Office of the Mississippi Secretary of State FY 2018 ANNUAL REPORT



DELBERT HOSEMANN
Secretary of State



DELBERT HOSEMANN Secretary of State

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OUR MISSION

The Secretary of State's Office serves the citizens of the State of Mississippi and fulfills statutory requirements for Business Services, Charities, Education and Publications, Elections, Policy and Research, Public Lands, Regulation and Enforcement, and Securities in a transparent, efficient, and cost effective manner.

KEY PRIORITIES

The Secretary of State's Office targeted key priorities for fiscal year 2018 and for each of the eight divisions of the Secretary of State's Office. Details for each of these priorities of the Agency are highlighted within this FY 2018 Annual Report.



The Office of the Secretary of State was first established in our State's original Constitution in 1817. Over the years, the Office has been entrusted with a number of duties, responsibilities, and functions by the Mississippi State Legislature.



DELBERT HOSEMANN
Secretary of State

The Agency's functions range from the oversight of Gulf Coast Tidelands and 16th Section Lands to scrap metal sales; from the registration of pre-need cemetery plans to the registration of corporations; from conducting training for local election officials to conducting investigations of securities firms and charities. The Agency's list of responsibilities lengthens each year, with one goal in mind protecting and serving the citizens of Mississippi. We have worked to reduce costs and speed up delivery of services by fully automating our filing system and improving our website. We are particularly pleased with Y'all Business and the hundreds of thousands of pieces of data and information free for each Mississippi county accessible on this site.

We are proud of the services we provide daily to our citizens, and invite you to contact us for any information or assistance you may need.

Thank you,

Delbert Hosemann Secretary of State

ABOUT THE SECRETARY OF STATE'S OFFICE

The Office of the Secretary of State is dedicated to being both a service and information agency. There are eight divisions within the Secretary of State's Office: Business Services, Charities, Education and Publications, Elections, Policy and Research, Public Lands, Regulation and Enforcement, and Securities. In addition, the Agency employs executive and administrative staff which help oversee the various functions of the office.

LOCATIONS

JACKSON

401 Mississippi Street Jackson, MS 39201

125 South Congress Street Jackson, MS 39201

> P.O. Box 136 Jackson, MS 39205 (601) 359-1350 Fax (601) 359-1499

400 High Street, Room 105 New Capitol Building Jackson, MS 39201 (601) 359-3123

TUPELO

431 West Main Street, Suite 403 Tupelo, MS 38802 (662) 844-0194 Fax (662) 842-3892

HERNANDO

316 West Commerce Street Hernando, MS 38632-2120 (662) 449-3362

GULFPORT

1701 B 24th Avenue Gulfport, MS 39501

P.O. Box 97 Gulfport, MS 39502 (228) 864-0254 Fax (228) 864-0325

EXECUTIVE SUMMARY



Business Services

The Business Services Division administers Mississippi's business entities and UCC laws, and handles filings related to business formations and regulation. The Division also issues notary commissions, registers correspondence schools, and administers trademark, service mark, and non-profit laws. It serves as a default agent for service of process.

Charities

The Charities Division registers charitable organizations and professional fundraisers which solicit contributions in the State, in addition to responding to charities complaints and investigating potential charities fraud.

Education and Publications

The Education and Publications Division produces and distributes statutory publications of the State, including the Official and Statistical Register, known as the "Blue Book." The Division also coordinates the annual K-12 Promote the Vote program and other educational outreach efforts.

Elections

The Elections Division administers the State Election Code, trains municipal and county Election Commissioners, and enforces campaign finance and lobbying requirements, as well as supports the Secretary of State in his role as Chief Elections Officer for the State of Mississippi.

Policy and Research

The Policy and Research Division acts as a research and development arm for the Agency, looking for new ways to streamline services and develop potential legislation.

Public Lands

The Public Lands Division administers and supervises State-owned lands, including 16th Section School Trust Lands, Public Trust Tidelands, Lieu Lands, and Tax Forfeited Property. Public Lands also maintains an inventory of Agency-held lands.

Regulation and Enforcement

The Regulation and Enforcement Division is tasked with regulating pre-need/perpetual care providers, enforcing scrap metal laws in the State, and overseeing administrative procedures for State government. The Division also conducts Scrap Metal Law Enforcement Training.

Securities

The Securities Division administers Mississippi's Uniform Securities Laws and investigates securities fraud. The Division also registers State investment advisers, and broker-dealer firms and representatives.

The Secretary of State has office locations in Jackson, Gulfport, Hernando, and Tupelo to better serve the entire State. An office within the Capitol building in Jackson receives and records executive documents from the Governor. This is part of the Secretary of State's role as "Keeper of the Capitol."

Performance measures for each Division are collected and reported quarterly.

FINANCIAL SUMMARY

BUSINESS SERVICES, CHARITIES, REGULATION AND ENFORCEMENT, SECURITIES

Continue to provide online services provided for businesses and corporations

EFFICIENCIES

- Maintain turnaround times for customer filings of less than 24-48 hours
- Provide more opportunities and methods for enforcement education
- Increase registration of scrap metal dealers

CATEGORY	OUTPUT
UCC documents filed	325,251
Telephone calls received	54,242
Other corporate documents filed	52,713
Corporate annual reports filed	44,921
LLC annual reports filed	96,214
Notary registration/renewals apostilles	24,851
Charity registrations (initial and renewal) and exemptions	5,762
Trademarks	430
UCC searches	356
Charities audits, examinations, and renewals	123
Charities legal actions	425
Securities audits, examinations, and renewals (firms/agents)	131,840
Securities legal actions (dispositions and opinions)	70
Regulation and Enforcement examinations/investigations complaints completed	145

FEE INCOME: FY 2018

Charities \$361,838
Corporations \$4,924,843
Enforcement Fee/Fines \$140,482
LLC Annual Reports \$3,049,000
Notaries and Trademarks \$282,595
Regulation and Enforcement \$90,380
Securities \$17,810,803
Uniform Commercial Code \$3,000,838

TOTAL: \$29,660,779

ADMINISTRATION

EFFICIENCIES

- Continue to monitor and improve Agency internal controls/procedures to increase accountability for property and monies received specific to finance, purchasing, human resources, and information services
- Continue to upgrade the technological systems to provide better constituent services

CATEGORY	OUTPUT		
Parcels of mail processed	66,360		
Help Desk requests completed			
Payment vouchers prepared			
Personnel transactions processed	73		
Additional Efficiencies: Turnaround Time			
Vendor payments	5 days		
Travel reimbursements	3 days		

EDUCATION AND PUBLICATIONS

EDUCATION AND TOBLICATIONS			
EFFICIENCIES	CATEGORY	OUTPUT	
Continue to provide	Statutorily required publications produced	11,446	
publications required by	Constituent services	8,930	
statute	Bills chaptered and recorded	542	
Continue providing	Agency promotion and exhibits	10	
accessibility of publications to	Agency publications produced	10	
constituents			
 Continue compiling and providing statistical statewide 			

ELECTIONS

EFFICIENCIES

information

- Continue to promote fair and honest elections by providing accurate election reports
- Streamline campaign finance and lobbyist filings and reports
- Provide election training sessions with internal staff
- Continue to promote increased voter registration and turnout

CATEGORY	OUTPUT
Lobbying reports	5,002
Campaign finance reports	1,858
Election training sessions	19

FEE INCOME: FY 2018

Lobbying Registrations
Civil Penalties from Lobbying
Civil Penalties from Campaign Finance
Candidate Qualifying Fees

TOTAL: **\$106,390**

PUBLIC LANDS

EFFICIENCIES

- Continue to conserve, preserve, protect, and manage the public lands of Mississippi
- Continue to make available to the public, all records of real property belonging to or under the control of the State of Mississippi
- Continue to streamline the electronic environment for sales and collection of data on public lands

CATEGORY	OUTPUT
16th Section leases managed	12,902
Tax forfeited applications processed	9,111
Tax forfeited patents issued	2,313

FEE INCOME: FY 2018
Land Sales (Tax Forfeited) \$1,924,613
Land Sales Application Fees (Tax Forfeited) \$17,038
Tidelands \$8,595,583
Tideland Assessment \$3,893,861
TOTAL: \$14,431,095

BUSINESS SERVICES

The Business Services Division provides business-related services to anyone interested in doing to do business in Mississippi.

STARTING A BUSINESS

The Business Services Division is the starting point for many entrepreneurs wishing to conduct business in the State. Consumers can search for a unique business name, check their corporate status, order certified documents, and search other companies. Business Services assists with the formation of corporations, limited liability companies, foreign business trusts, limited partnerships, and other business structures. State law determines the structure of each business.

NOTARIES PUBLIC

The Business Services Division oversees all notaries public in the State and receives nearly 9,500 notary applications and renewals per year. The Division investigates all notary complaints. Apostilles and authentications are prepared and attached to documents to verify authenticity or validity. Many of these documents are presented in foreign countries.

UNIFORM COMMERCIAL CODE

Uniform Commercial Code (UCC) filings are also handled through the Business Services Division. These secured transactions are recorded and accessible to financial institutions, governmental agencies, and others engaged in commercial lending and trade.

STATUTORY SERVICES

The Division is also responsible for a wide array of statutory responsibilities, including accepting service of process, recording pesticides, registering carnivals, circuses, polygraph examiners, and recording public official bonds.

TRADEMARKS AND SERVICE MARKS

Trademarks and service marks are recorded and approved through the Business Services Division. Recent trademarks legislation proposed by the Secretary of State's Office and adopted by the legislature received international recognition as one of the most forward, aggressive trademark laws in the nation.

CHARTERS AND ANNEXATIONS

The Business Services Division also files interlocal agreements and municipal charters, and records annexations for all municipalities.

In FY 2018, more than 5,700 county and municipal documents filed with the Secretary of State's Office were added online for search and review.

Among other responsibilities, the Secretary of State's Office is a repository for many state and local documents. Counties and municipalities are required to file charters of incorporation, interlocal agreements, and other similar documents with the Secretary of State

The online database contains recently executed and historical documents received from the Mississippi Department of Archives and History, some dating back to the 1800s. Historical papers will continue to be scanned and added to the database as they are received.

54,242

Phone calls for business-related services answered in under 30 seconds by a live person

24,851

Notary applications/ renewals and apostille registrations

519,099

Corporate documents and UCC's filed online, making the Division completely paperless

Oversee the formation of **26,000** new businesses annually

Online applications allow citizens to start a business or file an annual report online in a matter of minutes

Issue and renew more than 400 State trademarks each year

Provide document research and copying for more than 10,000 citizens each year

Y'ALL BUSINESS

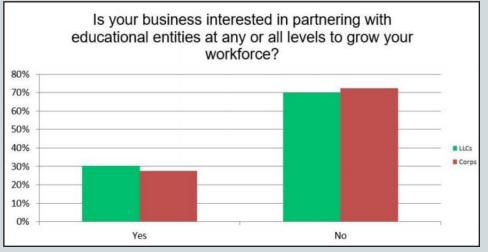
Y'all Business, a website designed to help small businesses locate or expand in the State of Mississippi, is part of our Agency's continuing effort to promote business in Mississippi. This one-of-a-kind online resource for free Mississippi economic development information includes a mobile interface making it easier to access the site on a cell phone. The site provides a wealth of detailed information you need for your job and your business. More than 18,230 free business summary, retail market, and other reports have been downloaded from the site.

A survey of almost 100,000 Mississippi businesses conducted in December 2017 revealed common hurdles to starting a business, investing, expanding operations in Mississippi, and lack of an educated workforce. More than 1,800 business owners responded to the survey, which included nine questions focused on business needs, employee qualifications, and other Mississippi business barriers. Among other responses, the survey shows:

- About 75 percent of Mississippi businesses find it moderately to significantly difficult to find an educated workforce;
- It takes more than 47 percent of businesses three months to a year (or more) to find a qualified employee for an open position;
- About 45 percent of current businesses said they would expand in Mississippi if they had an educated workforce;
- More than 45 percent of businesses require employees to hold a two-year degree or higher; and
- More than 30 percent of businesses said an educated workforce is most important to their business, and 20 percent said community support was most important.

A second survey conducted in FY 2018 revealed many businesses are providing internship opportunities, donating resources to classrooms, or otherwise engaging with educational entities in their communities. More than 5,300 LLCs, LPs, and corporations provided feedback. More than 96 percent of the responses were from businesses with less than 50 employees. Additionally, almost 400 respondents indicated their interest in partnering with area schools. Among other responses, the survey shows:

- Employers most value soft skills in employees including work ethic, honesty, and communication skills;
- Marketing and networking are the areas in which economic development entities can most help small businesses; and
- Most businesses believe economic opportunity, reasonable wages, and top-rated public schools are the keys to retaining an educated workforce in their communities.



SECURITIES

The Securities Division is responsible for enforcing the Mississippi securities laws, as well as the regulation and registration of securities firms, agents, and products.

\$17,818,803

Amount of revenue collected in offering-related filings, registration filings for securities professionals and firms, and administrative enforcement cases

131,753 Professional filings

32,360Offering-related filings

70 Administrative enforcement cases

37
State-based investment adviser firms now registered with the Office of the Secretary of State

70Conducted investigations, which included possible securities laws violations

1,367Broker-dealer firms registered in the State

In addition to enforcing the Mississippi Securities Laws, the Securities Division is responsible for the regulation and registration of securities firms, agents, and products.

The Securities Division regulates and registers investment adviser firms in Mississippi having less than \$100 million in investment funds under management. There are currently 37 state-based investment adviser firms registered with the Division (with another 46 out of state state-level registered with the Division and 973 SEC level firms that are notice-filed with the Division). In addition, there are 1,367 broker-dealer firms registered in the State (2 are Mississippi-domiciled and 100 have branches within the State).

In FY 2018, the Division performed routine exams on 38 broker-dealer and investment adviser firms and conducted 49 securities investigations. Sources for these investigations included complaints and tips of possible securities laws violations from both investors and the public, exam findings, and registration filings. The Division also completed 70 enforcement cases; 52 of those cases dealt with late notice filings of federal Regulation D Offerings. The Division ordered \$127,000 in fines and penalities and \$92,000 in restitution.

The Division began accepting Regulation D notice filings electronically in December 2014, which has enabled the Division to reduce the turnaround time for processing these filings. In FY 2018, the Division processed 296 paper filings and 297 electronic filings. The Division also processes mutual fund notice filings. In FY 2018, the Division handled 5,774 paper filings and 25,915 electronic filings.

During FY 2018, the Division collected \$ 10,854,272.79 in offering-related filings, \$6,918,050 in registration filings for securities professionals and firms, and \$ 46,480.42 in administrative enforcement cases. This revenue came from 131,753 professional filings, 32,360 offering-related filings, and 63 administrative enforcement cases, all of which were processed by the Division.

The Securities Division protects investors in the State from unscrupulous organizations using the most up-to-date securities laws in the nation.

In July 2017, a new vulnerable adult statute took effect. Under Miss. Code Ann. § 75-71-413, broker-dealers and investment advisers must report suspected financial exploitation of a vulnerable adult to the Securities Division. Once the suspected exploitation is reported, the statute provides safe-harbor protection for the firms to delay transactions within accounts of the vulnerable adult. This is a needed protection while the Division and the Department of Human Services work together to investigate the allegation.

The Secretary of State's Office is focused on investor protection and in FY 2018, the Division worked 11 vulnerable adult cases.

CHARITIES

Through enforcement of the Mississippi Charitable Solicitation Act, the Mississippi Secretary of State's Charities Division is responsible for protecting donors in the State by ensuring their hard-earned dollars are used for the purpose intended.

The Charities Division protects Mississippi donors from unscrupulous charities who might prey on our citizens.

THE CHARITIES ACT requires the registration of every nonprofit soliciting contributions and having fundraisers with the Charities Division. The Charities Act does allow certain organizations to be exempted from this registration requirement. However, this exemption is not automatic. The organization must request the exemption by submitting the online notice of exemption form.

The Charities Act not only strengthens the Agency's ability to enforce laws against dishonest charities, but also gives the Charities Division the authority to subpoena witnesses and documents during investigations and to bring actions in Chancery Court to stop illegal activities, collect fines, and remove charitable corporate status. Through the strong enforcement of the Charities Act, Mississippi donors can have more confidence in their charitable giving. Citizens are able to check the status of charities by reviewing the *Report of Charitable Giving in Mississippi* on the Secretary of State's website.

To protect Mississippi donors, a key priority of the Agency is to make it more difficult for organizations to misappropriate charitable dollars. The Agency will continue working with charitable organizations in the state to maximize the amount of funds allocated for actual charitable purposes. Increasing the transparency in charitable organizations and providing this information to Mississippians allows our citizens to have peace of mind in charitable giving.

9,000

There are approximately 9,000 charities registered or exempted with the Charities Division

FOR YOUR PROTECTION

Armed with the most up-to-date Charities laws in the nation to protect Mississippians

An annual #CHECKYOURCHARITY campaign lets you know how your donations are spent

Charities Renewal Filing Date is same as charity filing date with the Internal Revenue Service

Charity complaints can be filed with the Division on the Secretary of State's website

#CHECKYOURCHARITY

The Secretary of State's Office promotes a #CheckYourCharity campaign during the holiday season. The Charities Division encourages Mississippians to check their supported charities with the Secretary of State's Office before they donate.

In FY 2018, the Charities Division served as a resource to vet disaster relief charities after devastion caused by Hurricane Harvey. Donors seeking information about the registration and financial practices of many disaster relief charities were referred to the Division and Secretary of State's website.



ELECTIONS

The role of the Elections Division continues to include election administration, training county and municipal election officials, managing the Statewide Election Management System (SEMS), providing elections-related financial, technical and legal support to the counties and municipalities, receiving election returns, assisting local elections officials in carrying out their election-related responsibilities, and collecting campaign finance and lobbying reports.

6,698

Voter IDs issued as of June 30, 2018

5,002

Lobbying reports

1,858

Campaign finance reports

960

County and Municipal Election Officials trained

245,101

of the 1,823,217 registered voters cast a ballot in the 2018 Primary Election

25 observers

Observed in 25 counties in the 2018 Primary Election

753

Poll Workers completed online training

776

Voter registration updated via secure online website The Y'ALL VOTE website is an online voter information center aimed at preparing voters to cast a ballot on Election Day. Information on election dates, voter registration, military voters, voter ID, and more can all be found on the Y'all Vote website.

Mississippi voters are able to:

- Electronically update name and address information online
- Determine whether they are registered to vote
- Locate their polling place



CAMPAIGN FINANCE

The Elections Division maintains the CAMPAIGN FINANCE WEBSITE allowing filers to download user-friendly Excel spreadsheets, input contributions and disbursements over time, and upload the information into the online report before deadline days. Contributions and disbursements can also be manually typed in the report online. The website has a second residual impact on the wider public: all reports filed online through the new system are searchable by candidate or political committee name, office, expenditure, or contribution. Late-filer reports are also available on the website. Campaign finance reports may be viewed online by the general public on the Secretary of State's website.

The Elections Division works for fair, unbiased elections through accountability and training as Mississippi citizens exercise their right to vote.

Assist county and municipalities in preparing for	Train and certify County and Municipal Election	Maintain and publish campaign finance and	Accept constitutional initiative filings	Accept qualifying paperwork for statewide, judicial,	Maintain the statewide voter registration
elections	Officials	lobbying reports	illiciative illings	and legislative	database
				candidates	

LOBBYIST REGISTRATION

Mississippi law requires all lobbyists register with the Secretary of State's Office in order to conduct business in the State. Lobbyists' and Lobbyists' Clients reports may be viewed online by the general public on the Secretary of State's website.

CERTIFICATION OF ELECTION RESULTS

The Office of the Mississippi Secretary of State is responsible for certifying Statewide elections and multi-county elections.

SEMS

The Elections Division works with election officials of counties and municipalities to maintain a statewide voter registration database, known as the Statewide Elections Management System, or "SEMS." The Division provides education and the tools available to the appropriate election officials in order to maintain accurate voter rolls.

TRAINING

The Elections Division provides certification programs and continuing education training programs to county and municipal Election Commissioners and executive committees. Training programs address substantive law as well as technical aspects of the Statewide Elections Management System and the Statewide Voting Machine System. Training is provided to election officials on how to operate specific voting devices, as well as how to train individual poll managers for election day responsibilities. The Division is focused on utilizing current technology, such as webinars and online poll manager training, to make our training accessible to election officials throughout the State.

INITIATIVES

All proposed amendments to the Mississippi Constitution must be registered with the Elections Division of the Secretary of State's Office. The official ballot title and summary are prepared by the State Attorney General. Initiatives are only valid for one year, during which time a petition must be circulated to gather signatures to place the measure on the next statewide general election ballot.

PUBLIC REQUESTS FROM INDIVIDUALS, CANDIDATES, AND FEDERAL AGENCIES

The Elections Division responds to numerous public records requests for voter registration statistics, statewide and district voter rolls, election results, Uniformed and Overseas Voter statistics, and the number of voters casting an absentee ballot. The Division provides information to the public on a statewide and national level.

EDUCATION AND PUBLICATIONS

The Education and Publications Division of the Mississippi Secretary of State's Office produces State and Agency documents in traditional paper-and-ink publications, as well as digital versions on the Agency's website. Interim updates are also made to the digital versions of traditionally formatted print publications.

PUBLICATIONS

The Education and Publications Division designs and prints several State and Agency publications in-house, including the *Magnolia Book* (Guide to the Magnolia State), Promote the Vote materials, Agency brochures, and Voter ID materials. In addition to publishing both print and digital versions of the Judiciary Directory and Court Calendar, the Elections Calendar, and the Directory of State and Local Officials, the Division oversees the chaptering, indexing, and distribution of all adopted legislation and compiles the information annually for publication of the General Laws and Local and Private Laws of the State. The Division also publishes House and Senate Journals for each legislative session.

Blue Book

Charities Report

Directory of State and County Officials

Elections Calendar

General Laws

House Journal

Judiciary Directory and Court Calendar

Local and Private Laws

Magnolia Booklet

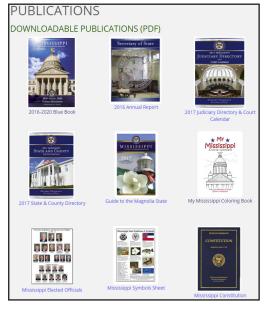
Mississippi Constitution

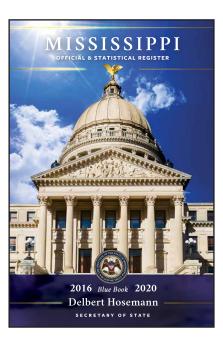
My Mississippi Coloring Book

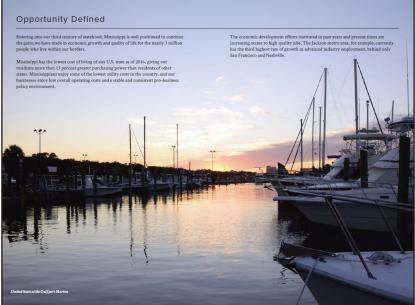
Senate Journal

ONLINE PUBLICATIONS

Digital versions of publications are online and regularly updated.







EDUCATION

Promote the Vote is an annual voter education program sponsored by the Secretary of State's Office to educate Mississippi students in Kindergarten through Grade 12 about the political process and civic duties. The goal is to encourage students to become informed citizens and voters as adults. The program is free for all public, private, parochial, and home-school classrooms. Promote the Vote includes classroom activities, grade level art and essay contests, and a statewide mock election preceding every statewide general election.

The Education and Publications Division hosts the Agency's annual Promote the Vote Awards Ceremony each year at the State Capitol in February, where students are honored for top honors in competitions including art and essay.



PROMOTE THE VOTE

The 2017 Promote the Vote theme, "Mississippi's Bicentennial Birthday," highlighted the importance and celebration of the State's 200-year history. More than 1,200 students entered the art contest, which asked entrants to depict "My Mississippi," or an industry, person, landmark, or other notable symbol from their region of the State. For the essay contest, entrants were asked to write about "Moving Forward," by identifying an issue in their region of the State and proposing a way to address it. More than 200 students submitted essays for consideration. The Agency had 105 participants in the art and essay contests who were awarded during a ceremony at the State Capitol in February 2018.



Secretary Hosemann presented each student with a medal and certificate of achievement. Legislators and school officials were on hand to congratulate their district winners. Secretary Hosemann also presented teachers with certificates of appreciation for their support of the Promote the Vote program.

PUBLIC LANDS

The Public Lands Division continues to fulfill the constitutional and statutory duties regarding the stewardship of 16th Section Public School Trust Lands and Lieu Lands, timber, and the Public Trust Tidelands.

16TH SECTION LANDS

The Secretary of State serves as supervisory trustee overseeing the management and leasing of more than 640,000 acres of 16th Section Public School Trust Lands by 101 local school districts. The Public Lands Division strives to improve leasing practices on 16th Section lands.

The Division maintains a map on the Agency website showing the approximate location of all hunting and fishing leases across the State, with rental information and contact information for managing school boards.

The Agency website also publishes public bid notices for hunting and fishing leases, agricultural leases, sales of timber and other forest products, and oil and gas leases.

The Secretary of State's Office and Mississippi Forestry Commission maintain a cooperative partnership with local school districts to manage timber assets. The Division maintains pre-sale inventories of timber sold by lump-sum sale, monitors current timber harvest operations, inspects properties for proper usage and waste, and assists businesses by emerging markets for renewable energy in determining the availability and type of resources available on public school trust lands.

The Public Lands Division strives to improve leasing practices for 16th Section land in order to receive the maximum rate of return for schools.

12,814

16th Section land leases

\$73.1 million

Revenues from 16th
Section leases **

\$23.3 million

Revenue from surface leasing

\$10.5 million

Sales of timber/forest products

\$8.1 million

Oil and gas royalty payments

The Secretary of State's Office, as State Land Commissioner, accepted an initial deed to a portion of 17,816 acres of land in Warren and Issaquena Counties. The property forms an "L-shape" around the Mahannah Wildlife Management Area; the Steele Bayou Flood Control Structure is located adjacent to the property

The State initially acquired approximately 10,000 acres with The Nature Conservancy acquiring the rest. Secretary Hosemann executed a Purchase Sale Agreement with The Nature Conservancy to obtain the remaining acreage over the next few years.

The cost of the acquisition was paid through Federal Grant Money and private donations.

^{* 100} of 101 school districts reporting as of December 20, 2018.

^{**} All 16th Section land revenue stays with the local school district.

PUBLIC TRUST TIDELANDS and submerged lands are under water lands naturally subject to tidal influence. The inland boundary is the mean high tide line established over 19-years epochs, and the seaward boundary is the State boundary, approximately ten miles south of the barrier islands. These Tidelands are owned by the State in trust for the citizens of Mississippi. THE SECRETARY OF STATE IS THE TRUSTEE OF THIS GREAT PUBLIC TRUST.

It is declared to be the public policy of this State to favor the preservation of the natural trust of the public tidelands and their ecosystems and to prevent the despoliation and destruction of them, except where a specific alteration of specific public trust tidelands would serve a higher public interest in compliance with the public purpose of the public trust in which such tidelands are held. (Miss. Code Ann. § 29-15-3)

With regard to the Public Trust Tidelands and submerged lands held by the State in trust, the focus of the Division is to:

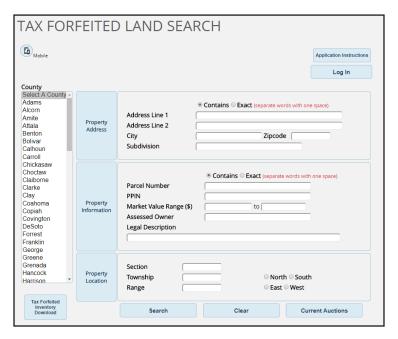
- Protect public use and public access
- Acquire property for preservation and protection in the coastal preserve system
- Support the restoration of degraded public wetlands
- Develop the use of Public Trust Tidelands for recreational and educational purposes which meet the higher purpose for which the trust was established



TAX FORFEITED PROPERTY

All properties for which ad valorem taxes are past due are subject to sale by the county in which the lands are located. Any lands not purchased at the local tax sale are stricken from local tax rolls, and transferred to the State, subject to sale by the Secretary of State's Office pursuant to applicable statutes. The Secretary of State's Office works to sell these lands and return parcels to productive use. Through private ownership, these lands once again produce property tax revenues for the counties and municipalities in which they are located. Currently, the State holds more than 11,000 tax forfeited lands valued at approximately \$50 million.

The continued goal of the Tax Forfeited Property Division is to provide the members of the legislature, agency officials, county officials, and the general public accurate land information to allow proper utilization and management, and, where the legislature deems appropriate, transfer parcels so they may be transitioned back onto the county property rolls.



ONLINE AUCTIONS

Online bidding on tax forfeited property auctions is available on the Secretary of State's website. To place a bid, the user must register online. Users are able to view property details such as parcel location, pictures, and an auction map. Other information such as auction dates, bid notices, and bid amounts are also available. Successful bidders are notified by email.

The "Buy It Now" feature allows bidders to pay a "Buy It Now" price on any parcel in order to purchase a property immediately instead of waiting until the end of the auction.

FY 2018 AUCTIONS

City of Jackson
Began July 12, 2017 and closed August 23, 2017

Washington County
Began June 21, 2017 and closed July 19, 2017

Lauderdale County
Began June 21, 2017 and closed July 19, 2017

Leflore County
Began September 27, 2017 and closed October 25, 2017

Jackson County
Began June 27, 2018 and closed July 28, 2018

FY 2018 property sales total more than

\$2 million

Held **five** online auctions for tax forfeited properties

Tax forfeited lands can be transferred to governmental entities without cost for public use.

An inventory of tax forfeited lands owned by the State is available on the Secretary of State's website.



REGULATION AND ENFORCEMENT

The Regulation and Enforcement Division of the Mississippi Secretary of State's Office serves various consumer protection interests with its regulation of pre-need funeral providers, privately owned cemeteries, and scrap metal dealers and recyclers. These business entities are examined and audited by Division staff to determine if the business is complying with State legislation and regulations designed to protect the consumers' interests. Examinations and audits may be either complaint-based or randomly selected. Violators are subject to administrative fines, suspension of a license, or, in extreme cases, revocation of a license issued by the Division.

The Regulation and Enforcement Division registers and regulates businesses subject to their jurisdiction, such as funeral homes, cemeteries, and scrap metal dealers.

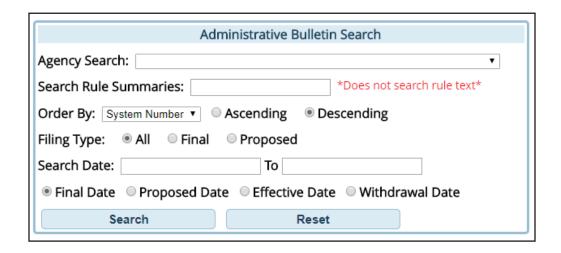
PROTECTING CONSUMERS - PRE-NEED AND CEMETERY PURCHASES

Each year, Mississippi consumers make purchases in the aggregate of approximately \$48 million from funeral homes and cemeteries for pre-need funeral and cemetery goods and services. The purchase of final expense merchandise and services is a unique consumer transaction with the consumer paying for very specific goods and services that will be provided at an undetermined time in the future. Additionally, consumers usually have limited experience with making such end of life decisions and purchases. For these reasons, the Regulation and Enforcement Division is charged with enforcing laws enacted by the Mississippi Legislature to ensure the consumer's funding for pre-need purchases is secure and in place at the time of death and the goods and services meet the level of quality contemplated at the time of purchase.

Closely related to the purchase of pre-need funeral and cemetery goods and services, the Division also monitors and enforces compliance with perpetual care trusting laws by for-profit, privately owned cemeteries. There are approximately 100 for-profit cemeteries in Mississippi which offer and market perpetual care to the public. An important task of the Regulation and Enforcement Division is examination of the handling of consumer funds for burial plot purchases to ensure perpetual care trusting required by State law is accomplished. The Division worked cases throughout the State to assist consumers. In FY 2018, the Division successfully assisted more than 100 consumers in northeast Mississippi obtain adequate and proper funding in excess of \$500,000.000 for pre-purchases of funeral and cemetery goods and services.

RULES AND REGULATIONS

The Regulation and Enforcement Division publishes the *Mississippi Administrative Bulletin* and the *Mississippi Administrative Code* where all State government rules and regulations are accessible to the public on the Secretary of State's website. The Division supports both public and State agencies with procedural steps for adopting rules and obtaining public comment in the process. For the past year, the Division received and published more than **1,000** regulation changes.



ATHLETE AGENT ACT

Additionally, the Division licenses and monitors the activities of Athlete Agents under the Mississippi Athlete Agent's Act. This Act helps to protect young athletes in the State from falling victim to unscrupulous sports agents who might otherwise attempt to take advantage of an athlete's inexperience when signing with a professional sports agent.

MISSISSIPPI RIVER DELTA AG THEFT TASK FORCE

In 2008, the Mississippi Legislature tasked the Secretary of State's Office with licensing metal dealers and metal recyclers in response to the rampart problem of metal theft throughout the country. The Secretary of State's Office has a partnership with the Mississippi Department of Agriculture, law enforcement, farming interests, and metal dealers to address the unique challenges of deterring and solving metal theft crimes in Mississippi's agricultural sector. The task force includes full participation from the same interests in Louisiana, Arkansas, and Tennessee. With the use of technology and the building of relationships across state lines and across interested sectors in agriculture, this group works together to timely share key information about agricultural metal theft crimes with the common goal of successful prosecutions and deterrence.

POLICY AND RESEARCH

The Policy and Research Division is the research and development engine of the Mississippi Secretary of State's Office. The Division collaborates with volunteer panels of Mississippians selected by the Secretary of State's Office to develop potential legislation and identify innovative solutions to challenges facing the State and the Agency. Many of the recommendations from these study groups have been adopted by the Mississippi Legislature, including reforms to Mississippi's corporate, LLC, nonprofit, trademark, and securities laws.

HOUSE BILL 803 (effective upon passage and signed by Governor Bryant March 8, 2018)

Requires county election commissioners to designate one poll manager per precinct, instead of two, who must complete an online training program in order to become a "certified poll manger" and shall be compensated \$25 by the Secretary of State, beginning January 1, 2020.

HOUSE BILL 804 (effective upon passage)

States that an individual who casts an affidavit ballot during a municipal election because they are unable to present an acceptable form of identification must, within five businesses days of the election, present to the municipal clerk's office an acceptable form of photo ID, MS voter ID card, or file an affidavit for religious objections in order for their vote to be counted. This bill went into effect upon its passage.

SENATE BILL 2310 (effective July 1, 2018)

Revises the list of entities which are exempt from registration for solicitation as a charitable entity contained in section 79-11-505, Mississippi Code 1972. Under Senate Bill 2310, a humane society which receives no less than fifty percent of its annual funding from contracts with counties or municipalities for the care of stray animals is exempt from registering.

SENATE BILL 2484 (effective July 1, 2018)

Establishes the penalty associated with the crime of embezzlement as to perpetual care cemetery trust funds. If the amount embezzled, misapplied or converted is less than \$1,000, the offense is punishable by a fine of up to \$500 and incarceration in a county jail for a maximum of one year. However, if the amount embezzled, misapplied or converted is greater than \$1,000, the offense is punishable by incarceration for up to 10 years. Furthermore, each violation is considered to be a separate offense.

SENATE BILL 2787 (effective upon passage and signed by Governor Bryant March 5, 2018)

Removes the 30 day waiting period previously imposed on certain applications for the purchase of state-forfeited tax land. Under this bill, an application for the purchase of such land does not have to remain on file with the Secretary of State for 30 days before it can be approved or disapproved. Additionally, if a question regarding failure of title arises it may only be resolved if a suit is filed in the county where the land is located and either the municipality or the Secretary of State, as the case may be, shall be named as a party to the suit.

SENATE BILL 2893 (effective upon passage and signed by Governor Bryant March 15, 2018)

Authorizes the Secretary of State to donate a small, specified portion of submerged land in Jackson County, Mississippi, to the National Park Service. The area being donated is located in Davis Bayou as is provided by the legal description in the bill.

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Delbert Hosemann Secretary of State

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