainage benefit assessment to ad valorem assessment on uncultivated lands, and the common knowledge that no direct benefit even remotely approaching in value the assessment imposed on such lands is conferred by draining them (except the few areas of once cleared and cropped land now abandoned because of recurrent overflows), indicate very clearly that the present system and method of drainage-district taxation is grossly inequitable, unjust, and in many cases, confiscatory when applied to forest land. It is, unquestionably, one, if not the chief, cause of the concentration of tax-forfeited forest land in Delta drainage districts.

TAX DELINQUENCY OF FOREST LAND

Law and procedure relating to delinquency

The general procedure in tax delinquency in Mississippi is very similar to that in other Southern States. Taxes unpaid on the final delinquency date are subject to penalty, and if the first installment be unpaid by the first Monday in April of the year following imposition, or if the second or third installment be unpaid by the third Monday in September, the land (or other property) on which they were levied is subject to sale at public auction by the county sheriff. If no bid at least equal to the taxes, penalty, and costs due is received, the property is "struck off" to the State. The redemption period, originally 2 years following the sheriff's sale was, in 1934, extended by the Legislature to 3 years, for the delinquencies of 1931 and 1932 taxes only. If the land is not redeemed prior to expiration of the redemption period, title vests in fee in the State, and the State Land Commissioner, with the approval of the Governor, can thereafter sell the land at a price not less than the taxes for which the land sold, plus costs and damages. Right of purchase under patent title extends to the original owner; indeed, in recent practice, was limited to him, his heirs, or assigns (4, p. 8). Owing to allegations made by a legislative committee investigating the Land Commissioner's Office, and counter-charges filed by the Commissioner, the Governor ordered a suspension of issuance of all patents, effective Nov. 17, 1936. This suspension is still in effect.

Extent of delinquency, 1936 - 1937

Area of, and taxes on, all lands within the sample which were recorded as in State title through forfeiture for taxes on Jan. 1, 1936, were obtained, and similar data on all land maturing in State title during 1936, and on all patents issued between Jan. 1, 1936 and Apr. 1, 1937. (A few special patents were issued after date of suspension noted above — Nov. 17, 1936.) Since the 1937 sale of taxes was not held until after Apr. 1, table 9 does not include data on forfeitures maturing at the time of that sale. So little land in Coahoma County was tax-forfeited that this county was not included in this phase of the study.

The data in table 9 show the decline in tax-forfeited acreage in the 15-month period, by land-use classes, and the relative proportion of the total forfeited area in each use class. It is of interest to note that not only did cultivatable land comprise the smallest percentage of the total forfeited area in both 1936 and 1937, but also, in all counties except Issaquena, where it remained constant, the percentage declined during this period. On the other hand, in all counties except Washington, the percentage which uncultivatable land formed of the total respective areas increased during the same period. While no timbered land was forfeited to State title in Quitman and Washington Counties, the percentage which this class formed of the total respective forfeited areas in Tunica and Issaquena Counties also increased.

Table 9.- Change in area of tax delinquent lands in State title--Jan. 1, 1936 to Apr. 1, 1937 1/

(selected townships only)

County		Cultivatable land 2/		Uncultivatable land 2/		Timbered land 2/		Unknown use 3/		Total		Net change in total area 4/
		1936	1937	1936	1937	1936	1937	1936	1937	1936	1937	
Tunica	(acres)	293	217	11,179	10,608	635	635	3,130	2,062	15,237	13,522	-1,715
	(percent)	1.9	1.6	73.5	78.4	4.2	4.7	20.5	15.2	100.0	100.0	- 11.3
Quitman	(acres)	369	102	21,633	18,282	0	0	1,200	1,090	23,202	19,474	-3,728
	(percent)	1.6	0.5	93.2	93.9	0.0	0.0	5.2	5.6	100.0	100.0	- 16.1
Washington	(acres)	536	20	12,390	2,420	0	0	280	160	5/ 13,206	6/ 2,600	-10,606
	(percent)	4.1	0.8	93.8	93.1	0.0	0.0	2.1	6.1	100.0	100.0	- 80.3
Issaquena	(acres)	1,268	1,561	19,012	23,610	4,443	5,644	1,617	1,457	26,340	32,272	+5,932
	(percent)	4.8	4.8	72.2	73.2	16.9	17.5	6.1	4.5	100.0	100.0	+ 22.5
Total	(acres)	2,466	1,900	64,214	54,920	5,078	6,279	6,227	4,769	77,985	67,868	-10,117
	(percent) - 1936	3.2		82.3		6.5		8.0		100.0		
	(percent) - 1937		2.8		80.9		9.3		7.0		100.0	-13.0

1/ Data from "Lists of Lands Sold to State," "Abstracts of Titles," and "Land Roll - 1936-37." Coahoma County had so little land in State title that it was omitted in this phase of the study.
2/ Classification according to Land Roll as of year of original delinquency. No subsequent classification data are available.
3/ The tracts included here could not be definitely located or classified as to use as of year of original delinquency.
4/ Difference between total areas in State title as of Jan. 1, 1936, and Apr. 1, 1937, in acres and in percentage of change.
5/ Includes 172 acres listed as in State title on Jan. 1, 1936, but later found to be in Federal title (unappropriated public domain).
6/ Does not include area transferred to jurisdiction of Mississippi Agricultural Experiment Station.

The reason for this condition is obvious. The year 1936 was the best cotton year in the Delta in many years, with a bumper crop and a good price. Hence farm income was at a high level, and advantage of the situation was taken to purchase additional "cultivatable" land and better grade "uncultivatable" (or more accurately, uncultivated) land in order to increase production in 1937. This is not the place to discuss the wisdom or results (now evident in both crop reports and current prices) of such increased cotton production. In driving through the country it was clearly evident that many areas never before put to the plow were being cleared for cotton crops. This one factor accounts for a major part of the reduction in tax-forfeited acreage in the sample, and, presumably, in the Delta counties as a whole. For this reason, the reduction may be temporary.

The same forces, however, which caused high tax-forfeiture of forest land in the past continued to operate during this 15-month period to effect an increase in current forfeiture of this class of land in nearly all counties. Washington is an apparent exception, but much of the so-called "uncultivatable" land in this county, and to a less extent in all counties, is actually cultivatable at a profit when cotton reaches a price of 12 to 15¢ a pound. The current net increase in forfeited forest area in Issaquena County, which is primarily a forest county, is evidence that true forest land continued to be forfeited even when non-forest land was being purchased under patent from the State.

Trends in delinquency

It is also of interest to know the year of origin of the delinquency of land in State title as of Jan. 1, 1936 (table 10). Taking all four counties together, the effect of the depression is evident; 58 percent of the total forfeited area was derived from tax sales held subsequent to 1929. That the depression was not the only cause of tax distress, however, is shown by the fact that 42 percent of the total forfeiture accrued during the years of "prosperity" — 1925 to 1929. Variation among counties was wide, moreover, and no clear inferences as to the causes of delinquency can be drawn from these data. As indicated above, the periodicity of "feast and famine" that characterizes cotton growing may well account for the fluctuation in extent of forfeiture. It should be remembered, also, that the high percentage of total forfeiture represented by land sold in 1932 for 1931 taxes and maturing in State title in 1935, involved, as of Jan. 1, 1936, land which had been in State title, subject to sale, for only a few months, whereas the residue in State title derived from earlier sales had been forfeited and subject to sale for 1½ to 12 or more years.

Taxes for which land was forfeited

In order to evaluate the respective effects of the advalorem and drainage taxes, data were obtained on the taxes on each tract of land forfeited during 1925 to 1932, as of the last year prior to its delinquency. These date were then averaged by years to arrive at an average ad valorem and average drainage tax per acre per year in each county (table 11). It should be noted that the years shown are the years of levy, not the years of tax sale. The data for 1932 taxes (land sold in 1933 and matured in 1936) have been added in this table, but do not appear in tables 8 and 9. The Washington County records for 1925 and 1926 show only the total tax charge, including ad valorem and drainage levies. In Issaquena County, none of the sample fell within that county's one drainage district.

Table 10.- Area in State title as of Jan. 1, 1936, by year of original tax sale

(selected townships only)

County		Year of sheriff's tax sale 1/								Totals
		1925 or prior	1926	1927	1928	1929	1930	1931	1932	
Tunica	(acres)	1,890	0	0	1,360	4,183	1,440	1,479	4,885	15,237
	(percent)	12	0	0	9	28	9	10	32	100
Quitman	(acres)	1,960	2,260	7,692	488	1,562	401	6,446	2,393	23,202
	(percent)	8	10	33	2	7	2	28	10	100
Washington	(acres)	2,244	4,002	240	0	0	0	120	6,600	13,206
	(percent)	17	30	2	0	0	0	1	50	100
Issaquena	(acres)	413	0	0	0	5,028	126	16,254	4,519	26,340
	(percent)	2	0	0	0	19	2/	62	17	100
Total	(acres)	6,507	6,262	7,932	1,848	10,773	1,967	24,299	18,397	77,985
	(percent)	8	8	10	2	14	3	31	24	100

1/ Property is "sold" to State at public auction by the county sheriff, on failure of any private person to bid amount of taxes and penalty due, at sale held 1 year after date of imposition of tax levy. For example, 1932 sale (last column) was for 1931 taxes. Title is certified to State 2 (or 3) years subsequent to tax sale. Titles forfeited for 1932 taxes, however, did not mature in State until April (or Sept.) 1936, owing to extension of redemption period. These data are from County Land Rolls.
2/ Less than 0.5 percent.

Table 11. - Area of, and average tax per acre on, forfeited rural land, levied in year prior to year of forfeiture; years of levy — 1925 to 1932[1]
(selected townships only)

Item	Year	Counties			
		Tunica	Quitman	Washington	Issaquena
Area in acres	1925	0	2,260	4,002	0
Ad valorem 2/		-	$0.69	3/	-
Drainage		-	0.91	3/	-
Total		-	1.60	$1.46	-
Area in acres	1926	0	7,692	240	0
Ad valorem 2/		-	$0.46	3/	-
Drainage		-	1.89	3/	-
Total		-	2.35	$2.18	-
Area in acres	1927	1,360	488	0	0
Ad valorem 2/		3/	$0.32	-	-
Drainage		3/	1.85	-	-
Total		3/	2.17	-	-
Area in acres	1928	4,183	1,562	0	5,028
Ad valorem 2/		$0.42	$0.42	-	$0.20
Drainage		1.13	0.89	-	0
Total		1.55	1.31	-	0.20
Area in acres	1929	1,440	401	0	126
Ad valorem 2/		$0.46	3/	-	$0.36
Drainage		0.96	3/	-	0
Total		1.42	3/	-	0.36
Area in acres	1930	1,479	6,446	120	4/ 14,974
Ad valorem 2/		$0.34	$0.40	$0.29	$0.24
Drainage		0.31	1.02	1.15	0
Total		0.65	1.42	1.44	0.24
Area in acres	1931	4,885	2,393	6,600	5/ 4,439
Ad valorem 2/		$0.24	$0.70	$0.40	$0.24
Drainage		0.69	0.48	1.20	0
Total		0.93	1.18	1.60	0.24
Area in acres	1932	5,069	1,225	3,043	12,281
Ad valorem 2/		$0.13	$0.35	3/	$0.18
Drainage		1.00	0.85	3/	0
Total		1.13	1.20	3/	0.18

1/ The year of forfeiture is 1 year subsequent to year of levy. Data for years prior to 1925 are not computed, owing to lack of adequate tax data. These data are from Land Rolls of each indicated year of levy, and from "List of Lands Sold to State" for each year of forfeiture.
2/ Includes levee ad valorem and levee acreage tax.
3/ Tax data not available.
4/ Tax data on 1,280 acres missing.
5/ Tax data on 80 acres missing.

It will be noted that with but two exceptions (Tunica County - 1930; Quitman County - 1931), the drainage tax exceeds the ad valorem tax by percentages ranging from a minimum of 32 (Quitman County - 1925) to a maximum of 669 (Tunica County - 1932). Hence, it is obvious that the drainage tax is a major factor in the inability of these lands to produce sufficient revenue to meet tax payments.

The total average tax charge is also of interest, varying, on lands in drainage districts, from a minimum of 65¢ per acre (Tunica County - 1930) to a maximum of $2.35 per acre (Quitman County - 1926). The lands here involved include, of course, all classes of use — good cultivated land as well as cut-over forest land. It is extremely unlikely, however, that the best crop land or the best timbered land is included in this forfeited acreage. Such lands, while they may occasionally be involved in temporary delinquency, do not remain long in State title.

No definite trends over this period toward a lower total tax are shown by the data in table 11. In Quitman County there is an irregular trend downward, but in other counties the trend is too irregular, and the data too meager, for any significant deductions to be drawn.

The data in tables 12 to 15 show, for each county, the distribution of the forfeited forest area, classified by total tax per acre, levied in the year prior to year of forfeiture — again, the taxes for which the property was allowed to forfeit to the State. In Tunica County (table 12) and Quitman County (table 13) the spread of tax classes is wider than in Washington or Issaquena Counties (tables 14 and 15, respectively). These tables are self-explanatory and, in the case of the first three counties, point in the same direction. It is obvious that even high-quality forest land cannot pay an annual tax of $1 to $3 per acre and still produce enough timber at current or expected prices to show a net profit. Yet in Quitman County, over the 8-year period, 81 percent of the forest area in State title as of Jan. 1, 1936, or matured in State during 1936, was taxed at the rate of $1 or more per acre per year. In Tunica County, 64 percent of the same base was so taxed, and in Washington County 97 percent! The wonder is not that so much forest land is forfeited, but that so little is in this condition. Analysis of the location of tax-forfeited lands shows, moreover, that in Tunica, Quitman, and Washington Counties, the greater portion of the lands that have been forfeited lie within drainage districts. A contributing factor in southeastern Quitman County is the large percentage of tree species of low or negligible commercial value found in the forest stands.

Issaquena County (table 15) is not, so far as the sample is concerned, under the burden of drainage taxes. Hence, all forest land which had been forfeited for taxes was taxed less than 60¢ an acre, and 76 percent of the area was taxed less than 20¢ an acre. Nevertheless, this county has more tax-forfeited land than any other county in the Delta. Undoubtedly, the cause here is not drainage taxes, but rather the low quality of the forest land. This low quality is the result of (1) overcutting the timber resources without any attempt at conservation, and (2) the presence of low-grade tree species over much of the forest area of the county, which lies in the Yazoo Backwater Area and is subject to annual inundation by floodwaters of the Mississippi.

Table 12. - Distribution of tax-forfeited forest area, classified by total tax per acre, levied in year prior to forfeiture; years of levy — 1928 to 1932[1]

Tunica county

Tax per acre	Year of levy						Percent
	1928	1929	1930	1931	1932	Total	1928 - 1932
	Acres						
$0.01 - .19	-	-	-	-	350	350	2
$0.20 - .39	-	-	80	478	41	599	4
$0.40 - .59	-	-	72	263	-	335	2
$0.60 - .79	-	-	454	1,930	160	2,544	15
$0.80 - .99	433	30	-	760	892	2,115	13
$1.00 - 1.19	478	218	688	110	1,129	2,623	16
$1.20 - 1.39	1,114	344	-	1,070	1,131	3,659	22
$1.40 - 1.59	865	440	40	166	1,002	2,513	15
$1.60 - 1.79	391	76	45	109	22	643	4
$1.80 - 1.99	-	-	-	28	-	28	2/
$2.00 - 2.29	700	200	41	-	-	941	6
$2.30 - 2.99	-	-	-	-	-	-	-
$3.00 and up	120	-	-	-	-	120	1

1/ Data from "List of Lands Sold to State" for each year of forfeiture (1 year subsequent to indicated years of levy).
2/ Less than 0.5 percent.

Table 13. - Distribution of tax-forfeited forest area, classified by total tax per acre, levied in year prior to forfeiture; years of levy—1925 to 1932[1]

Quitman County

Tax per acre	Year of levy								Percent of total for 1925 - 1932
	1925	1926	1927	1928	1930	1931	1932	Total	
	Acres								
$0.01 - .19	-	400	-	-	-	-	40	440	2
$0.20 - .39	-	-	-	-	-	540	89	629	3
$0.40 - .59	-	400	-	-	959	356	-	1,715	8
$0.60 - .79	-	-	-	-	200	-	118	318	2
$0.80 - .99	-	-	-	922	-	-	-	922	4
$1.00 - 1.19	-	-	-	-	80	256	709	1,045	5
$1.20 - 1.39	-	-	-	-	290	385	40	715	3
$1.40 - 1.59	340	466	-	-	2,663	558	-	4,027	19
$1.60 - 1.79	1,620	160	-	-	1,280	20	-	3,080	15
$1.80 - 1.99	-	-	-	480	874	16	-	1,370	7
$2.00 - 1.29	-	800	488	160	-	-	-	1,448	7
$2.30 - 2.59	-	2,555	-	-	-	-	-	2,555	12
$2.60 - 2.99	80	2,311	-	-	-	-	-	2,391	11
$3.00 and up	-	480	-	-	-	-	-	480	2

1/ Data from "List of Lands Sold to State" for each year of forfeiture (1 year subsequent to indicated years of levy).

Table 14. - Distribution of tax-forfeited forest area, classified by total tax per acre, levied in year prior to forfeiture: years of levy—1924 (or earlier) to 1931 1/

Washington County

Tax per acre	Year of levy							Percent of total 1924 or earlier to 1931
	1924 and earlier	1925	1926	1927-29	1930	1931	Total	
	Acres							
$0.01 - .19	-	-	-	-	-	-	-	-
$0.20 - .39	-	-	-	-	-	20	20	2/
$0.40 - .59	-	-	-	-	-	40	40	2/
$0.60 - .79	-	-	-	-	-	209	209	2
$0.80 - .99	-	-	-	-	80	-	80	1
$1.00 - 1.19	-	-	-	-	-	212	212	2
$1.20 - 1.39	820	498	-	-	-	-	1,318	12
$1.40 - 1.59	160	1,236	-	-	-	4,988	6,384	57
$1.60 - 1.79	252	1,205	-	-	-	-	1,457	13
$1.80 - 1.99	-	-	-	-	-	80	80	1
$2.00 - 2.29	120	-	160	-	-	-	280	3
$2.30 - 2.59	400	-	60	-	-	600	1,060	9
$2.60 - 2.99	-	-	-	-	40	-	40	2/

1/ These data from "List of Lands Sold to State" for each year of forfeiture (1 year subsequent to indicated years of levy). No data available for 1932.
2/ Less than 0.5 percent.

Table 15. - Distribution of tax-forfeited forest area, classified by ad valorem[1] tax per acre, levied in year prior to forfeiture; years of levy — 1928 to 1932[2]

Issaquena County

Year of levy	$0.01 - .19	$0.20 - .39	$0.40 - .59
	Acres		
1928	4,178	356	-
1929	91	-	-
1930	7,750	6,468	-
1931	2,242	1,221	69
1932	11,398	-	-
Total	25,659	8,045	69
Percent 1928-1932	76	24	[3]

[1] No properties in townships selected in this county were subject to drainage taxes.
[2] Data from "List of Lands sold to State" for each year of forfeiture (1 year subsequent to indicated years of levy).
[3] Less than 0.5 percent.

Relation of forest land delinquency to total delinquency

One very significant fact shown by the analysis of these delinquency data is that 83 percent of the sample area in the four counties in State title as of Jan. 1, 1936, plus that matured in the State during 1936 (including that portion of the latter which was patented during 1936), was forest land. The division by counties was as follows:

County	Total area forfeited in sample	Forest area forfeited in sample	Proportion forest area is of total
	Acres		Percent
Tunica	20,306	16,470	81
Quitman	24,427	21,135	87
Washington	16,249	11,180	69
Issaquena	38,621	33,773	87
Totals	99,603	82,558	83

This distribution of forfeited forested area among counties is logical in view of the relation of the total forest area of each county to the total land area of each. Washington has the smallest percentage of its gross area in forest, and Quitman and Issaquena the largest percentage. This relation accords with the fact that forest land is far more seriously involved in delinquency than crop land, for the reasons previously discussed.

Original and patentee ownership of forfeited land

In order to appraise the changes in ownership resulting from patenting of tax-forfeited lands, data were obtained on the nature of the business or livelihood of both the original owner of such land and the patentee (table 16). These data show very definite tendencies away from corporate forest ownership and toward individual farm ownership, even in the short space of time covered by the data (in general, from not earlier than 1925 to date). The intermediate "owner" in all cases, of course, was the State of Mississippi.

Taking all four counties as a unit, since the same tendency is found in each, it is shown that while 17 3/4 percent of the patented area was originally owned by farmers, 60 3/4 percent of that area was patented by farmers. Similarly, while 46 percent was owned originally by lumber companies, less than 1 percent was patented by such corporations. Land speculators continued to control almost exactly the same acreage and the same percentage of the total area as they did originally. Other miscellaneous types of owners decreased their holdings from 8½ percent to 2 3/4 percent of the total. Through foreclosure of drainage tax liens and subsequent patents from the State, drainage districts came into control of 8-1/3 percent of the total patented area. In most cases, however, the records show that the district later disposed of these lands to private individuals.

One significant feature of the disposition of forfeited land is the fact that nearly 19 percent of the total patented area in the four counties was purchased by the original owner, his heirs, or assigns. This was noticeably the case in Issaquena County, in which 34 percent of the patented area was so purchased.

So far as forest land is concerned, the tendencies in ownership shown above for all rural land are not very clear. Forest land, other than that which can be put into farm crops and cultivated at a profit, has not been extensively patented. Where it has been, it is now being cleared and will be put into cotton — with what results remain to be seen. Hence the real problem of tax-forfeiture of forest land has not been met by the patenting of 12,171 acres of lumber-company holdings by farmers or other individuals who plan to convert it, at least temporarily, into crop land. If any tract of forest land is better suited for agricultural crop production than for forest crops, then, of course, it should be put to the higher use; but many thousands of acres of forest land in the Delta not suited for agricultural crops are incapable of producing forest crops at a profit to their owners under the present tax structure. Such land continues as a new and fruitless public domain, generally unprotected and constantly deteriorating; it remains a burden on local government and taxpayers, since it returns no revenue and hence tends either to increase the tax burden on remaining land or to force curtailment of public services.

Table 16.- Changes in ownership of all rural tax-forfeited and subsequently patented land for counties[1]

(Selected townships only)

Type of ownership		Tunica	Quitman	Washington	Issaquena	Total	Ratio of each class to total
From[2]	To[3]						
		- - - - - - - - - - - -		acres[4]	- - - - - - - - - - - -		percent
Farmer	Farmer	1,073	415	1,382	296	3,166	12.0
	Land Speculator	238	0	172	480	890	3.4
	Drainage Dist.	0	567	0	0	567	2.1
	Other	0	78	0	0	78	0.3
	Total	1,311	1,060	1,554	776	4,701	17.8
Lumber Co.	Lumber Co.	0	0	161	0	161	0.6
	Farmer	2,419	1,200	4,370	1,688	9,677	36.6
	Land Speculator	0	0	0	1,240	1,240	4.7
	Drainage Dist.	0	717	0	0	717	2.7
	Other	0	16	320	40	376	1.4
	Total	2,419	1,933	4,851	2,968	12,171	46.0
Land Speculator	Land Speculator	200	0	0	0	200	0.7
	Farmer	240	160	720	440	1,560	5.9
	Drainage Dist.	0	420	0	0	420	1.6
	Other	0	0	163	0	163	0.6
	Total	440	580	6/ 883	440	8/ 2,343	8.8
Other	Other	0	0	0	97	97	0.4
	Farmer	968	110	257	316	1,651	6.2
	Land Speculator	0	0	0	10	10	9/
	Drainage Dist.	0	503	0	0	503	1.9
	Total	968	613	257	423	2,261	8.5
All classes	Farmer	4,700	1,885	6,729	2,740	16,054	60.7
	Lumber Co.	0	0	161	0	161	0.6
	Land Speculator	438	0	172	1,730	2,340	8.8
	Drainage Dist.	0	2,207	0	0	2,207	8.3
	Other	0	94	483	137	714	2.7
	Total	5,138	4,186	7/10,214	4,607	8/21,476	81.1
Original owner same or heirs[5]		1,685	757	160	2,395	4,997	18.9
Grand Total		6,823	4,943	10,374	7,002	8/26,473	100.0

1/ Data from Land Roll for 1936-37, lists of lands sold to State, and abstracts of titles.
2/ Type of ownership represented by original owner.
3/ Type of ownership represented by patentee.
4/ Acreage patented, of that in State title as of Jan. 1, 1936, and that maturing in State during 1936, as of April 1, 1937.
5/ Acreage patented by original owner or his heirs or assignes.
6/ In addition to the acreage here shown, 2,669 acres, originally owned by a land speculating company and matured in the State, was transferred to the jurisdiction of the Miss. State Agric. Exp. Sta.
7/ Includes the 2,669 acres noted in 6/.
8/ Excludes the 2,669 acres noted in 6/.
9/ Less than 0.05 percent.

TAX PER ACRE ON FOREST LAND IN RELATION TO ITS INCOME-PRODUCING CAPACITY

The weight of forest-land taxes in the Yazoo Delta having been shown by absolute amounts and in relation to tax delinquency, it is now in order to consider it in relation to the income-producing capacity of the forest land, as measured by the return on an investment at current prices and under present costs and risks. This can be done best by attempting to estimate a "reasonable" tax per acre under these conditions, and by comparing this tax with the actual levies. While the values used in the following discussion are only approximate, they represent the best available current estimates.

The average selling price of Delta land considered useful chiefly for growing forests, and stocked with inferior trees left after cutting and with second growth, is $8 per acre. This does not include forest land speculatively valuable for higher uses, such as cotton production, since this land commands higher prices. To avoid any danger of understating the tax charge, a tax rate of 3 percent is assumed — a rate at least double the average nation-wide rate for combined State and local tax purposes — in which case the tax on $8 land would be 24¢. To the tax charge must be added the annual costs of protection and administration borne by the landowner, here estimated at 4¢ per acre. Based on the net growth rate of commercial timber expected from existing inadequately stocked stands under adequate fire protection and simple but sound management (150 board feet plus 1/3 cord per acre per year for the forests of the Delta as a whole), and on current stumpage prices, and with addition of an allowance for income from incidental grazing, it is estimated that the annual gross income per acre would be 80¢. Deducting taxes and other costs (24¢ + 4¢ = 28¢) from this income would leave a net income of 52¢ per acre, or a return of 6.5 percent on the investment. This is a reasonable return, leaving a small margin for risk.5/

The tax per acre in the foregoing calculation (24¢) is not only based on what would ordinarily be considered a maximum rate, but any higher tax rate would reduce the rate of return on the investment below what reasonably might be expected. This determination of a "reasonable" tax is not intended to indicate either the actual or the correct method of distributing the ad valorem tax burden. It does provide, however, a reasonable basis for comparing the actual taxes per acre paid in the Delta (table 4) with a tax which, under present conditions, is the highest that would permit the earning of a moderate rate of return on present investments. In order to make this comparison intelligently, it is necessary to consider separately forest lands according to their location, i.e., whether (1) inside drainage districts, (2) outside drainage districts, or (3) on batture lands.

5/ On forest land with a speculative value of $10 per acre, and with the same returns, costs, and tax rate, the return would be 4.6 percent on the market value and 5.75 percent on the $8 forest investment value; on land with a speculative value of $15 per acre, the return would be only 2.07 percent on market, and 3.87 percent on forest-investment, value. Logically, the return from timber growing should be computed on the value that the land has for forestry purposes only; any additional margin of speculative value should look for its return out of the anticipated future productivity in some other use.

(1) Inside drainage districts, the present average tax on forest land in both Quitman and Washington Counties is over two and a half times the estimated "reasonable" tax of 24¢ per acre. On the other hand, in Tunica County the tax on similar land is slightly lower than 24¢ per acre. If the tax on timber is included in the tax on forest land, however, the resulting total tax in the first two counties is four and a half times the estimated "reasonable" tax. (Timber, as such, is not subject to drainage tax.) In Tunica, the total tax on land and timber would be nearly three times this estimated tax. Assuming that the forest stand is equal to the present average stand determined by the Forest Survey (1,500 board feet per acre), the tax on timber alone (assuming this volume to be actually assessed) averages about 43¢ per acre. (See page 13 for average tax per M bd. ft. by counties and location.)

(2) Outside of drainage districts, this "reasonable" tax on land and timber relative to the present average tax on forest land, exclusive of timber assessed as such, is higher in three counties, equal in one county, and lower in one county. If the tax on timber is added to that on forest land, the estimated "reasonable" tax is lower in <u>all</u> counties than the present average tax.

(3) On batture land the data show that, assuming an "average" stand of 1500 board feet per acre, the present tax on land and timber is 4 to 8¢ per acre more than the estimated "reasonable" tax in Tunica and Issaquena Counties, while in Coahoma County it is equal to that tax.

It is realized, of course, that these comparisons, being based on gross averages, are suggestive rather than conclusive, but they point to the source of the difficulty where the problem of forest land and timber taxation is most acute. These data show that the average forest stand in the Delta, whether located in a drainage district or outside it, unless it be on batture land, is not producing sufficient annual income to meet the present annual taxes on land and timber, and also yield a reasonable rate of return on the investment in the property. To be sure, this conclusion is based on the assumption that the full volume of merchantable timber present is assessed as such. If only a half or a third (or none) of it appears on the tax roll, then — assuming timber is present but that the land lies outside of a drainage district — the actual tax on the land and such volume of timber as is assessed would perhaps be no more than the 24¢ per acre that has been used in these calculations. Insofar as cut-over land is concerned, no matter where located (except on the batture), it is evident that the land tax now imposed (exclusive of tax on timber assessed as such) is too high to permit profitable retention of such land in private ownership, unless undeveloped agricultural or other values are present.

Hence it appears, on the basis of facts presented in this report, that a prerequisite of successful private forestry in the Yazoo Delta is a revision downward of the total tax charge now imposed on forest land and timber. The possibilities of such revision will be explored in the following section.

Outlook for the future in respect to drainage taxes

This report has emphasized repeatedly the fact that drainage taxes on forest land have been, and still are in many districts, so high in relation to the income-producing capacity that they have caused excessive forfeiture of titles through their non-payment, and have acted as a serious obstacle to the private practice of forestry. Any consideration of the future of forestry in the Delta must deal, first and foremost, with the outlook in respect to drainage taxes.

In connection with this study, data were obtained on the current financial status and past history of each drainage district in the five counties. With a few exceptions, generally in the smaller districts, this survey revealed a financial history strewn with defaulted debt payments, refinancings, and continual balancing on the brink of bankruptcy, with frequent slips over the edge. Overexpansion of operations, excessive overcapitalization, and in some cases, grievous lack of good business management and judgment, all contributed to the sorry picture. Districts, created in a completely haphazard relation to already existing ones and pyramided one on top of another, have floated bond issues from the proceeds of which no worthwhile construction has resulted; and in some cases, after having incurred initial debts, they have been dissolved by the courts, leaving the residents of the district the unpleasant task of paying off their debts for no material gain whatsoever.

This condition had become so serious by 1933-34 that most districts were in, or on the verge of, complete bankruptcy. Those with sufficient taxable assets in the form of real estate subject to drainage taxes were able to refinance their bonded indebtedness through agreement with their bondholders and the Reconstruction Finance Corporation. Settlement was made at percentages of total debt ranging from 15 to 90, averaging, perhaps, around 50 percent. The R.F.C. became the only bondholder, and all district refunding bonds so issued were 33-year serial 4-percent bonds, representing a general reduction in interest rate of $1\frac{1}{2}$ to 2 percent. A few districts applied for reorganization and compromise of indebtedness under the Municipal Relief Act of May 24, 1934.6/ More recently, a few districts have taken advantage of an act authorizing them, after due notice of intent, to issue refunding bonds in anticipation of taxes authorized to be levied over the 25-year period subsequent to date of issue of such refunding bonds (Chapter 266, Laws of 1936).

As a result of this widespread refinancing, most operating districts were able to reduce their tax rates (i.e., the percentage levy on the benefit assessment) by 1 to 3 percent. In many districts at the present time the rate is only 1 to 2 percent, whereas it formerly ran from 1 to 5, or even 7, percent.. This is, of course, a desirable move in the right direction,

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6/ U.S.Code, Title 11, Ch. 9 (ss. 301-303); declared unconstitutional by Supreme Court of the United States in Ashton vs. Cameron County (Tex.) Water Improvement District, 56 Sup. Ct. 892, 1936; reenacted after revision as U.S.Code, Title 11, Bankruptcy, Ch. 10, ss. 401-404, 1937.

but as has been shown in previous sections of this report, it is not adequate to a solution of the drainage-tax problem on forest land.

The most difficult problems to solve in any remedial program applied to the drainage districts are (1) the amortization of the large volume of outstanding bonds of each of the 110 districts in the Delta, through some process equitable to both bondholders and taxpayers, and (2) the legal and fiscal aspects of any plan that would consolidate or modify the districts, their benefit assessments, or their debts. The solution of numerous other problems, less difficult, perhaps, but none the less intricate, is also necessary to any sound and permanent improvement in the general situation.

The solution of the legal and fiscal questions is beyond the scope of this paper. In formulating a broad policy, however, two alternatives deserve consideration. The first possibility is to continue as at present, in the hope and expectation that a sufficient amount of drainage taxes will be paid to permit the meeting of principal and interest payments until the bonded debt has been amortized. This hope is more nearly realizable now than formerly in those districts (far from all of them) which have been recently refinanced by the Reconstruction Finance Corporation. Even in those districts, this procedure will, particularly on forest land, mean continued tax delinquency, chronic in many areas of low or medium productivity and occasional elsewhere in years of low income, as well as continued abuse of the soil and the natural resources. Constructive land management will be seriously hampered. For example, the continued pressure for highest possible immediate returns will tend to force all forest land capable of yielding any cotton into production of that crop, even though its abandonment in years of low prices for cotton would be virtually certain. An incidental feature would be either greatly increased expenditures by the State for protection of its equities in tax-forfeited forest lands, or the loss of these equities.

The alternative policy is to enact a sound legislative program designed to liquidate as rapidly as possible the outstanding obligations of the drainage districts by readjusting the drainage taxes on the basis of the benefit actually conferred on each property, rather than levying them on the fictitious and wholly indefensible basis now employed and previously discussed. Such a policy would, of course, be difficult to develop and carry out, but it is not impossible.7/ Possibly it should lead toward the establishment of one Delta-wide district, with centralized control of fiscal matters and future engineering developments. Undoubtedly it would envisage the abandonment of some projects not needed in a well-rounded drainage development, as well as the dissolution of the districts concerned as soon as their debts could be liquidated. Whatever provisions were found necessary, the development and carrying out of any such policy is a responsibility of the State, with such Federal aid, either advisory or monetary, as may be available and desirable.

7/ In this connection, cf. Kilpatrick, Wylie. Federal Regulation of Local Debt. National Municipal Review 26 (6): 283-290, 298. New York. 1937.

Outlook for the future in respect to other taxes

The ad valorem and acreage taxes imposed by the two levee districts will presumably remain constant at about their present rates. These taxes, which rarely exceed a total of 4¢ per acre, are not burdensome on forest land.

Reductions in taxes for ordinary governmental purposes will be effected, if at all, by changes in the allocation of governmental functions and responsibilities not less than by improvements in local efficiency. As was stated previously, there is an increasing tendency toward abolition of local special road districts in favor of at least county-wide supervision. Under the State's expanding highway program, there is also a commendable tendency toward State supervision and control of the entire road system of the State, other than purely local roads. Such centralization, in most states where it has been put in operation, has effected a material saving in cost of road construction, maintenance, and financing, with consequent reduction in road taxes.

Similar and equally commendable tendencies are evident in the school district system, particularly in respect to the abolition of the numerous special districts in favor of one county-wide district. While complete State support of minimum educational service has not been tried in the South outside of North Carolina, there is much to be said for this measure. The evidence is certainly favorable to at least increased fiscal support of the county school systems by the State, with consequent savings through centralized purchasing, financing, and similar activities. Such savings would be immediately reflected in lowered school taxes.

Reorganization of county government and of State government, while desirable, is not within the purview of this report. A detailed study, with recommendations, covering these features has already been submitted to the Governor and Legislature by a qualified agency (1).

The immediately preceding discussion has centered on major changes in functions and centralization of government as an aid in tax reduction. These are necessary prerequisites of any permanent remedial program, but entail slow processes of enactment. Certain steps, however, can be taken without undue delay which, it is believed, will be of immediate benefit to timberland owners in lowering their taxes.

As has been stated, one ill effect of the present classification of land in Mississippi, as it is now made and operated for taxation purposes, is that it tends to "freeze" values at a uniform figure per class in each county or in several counties, irrespective of the factors affecting the true market value of each individual property. This condition arises from two obvious causes, both easily remedied if the people of the State really wish them corrected. First, the classification itself, as defined in the statutes, is not accurately made, nor can it be so made except on advice of trained agronomists, economists, and foresters. In a better statutory definition, present use would be the criterion, not potential adaptability. Even a clear and simple statutory classification would require, for its successful operation, the exercise of considerable care on the part of the assessor.

Secondly, if there be any point in classification for taxation purposes, as envisaged in the present Mississippi Code, it should result in the establishment of reasonable relationships in assessed values in line with the actual productivity of the different classes of land in each county. At present, the land is classified on the roll, but not in the assessor's mind, so far as individual properties are concerned. He tends, on the contrary, to do the easiest thing: to assess all land of each class—or even all land not in cultivation (with a few exceptions)—at the same figure throughout his entire county. Although differentiation is made in assessing crop land and batture land, almost every other tract, whether located on a paved highway or back in an overflow area, whether clear-cut and burned or bearing high-grade young timber, whether 40 acres or 400 acres in area, is assessed at the particular uniform value per acre set—in many cases by formal order of the Board of Supervisors—for that class in that county. No such system of assessment can ever achieve even approximate equity in taxation. Every tract of land should be assessed at 100 percent of its true market value, or at such other percentage of true value as the State may determine, taking into full consideration all the factors—including present use of each part, accessibility, condition, and ownership—which affect the true value, as would be done by an informed buyer and informed seller trading in the open market. Such assessment can be made properly only by trained assessors, adequately compensated, and free from the compulsion of political campaigns for election. If trained assessors were equipped with modern techniques of appraisal, no predetermined range of values for various classes of land would be needed or desirable.8/

Relation of taxation to future opportunities for private forestry

These general suggestions have been made without reference to their specific effect on forest taxation because they are fundamental prerequisites of any attempt to enact special timber tax-exemption laws. As has been pointed out, special forest tax laws "obviously.....would not be a remedy for unsuitable allocation of public functions, inefficient organizations, and wasteful operation of local government, or for inaccurate assessment of property and haphazard collection of the property tax" (3, p. 17). For this reason, the Forest Service has strongly recommended that, in addition to such special legislation, serious consideration be given to so improving the system of assessment of property and collection of taxes that all property be assessed at its true value and all taxes be collected or impartial penalties be applied uniformly for non-payment, and furthermore, that governmental functions be assigned to the branch or unit of government best able to exercise them most efficiently and at the lowest cost commensurate with that efficiency, with earnest attempts to simplify the governmental structure, also aimed at reduction in cost of operation. Such fundamental improvements would alone do much toward solving the whole forest-tax problem, including that of forest land tax-delinquency. It may also be desirable, however, to enact a special forest-tax law adjusting the property tax to the deferred-yield situation characteristic of depleted forest properties, although at present in the Yazoo Delta this need is secondary.

8/ For further suggestions looking toward improved assessment practices, see (2), pp. 322-324, 328-329).

In connection with any discussions of special forest-tax laws for Mississippi in general or the Yazoo Delta in particular, attention must again be directed to the system of timber taxation now in effect under the provision of Sections 3145-3146 of the 1930 Code. As stated previously (page 8), forest land is classified either as "timbered" (bearing timber currently merchantable in local practice) or "uncultivatable" (clear-cut or bearing timber of smaller than merchantable size), the assessed values of the two classes of land being generally equal. Timber itself, whether held by the owner of the land on which it stands, or by another as lessee, is assessed only if currently merchantable, the volume assessable being submitted in the owner's or lessee's "true list," which is generally accepted by the assessor as correct, or, if not so submitted, being copied by the assessor from earlier assessment rolls. It is admitted that such a method frequently results in wierdly inequitable assessments. Further, the general effect of the present practice is to exempt all immature second-growth timber (not timberland) from payment of the property tax. This anomalous condition makes owners hesitate to classify forest lands under forest tax laws of the type with which Mississippi has recently experimented and subsequently discarded.9/ The exemption of immature timber,10/ although authorized in one state (California State Constitution, Art. 13, Sec. 12 3/4), has been demonstrated as unsatisfactory as a permanent solution of the forest tax problem (2, pp. 604-610).

The one experiment with the yield tax, previously described, should be ample warning to Mississippi of the difficulties inherent in this plan. Not one acre of privately owned forest land in Mississippi was ever classified under the provisions of this act. In no state where a plan of this general type has been enacted has any substantial portion of the private forest land been brought under its provisions, and in no state have any but pitifully small returns to state or local governments been derived from yield taxes (2, p.390). The yield tax, since it is entirely divorced from the property tax in base, rate, and time of payment, puts forest owners in a position of exposure to the danger of attacks from other interests and is out of harmony with requirements for local public revenue. Unless it extends more reduction than justice permits, the tax advantage under an optional yield-tax law does not induce many owners to seek classification of their land under its terms, in view of the restrictions on forest use generally imposed as a condition of its application.

The basic problems described in the foregoing pages are those on the solution of which depends in large measure the development of a system of sound and equitable taxation of forest land in the Yazoo Delta. Beside their importance and difficulty, the problem of special forest-tax laws becomes minor, for, until these major problems are solved, no special forest law would have any permanently beneficial effect. From the standpoint of forestry in other parts of the State, however, it may be well worth while

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9/ Sec. 5980 - 5988, 1930 Code. A law providing for an annual tax on land, exemption of tax on timber, and a yield tax on products when cut; repealed in 1932.

10/ A measure of this type (H.B. 1092), exempting from property taxation all standing timber under 12 inches in diameter 1 foot above the ground, has just been enacted by the Mississippi Legislature, too late for special study in connection with this investigation. It was approved by the Governor April 6, 1938.

to consider enactment of one of the three types of forest-tax laws proposed as a result of the special study by the Forest Service and explained in detail in its report on the subject (2, pp. 576-608). Obviously, such a law should be adapted to Mississippi land-use conditions, as well as to the constitutional and statutory provisions governing taxation.

SUMMARY

This paper has discussed the background of land taxation in the Yazoo Delta of Mississippi and the assessment practices followed there. It has shown that the ad valorem, levee, and drainage taxes to which forest land and timber in each of five representative counties are subject are greatly in excess of a reasonable tax which would permit investment in such lands under existing conditions; this results in widespread tax delinquency, which, it has been indicated, arises from several interrelated problems.

The first problem, and the one most difficult of solution, is that caused by the haphazard creation of a host of overlapping, frequently unstable, and often unnecessary drainage districts, each with a heavy outstanding bonded debt requiring high debt-service taxes, based on "benefit" assessments bearing no consistent relation to the actual benefit conferred by the improvements. The recent refinancing of these districts, while a step in the right direction, is not a solution of this problem. Indeed, the legal and fiscal difficulties involved in a permanently sound solution are too great to permit the development of such a program in detail without going far beyond the scope of this report. Instead, two alternative approaches to the problem have been discussed. The more promising would involve legislative action designed to bring about a readjustment of the drainage taxes in accordance with the actual benefits to the properties concerned.

The second problem is that presented by faulty assessment. It has been shown that the artificial system of land classification now embodied in the Mississippi Code, together with illegal and haphazard assessment practices, tend to the "freezing" of land and timber assessments at a uniform figure for each land-use class in a county, with no relation to the factors affecting the true value of individual properties. The solution here lies in so improving both law and practice in respect to assessment that all land and timber is assessed at its actual value (such as would be determined by an informed buyer and informed seller trading without compulsion in the open market), as nearly as this may be determined, taking into consideration for each property all the pertinent factors.

A third problem is that of the special school and road districts, set up with district autonomy in finances, frequently overlapping, and in most instances without adequate financial foundations. The solution here is obvious: Abolition of the districts as rapidly as existing bonded debts can be retired or otherwise provided for, plus establishment of the county as the basic unit of financing and administration. Also a greater degree of State supervision and support of school and road functions would probably be desirable.

Other problems exist—lack of uniformity in tax collection and enforcement procedure, the disposition of lands forfeited to the State for tax delinquency, county bond issues beyond county means of amortization—but

most of these problems would be solved in large measure by the same improvements in law and practice necessary to solve the major problems outlined above.

A special forest-tax law, while perhaps desirable as an aid to forestry elsewhere in the State, is at present of relatively minor importance in the Yazoo Delta until the above problems have been met and overcome. Enactment of such a law, without first settling the other problems, would be of no permanent avail in reducing taxes on forest land in the Delta to the point where use of such lands for growing forests would be economically practicable.

The problems set forth in this paper can be solved, permanently and equitably, by the people of Mississippi and the Yazoo Delta. Indeed, they alone can settle them. Unsolved, the outlook is for continued devastation of land and its forest cover, increasing tax delinquency, continued abortive attempts to grow cotton on forest land not adapted to this crop, increasing tenancy, and further decline in standards of living. Once the problems are solved, however, and a sound and equitable system of taxation established, the forest land of the Yazoo Delta can again take its proper place in the economic development of the Delta, thereby enhancing the welfare both of its own people and of those in commercially related areas.

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