

MISSISSIPPI DIVISION OF MEDICAID
Eligibility Policy and Procedures Manual

301.01.05 PROPERTY RIGHTS WITH NO OWNERSHIP

Type of Ownership	What It Means
Leasehold	Does not designate rights of ownership, but conveys an individual control of the property so that he has use and possession for a specific period of time and usually for a specified rent, such as 16 th section land leases.
<ul style="list-style-type: none"> • 16th Section Land 	<p>16th section land or land acquired in lieu of 16th section land is land controlled by the State Board of Education under the general supervision of the State Land Commissioner. Generally each county Board of Supervisors has the authority to approve or renew leases on the land.</p> <p>An individual who leases such land does not own the property and has limited rights. The value of the lease decreases as the expiration date nears.</p> <p>Lease rights to 16th section or lieu lands are negotiable. These rights may be sold to another person provided the governing authority which approves such leases is agreeable to such a sale.</p>
Incorporeal Interests	<ul style="list-style-type: none"> • No ownership of the physical property • The owner has certain rights to use the property without the right to dispose of property. • Applies to mineral rights, timber rights and easements, which may be sold by the owner.
<ul style="list-style-type: none"> • Mineral Rights 	Ownership in natural resources, usually obtained from the ground, such as coal, oil, sulphur, sand or natural gas, etc., coming from the property.

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Property Rights with No Ownership (Continued)

Type of Ownership	What It Means
<ul style="list-style-type: none">• Timber Rights	These rights permit one party to cut and remove trees from property owned by another, as designated by a contract with the owner of the land on which the timber stands.
<ul style="list-style-type: none">• Easements	Property right whereby one has the right to use the land of another person for a special purpose.

Valuation

Leaseholds and incorporeal interests may be countable resources under both SSI and liberalized resource policy if they have a cash value available to the individual upon disposition. However, in some cases these property rights are not saleable and would not be a countable resource. For example, an individual may own an easement to pass through another person's property to get to his own property. There would be little or no market for the sale of this property right. Timber rights to land which has been stripped of its trees or mineral rights to land with no viable natural resources would have little or no market value.

To verify the value of property ownerships such as mineral rights or timber rights, determine the CMV from a knowledgeable source. If the property right is under production, it is necessary to obtain a copy of the land lease to determine if the lease is transferrable in order to determine if the property right is a countable resource.

Exclusion under Liberalized Policy

Under liberalized policy, 16th Section land leases and mineral rights, timber rights and leaseholds that are not under production are excluded in the resource determination regardless of value. If one of these types of ownership is income-producing, test for net annual return against the 6% income-producing rule when applicable.