

SUPREME COURT OF MISSISSIPPI

Eric Clark, Secretary of State, State of Mississippi v. Stephen D. Lee Foundation, a Non-Profit Corporation

Eric Clark v. Stephen D. Lee Foundation · No. No. 2002-CA-00197-SCT · Decided January 16, 2002

SUMMARY

The Mississippi Supreme Court, on rehearing, reversed and remanded a summary judgment ratifying a lease of sixteenth section land to the Stephen D. Lee Foundation. The court held that the record was insufficient to determine the adequacy of consideration and directed the trial court to determine ownership of the Lee Home, the market value of the land, and the adequacy of consideration for the lease.

CASE DETAILS

COURT	Supreme Court of Mississippi
WRITING FOR THE COURT	Cobb, Presiding Justice; Smith, C.J.; Waller, P.J.; Easley, J.; Carlson, J.; Dickinson, J.; Randolph, J.; Diaz, J.; Graves, J.
JURISDICTION	Mississippi
DECIDED	January 16, 2002
DOCKET	No. 2002-CA-00197-SCT
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	The Secretary of State appealed from a chancery court summary judgment ratifying a lease of sixteenth section land to the Stephen D. Lee Foundation. The opinion was issued on rehearing, which was granted and resulted in withdrawal and substitution of the original opinion.
STANDARD OF REVIEW	De novo review applies to whether summary judgment was properly granted.
PRECEDENTIAL VALUE	Published opinion; precedential Mississippi Supreme Court decision issued en banc.
PARTIES	Eric Clark, Secretary of State, State of Mississippi v. Stephen D. Lee Foundation, a Non-Profit Corporation

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QUESTIONS PRESENTED

1. Whether the chancery court erred by granting summary judgment based on its conclusion that the 1999 lease of sixteenth section land was supported by adequate consideration.
2. Whether Mississippi Code sections 37-7-471 through 37-7-483 authorize a school district to dispose of sixteenth section trust land.
3. Whether the record was sufficient to determine ownership of the Stephen D. Lee Home, the market value of the leased land, and the adequacy of consideration.

HOLDINGS

1. Chapter 7 of Title 37 applies to property to which a school district actually holds title and does not authorize disposition of sixteenth section land, because title to sixteenth section trust land resides in the State rather than the school district.
2. The record was insufficient to determine whether the lease consideration was adequate, and the chancery court erred in resolving that issue on summary judgment.
3. Summary judgment for the Foundation was improper because material factual issues remained concerning ownership of the Lee Home, the market value of the land, and the adequacy of consideration.

KEY QUOTATIONS

“The only reasonable interpretation of these statutes is that they apply to property to which the school district actually holds title. School districts do not hold title to sixteenth section lands; rather, title to trust lands was granted by the federal government to, and resides in, the State.” (¶ 15)

“The value of consideration allocated to the School District must be deemed sufficient based on the reasonable market value of the leased land.” (¶ 17)

“We therefore reverse the Lowndes County Chancery Court's summary judgment in favor of the Stephen D. Lee Foundation and remand for a trial consistent with this opinion” (¶ 19)

FACTUAL BACKGROUND

The disputed property is sixteenth section land in Columbus, Mississippi, on which the Stephen D. Lee Home is located. The Columbus Municipal Separate School District leased the property to the Stephen D. Lee Foundation after a 1959 fire damaged the home and destroyed nearby school buildings; the Foundation undertook restoration, maintenance, and operation of the home. In 1999, the School District executed a five-year lease, renewable once, for one dollar per year and characterized the transaction as a donation. The Foundation sought judicial confirmation of the lease, while the Secretary of State challenged its validity based on inadequate consideration and the legal authority to lease sixteenth section land under the school-district disposition statutes.

PROCEDURAL HISTORY

The Foundation filed a complaint in the Lowndes County Chancery Court seeking confirmation of its leasehold title and ratification of a 1999 lease from the Columbus Municipal Separate School District. It later amended the complaint to assert equitable ownership of the Stephen D. Lee Home. The chancery court granted summary judgment for the Foundation, concluding that restoration, maintenance, and operation of the home constituted adequate consideration. The Mississippi Supreme Court reversed and remanded for a trial addressing ownership of the home, market value of the land, and adequacy of lease consideration.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Conduct a trial to determine (1) ownership of the Stephen D. Lee Home, (2) the market value of the sixteenth section land on which the home is situated, depending on ownership, and (3) the adequacy of consideration for the lease based on those determinations. If the School District is found to own the home, resolve any equitable claim asserted by the Foundation concerning the home.

CASES CITED

- Conrod v. Holder, 825 So. 2d 16, 18 (Miss. 2002)
- Stewart v. Hoover, 815 So. 2d 1157, 1159 (Miss. 2002)
- Bond v. Marion County Bd. of Supervisors, 807 So. 2d 1208, 1213 (Miss. 2001)
- Certain Underwriters at Lloyd's of London v. Knostman, 783 So. 2d 694, 697 (Miss. 2001)
- Papasan v. Allain, 478 U.S. 265, 106 S. Ct. 2932, 92 L. Ed. 2d 209 (1986)
- Estate of Brown, 624 So. 2d 77, 79-83 (Miss. 1993)
- Hill v. Thompson, 564 So. 2d 1, 6 (Miss. 1989)
- Turney v. Marion County Bd. of Educ., 481 So. 2d 770, 776 (Miss. 1985)
- Tally v. Bd. of Supervisors of Smith County, 323 So. 2d 547, 549-50 (Miss. 1975)
- Lambert v. State, 211 Miss. 129, 137, 51 So. 2d 201, 201 (1951)
- Pace v. State ex rel. Rice, 191 Miss. 780, 798, 4 So. 2d 270, 274 (1941)
- Jefferson Davis County v. James-Sumrall Lumber Co., 94 Miss. 530, 535-36, 49 So. 611, 612 (1909)
- Jones v. Madison County, 72 Miss. 777, 800, 18 So. 87, 91 (1895)
- Bd. of Educ. of Lamar County v. Hudson, 585 So. 2d 683 (Miss. 1991)
- Holmes v. Jones, 318 So. 2d 865 (Miss. 1975)