## Adopted COMMITTEE AMENDMENT NO 1 PROPOSED TO

## Senate Bill No. 2553

## **BY: Committee**

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

- 16 SECTION 1. Short title. Sections 1 through 13 of this act
- 17 may be cited as the Uniform Partition of Heirs Property Act.
- 18 **SECTION 2. Definitions.** In this act:
- 19 (1) "Ascendant" means an individual who precedes
- 20 another individual in lineage, in the direct line of ascent from
- 21 the other individual.
- 22 (2) "Collateral" means an individual who is related to
- 23 another individual under the law of intestate succession of this
- 24 state but who is not the other individual's ascendant or
- 25 descendant.



- 26 (3) "Descendant" means an individual who follows
- 27 another individual in lineage, in the direct line of descent from
- 28 the other individual.
- 29 (4) "Determination of value" means a court order
- 30 determining the fair market value of heir property under Section 6
- 31 or 10 or adopting the valuation of the property agreed to by all
- 32 cotenants.
- 33 (5) "Heir property" means real property held in tenancy
- 34 in common which satisfies all of the following requirements as of
- 35 the filing of a partition action:
- 36 (A) There is no agreement in a record binding all
- 37 the cotenants which governs the partition of the property;
- 38 (B) One or more of the cotenants acquired title
- 39 from a relative, whether living or deceased; and
- 40 (C) Any of the following applies:
- (i) Twenty percent (20%) or more of the
- 42 interests are held by cotenants who are relatives;
- 43 (ii) Twenty percent (20%) or more of the
- 44 interests are held by an individual who acquired title from a
- 45 relative, whether living or deceased; or
- 46 (iii) Twenty percent (20%) or more of
- 47 the cotenants are relatives.
- 48 (6) "Partition by sale" means a court-ordered sale of
- 49 the entire heir property, whether by auction, sealed bids, or
- 50 open-market sale conducted under Section 10.

- 51 (7) "Partition in kind" means the division of heir
- 52 property into physically distinct and separately titled parcels.
- 53 (8) "Record" means information that is inscribed on a
- 54 tangible medium or that is stored in an electronic or other medium
- 55 and is retrievable in perceivable form.
- 56 (9) "Relative" means an ascendant, descendant, or
- 57 collateral or an individual otherwise related to another
- 58 individual by blood, marriage, adoption, or law of this state
- 59 other than this act.
- SECTION 3. Applicability; relation to other law. (a) This
- 61 act applies to partition actions filed on or after the effective
- 62 date of this act.
- (b) In an action to partition real property under Title 11,
- 64 Chapter 21, Mississippi Code of 1972, the court shall determine
- 65 whether the property is heir property. If the court determines
- 66 that the property is heir property, the property must be
- 67 partitioned under this act unless all of the cotenants otherwise
- 68 agree in a record.
- 69 (c) This act supplements Title 11, Chapter 21, Mississippi
- 70 Code of 1972, and, if an action is governed by this act, replaces
- 71 provisions that are inconsistent with this act.
- 72 **SECTION 4. Service; notice by posting.** (a) This act does
- 73 not limit or affect the method by which service of a complaint in
- 74 a partition action may be made.



- 75 If the plaintiff in a partition action seeks an order of 76 notice by publication and the court determines that the property 77 may be heir property, the plaintiff, not later than ten (10) days 78 after the court's determination, shall post and maintain while the 79 action is pending a conspicuous sign on the property that is the 80 subject of the action. The sign must state that the action has commenced and identify the name and address of the court and the 81 82 common designation by which the property is known. The court may 83 require the plaintiff to publish on the sign the name of the plaintiff and the known defendants. 84
- SECTION 5. Masters. If the court appoints masters under

  Section 11-21-15, each master, in addition to the requirements and

  disqualifications applicable to masters in Title 11, Chapter 21,

  Mississippi Code of 1972, must be disinterested and impartial and

  not a party to or a participant in the action.
- 90 <u>SECTION 6.</u> Determination of value. (a) Except as otherwise 91 provided in subsections (b) and (c), if the court determines that 92 the property that is the subject of a partition action is heir 93 property, the court shall determine the fair market value of the 94 property by ordering an appraisal pursuant to subsection (d).
- 95 (b) If all cotenants have agreed to the value of the 96 property or to another method of valuation, the court shall adopt 97 that value or the value produced by the agreed method of 98 valuation.



- 99 (c) If the court determines that the evidentiary value of an appraisal is outweighed by the cost of the appraisal, the court, after an evidentiary hearing, shall determine the fair market value of the property and send notice to the parties of the value.
- (d) If the court orders an appraisal, the court shall
  appoint a disinterested real estate appraiser licensed in this
  state to determine the fair market value of the property assuming
  sole ownership of the fee simple estate. On completion of the
  appraisal, the appraiser shall file a sworn or verified appraisal
  with the court.
- (e) If an appraisal is conducted pursuant to subsection (d), not later than ten (10) days after the appraisal is filed, the court shall send notice to each party with a known address, stating:
- 113 (1) The appraised fair market value of the property;
- 114 (2) That the appraisal is available at the clerk's
- 115 office; and
- 116 (3) That a party may file with the court an objection 117 to the appraisal not later than thirty (30) days after the notice 118 is sent, stating the grounds for the objection.
- 119 (f) If an appraisal is filed with the court pursuant to
  120 subsection (d), the court shall conduct a hearing to determine the
  121 fair market value of the property not sooner than thirty (30) days
  122 after a copy of the notice of the appraisal is sent to each party
  123 under subsection (e), whether or not an objection to the appraisal

- is filed under subsection (e)(3). In addition to the

  court-ordered appraisal, the court may consider any other evidence

  of value offered by a party.
- 127 (g) After a hearing under subsection (f), but before
  128 considering the merits of the partition action, the court shall
  129 determine the fair market value of the property and send notice to
  130 the parties of the value.
- partition by sale, after the determination of value under Section
  6, the court shall send notice to the parties that any cotenant
  except a cotenant that requested partition by sale may buy all the
  interests of the cotenants that requested partition by sale.
- (b) Not later than forty-five (45) days after the notice is sent under subsection (a), any cotenant except a cotenant that requested partition by sale may give notice to the court that it elects to buy all the interests of the cotenants that requested partition by sale.
- 141 (c) The purchase price for each of the interests of a 142 cotenant that requested partition by sale is the value of the 143 entire parcel determined under Section 6 multiplied by the 144 cotenant's fractional ownership of the entire parcel.
- 145 (d) After expiration of the period in subsection (b), the 146 following rules apply:



- 147 (1) If only one (1) cotenant elects to buy all the
  148 interests of the cotenants that requested partition by sale, the
  149 court shall notify all the parties of that fact.
- 150 If more than one cotenant elects to buy all the 151 interests of the cotenants that requested partition by sale, the 152 court shall allocate the right to buy those interests among the 153 electing cotenants based on each electing cotenant's existing 154 fractional ownership of the entire parcel divided by the total 155 existing fractional ownership of all cotenants electing to buy and 156 send notice to all the parties of that fact and of the price to be 157 paid by each electing cotenant.
- 158 (3) If no cotenant elects to buy all the interests of 159 the cotenants that requested partition by sale, the court shall 160 send notice to all the parties of that fact and resolve the 161 partition action under Section 8(a) and (b).
- (e) If the court sends notice to the parties under subsection (d)(1) or (2), the court shall set a date, not sooner than sixty (60) days after the date the notice was sent, by which electing cotenants must pay their apportioned price into the court. After this date, the following rules apply:
- (1) If all electing cotenants timely pay their
  apportioned price into court, the court shall issue an order
  reallocating all the interests of the cotenants and disburse the
  amounts held by the court to the persons entitled to them.



- 171 (2) If no electing cotenant timely pays its apportioned
- 172 price, the court shall resolve the partition action under Section
- 173 8(a) and (b) as if the interests of the cotenants that requested
- 174 partition by sale were not purchased.
- 175 (3) If one or more but not all of the electing
- 176 cotenants fail to pay their apportioned price on time, the court,
- 177 on motion, shall give notice to the electing cotenants that paid
- 178 their apportioned price of the interest remaining and the price
- 179 for all that interest.
- 180 (f) Not later than twenty (20) days after the court gives
- 181 notice pursuant to subsection (e)(3), any cotenant that paid may
- 182 elect to purchase all of the remaining interest by paying the
- 183 entire price into the court. After the twenty-day period, the
- 184 following rules apply:
- 185 (1) If only one (1) cotenant pays the entire price for
- 186 the remaining interest, the court shall issue an order
- 187 reallocating the remaining interest to that cotenant. The court
- 188 shall issue promptly an order reallocating the interests of all of
- 189 the cotenants and disburse the amounts held by it to the persons
- 190 entitled to them.
- 191 (2) If no cotenant pays the entire price for the
- 192 remaining interest, the court shall resolve the partition action
- 193 under Section 8(a) and (b) as if the interests of the cotenants
- 194 that requested partition by sale were not purchased.



195	(3) If more than one cotenant pays the entire price for
196	the remaining interest, the court shall reapportion the remaining
197	interest among those paying cotenants, based on each paying
198	cotenant's original fractional ownership of the entire parcel
199	divided by the total original fractional ownership of all
200	cotenants that paid the entire price for the remaining interest.
201	The court shall issue promptly an order reallocating all of the
202	cotenants' interests, disburse the amounts held by it to the
203	persons entitled to them, and promptly refund any excess payment
204	held by the court.

- (q) Not later than forty-five (45) days after the court sends notice to the parties pursuant to subsection (a), any cotenant entitled to buy an interest under this section may request the court to authorize the sale as part of the pending action of the interests of cotenants named as defendants and served with the complaint but that did not appear in the action.
- 211 If the court receives a timely request under subsection (h) 212 (g), the court, after hearing, may deny the request or authorize 213 the requested additional sale on such terms as the court 214 determines are fair and reasonable, subject to the following 215 limitations:
- 216 A sale authorized under this subsection may occur (1)217 only after the purchase prices for all interests subject to sale 218 under subsections (a) through (f) have been paid into court and



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- those interests have been reallocated among the cotenants as provided in those subsections; and
- 221 (2) The purchase price for the interest of a
  222 nonappearing cotenant is based on the court's determination of
  223 value under Section 6.
- 224 SECTION 8. Partition alternatives. (a) If all the 225 interests of all cotenants that requested partition by sale are 226 not purchased by other cotenants pursuant to Section 7, or if 227 after conclusion of the buyout under Section 7, a cotenant remains 228 that has requested partition in kind, the court shall order 229 partition in kind unless the court, after consideration of the factors listed in Section 9, finds that partition in kind will 230 231 result in manifest prejudice to the cotenants as a group. 232 considering whether to order partition in kind, the court shall 233 approve a request by two (2) or more parties to have their 234 individual interests aggregated.
- 235 (b) If the court does not order partition in kind under 236 subsection (a), the court shall order partition by sale pursuant 237 to Section 10 or, if no cotenant requested partition by sale, the 238 court shall dismiss the action.
- 239 (c) If the court orders partition in kind pursuant to
  240 subsection (a), the court may require that one or more cotenants
  241 pay one or more other cotenants amounts so that the payments,
  242 taken together with the value of the in-kind distributions to the



- cotenants, will make the partition in kind just and proportionate in value to the fractional interests held.
- 245 (d) If the court orders partition in kind, the court shall
  246 allocate to the cotenants that are unknown, unlocatable, or the
  247 subject of a default judgment, if their interests were not bought
  248 out pursuant to Section 7, a part of the property representing the
  249 combined interests of these cotenants as determined by the court
  250 and this part of the property shall remain undivided.
- 251 <u>SECTION 9.</u> Considerations for partition in kind. (a) In 252 determining under Section 8(a) whether partition in kind would 253 result in manifest prejudice to the cotenants as a group, the 254 court shall consider the following:
- 255 (1) Whether the heir property practicably can be 256 divided among the cotenants;
  - (2) Whether partition in kind would apportion the property in such a way that the aggregate fair market value of the parcels resulting from the division would be materially less than the value of the property if it were sold as a whole, taking into account the condition under which a court-ordered sale likely would occur;
- 263 (3) Evidence of the collective duration of ownership or 264 possession of the property by a cotenant and one or more 265 predecessors in title or predecessors in possession to the 266 cotenant who are or were relatives of the cotenant or each other;



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- (5) The lawful use being made of the property by a cotenant and the degree to which the cotenant would be harmed if the cotenant could not continue the same use of the property;
- 273 (6) The degree to which the cotenants have contributed 274 their pro rata share of the property taxes, insurance, and other 275 expenses associated with maintaining ownership of the property or 276 have contributed to the physical improvement, maintenance, or 277 upkeep of the property; and
- 278 (7) Any other relevant factor.
- (b) The court may not consider any one factor in subsection
  (a) to be dispositive without weighing the totality of all
  relevant factors and circumstances.
- 282 <u>SECTION 10.</u> Open-market sale, sealed bids, or auction. (a)
  283 If the court orders a sale of heir property, the sale must be an
  284 open-market sale unless the court finds that a sale by sealed bids
  285 or an auction would be more economically advantageous and in the
  286 best interest of the cotenants as a group.
- (b) If the court orders an open-market sale and the parties,
  not later than ten (10) days after the entry of the order, agree
  on a real estate broker licensed in this state to offer the
  property for sale, the court shall appoint the broker and
  establish a reasonable commission. If the parties do not agree on



- 292 a broker, the court shall appoint a disinterested real estate
- 293 broker licensed in this state to offer the property for sale and
- 294 shall establish a reasonable commission. The broker shall offer
- 295 the property for sale in a commercially reasonable manner at a
- 296 price no lower than the determination of value and on the terms
- 297 and conditions established by the court.
- 298 (c) If the broker appointed under subsection (b) obtains
- 299 within a reasonable time an offer to purchase the property for at
- 300 least the determination of value:
- 301 (1) The broker shall comply with the reporting
- 302 requirements in Section 11; and
- 303 (2) The sale may be completed in accordance with state
- 304 law other than this act.
- 305 (d) If the broker appointed under subsection (b) does not
- 306 obtain within a reasonable time an offer to purchase the property
- 307 for at least the determination of value, the court, after hearing,
- 308 may:
- 309 (1) Approve the highest outstanding offer, if any;
- 310 (2) Redetermine the value of the property and order
- 311 that the property continue to be offered for an additional time;
- 312 or
- 313 (3) Order that the property be sold by sealed bids or
- 314 at an auction.
- 315 (e) If the court orders a sale by sealed bids or an auction,
- 316 the court shall set terms and conditions of the sale. If the

- 317 court orders an auction, the auction must be conducted under 318 Section 11-21-27.
- 319 If a purchaser is entitled to a share of the proceeds of 320 the sale, the purchaser is entitled to a credit against the price 321

in an amount equal to the purchaser's share of the proceeds.

- 322 SECTION 11. Report of open-market sale. (a) Unless
- 323 required to do so within a shorter time by Title 11, Chapter 21,
- 324 Mississippi Code of 1972, a broker appointed under Section 10(b)
- 325 to offer heir property for open-market sale shall file a report
- 326 with the court not later than seven (7) days after receiving an
- 327 offer to purchase the property for at least the value determined
- under Section 6 or 10. 328
- 329 The report required by subsection (a) must contain the
- 330 following information:
- 331 A description of the property to be sold to each (1)
- 332 buyer;
- 333 The name of each buyer; (2)
- 334 (3) The proposed purchase price;
- 335 (4)The terms and conditions of the proposed sale,
- 336 including the terms of any owner financing;
- 337 (5) The amounts to be paid to lienholders;
- 338 A statement of contractual or other arrangements or (6)
- 339 conditions of the broker's commission; and
- 340 Other material facts relevant to the sale. (7)



341	<u>SECTION 12.</u> Uniformity of application and construction. In
342	applying and construing this uniform act, consideration must be
343	given to the need to promote uniformity of the law with respect to
344	its subject matter among states that enact it.

- 345 SECTION 13. Relation to electronic signatures in global and 346 national commerce act. This act modifies, limits, and supersedes 347 the Electronic Signatures in Global and National Commerce Act, 15 348 USC Section 7001 et seq., but does not modify, limit, or supersede 349 Section 101(c) of that act, 15 USC Section 7001(c), or authorize 350 electronic delivery of any of the notices described in Section 103(b) of that act, 15 USC Section 7003(b).
- **SECTION 14.** Section 11-21-5, Mississippi Code of 1972, is amended as follows:
  - adults, may institute proceedings for the partition of lands or for a partition sale thereof, by judgment of court as herein provided, except that if the court determines that the property is heir property under the Uniform Partition of Heirs Property Act, then such partition or sale must comply with the provisions of Sections 1 through 13 of this act. All persons in interest must be made parties except (a) in cases where a part of the freehold is owned by persons owning a life estate therein or a life tenancy therein subject to the rights of remaindermen or reversioners, then, in such event, it shall only be necessary that the person or persons owning or claiming a life estate or life tenancy therein

366 be made parties; and (b) in cases where the partition is for the 367 surface of the land only, it shall not be necessary that persons 368 owning divided or undivided interests in the minerals in the land 369 be made parties unless such persons also have an interest in the 370 surface of the land. An infant, or person of unsound mind, may 371 sue by next friend as in other cases; but if the infant, or non 372 compos mentis, have a guardian, the guardian must appear as next 373 friend, unless good cause to the contrary be shown. 374 infant or non compos is made a party defendant, the guardian, if any, of such infant or non compos shall also be made a party, 375 376 whether the infant or non compos be resident or nonresident and 377 whether the quardian be a resident or a nonresident; and the said 378 guardian may appear and answer the complaint. The summons to the 379 defendants, including the guardian aforesaid, shall be made 380 pursuant to the Mississippi Rules of Civil Procedure. 381 "guardian," where used in this section, shall be held to apply 382 also to all persons who, under the laws of any other state or 383 country, stand in that relation whether known as curator, tutor, 384 committee or conservator, or by whatever other name or title such 385 person may be known.

386 **SECTION 15.** This act shall take effect and be in force from and after July 1, 2020.

Further, amend by striking the title in its entirety and inserting in lieu thereof the following:



AN ACT TO CREATE THE "UNIFORM PARTITION OF HEIRS PROPERTY ACT"; TO DEFINE CERTAIN TERMS; TO PROVIDE FOR APPLICABILITY AND RELATION TO OTHER LAW; TO ESTABLISH THE PROCEDURES TO BE FOLLOWED BY THE COURTS IN PARTITIONING REAL PROPERTY THAT IS DETERMINED TO BE HEIR PROPERTY; TO REQUIRE A PLAINTIFF IN A PARTITION ACTION INVOLVING HEIR PROPERTY TO POST NOTICE OF THE ACTION ON THE PROPERTY; TO PRESCRIBE THE MANNER BY WHICH THE FAIR MARKET VALUE OF HEIR PROPERTY MUST BE DETERMINED; TO AUTHORIZE COTENANTS TO BUY THE INTEREST OF ANOTHER COTENANT WHO HAS REQUESTED A PARTITION BY 10 SALE; TO AUTHORIZE ALTERNATIVES TO PARTITION IN KIND THAT WILL RESULT IN MANIFEST PREJUDICE; TO ESTABLISH PROCEDURES FOR THE SALE 11 12 OF HEIR PROPERTY; TO AMEND SECTION 11-21-5, MISSISSIPPI CODE OF 13 1972, TO CONFORM TO THE PROVISIONS OF THIS ACT; AND FOR RELATED 14 PURPOSES.



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