

THE RESERVOIR RESIDENTIAL LEASE FREQUENTLY ASKED QUESTIONS

QUESTION: Why does the PRVWSD property lease rather than sell?

ANSWER: The Pearl River Valley Water Supply District (PRVWSD) was set up as a state agency by the Mississippi Legislature and charged with the responsibility of owning, operating and maintaining the Ross Barnett Reservoir. Because the Legislature does not appropriate funding for its operations and maintenance, PRVWSD must generate enough income from its own resources to operate and maintain the Reservoir. The leasing of shoreline properties was devised as a means of providing the continuing annuity necessary for continued operation and maintenance of the Reservoir.

QUESTION: How long are PRVWSD residential leases?

ANSWER: Generally, sixty (60) years. At any time after the lease is fifteen (15) years old, the lessee may obtain a new sixty (60) year lease. Each leasehold has two documents applicable to the leasehold: the Assignment of Lease and the Lease itself.

QUESTION: How will the annual rental be determined?

ANSWER: As mandated by the Mississippi Legislature in Section 51-9-122 of the Mississippi Code (*See* Section 5). Generally, residential leases are on an escalating scale and increase ten percent (10%) every five (5) years. A few flat rate leases still exist in the District, and those will become escalating leases upon transfer pursuant to Section 51-9-122.

QUESTION: If I have a home or lot at the Reservoir may I sell or otherwise transfer my leasehold?

ANSWER: You may transfer your leasehold in all the same ways as if you owned in fee simple. This includes selling and conveying it to a buyer, leaving it to others in your will, and transferring it into a trust. PRVWSD must consent to any transfer or sublease of the leasehold.

QUESTION: How about taxes?

ANSWER: PRVWSD has no authority to assess and collect taxes. Ad valorem taxes are paid to the County.

You pay taxes on improvements the same as on privately owned property and pay taxes on the land based upon the value of the leasehold rather than the value of the land itself.

QUESTION: What do I receive in exchange for the annual rental paid to PRVWSD each year?

ANSWER: Annual rental gives a leaseholder the right to continue using the property for another year, to place a home on residential leases, and insures “peaceable possession” of that home so long as the lease is not violated.

QUESTION: Don't I buy the lot and then pay annual rental on the lot – double payment?

ANSWER: No, you partially pay for the lot when purchased and pay an annual rental, general equivalent to approximately ten percent (10%) of the balance of the lot value.

QUESTION: Will I be required to secure a permit from PRVWSD for any reason?

ANSWER: A permit will be required for both occupancy and non-occupancy construction, expansion or renovation projects. Also, under special circumstances a leaseholder may seek a non-transferable permit from the PRVWSD board of directors that allows parking a recreational vehicle in a residential area. All permits are subject to the then-existing fee structure for permits.

QUESTION: What is PRVWSD's policy for boat houses and piers?

ANSWER: Construction of a boat house or pier requires a building permit. Those constructed before September 2015 are deemed to have been previously permitted. The length may not exceed 32 feet extending from the water side lease line. Please be advised however that construction of a boat house or pier may be prohibited by the subdivision covenants or PRVWSD in some locations. Construction of a boat house or pier may also require a permit from the United States Army Corp. of Engineers.

QUESTION: Do special rules apply should I choose to rent my property?

ANSWER: Yes. The PRVWSD regulations include a Rental Property Registration and Licensing Ordinance, which creates a fee-based program requiring the registration and licensing of rental properties.

Generally, a leaseholder may not rent a property without a rental license issued by PRVWSD. The license fee is \$100.00 per dwelling unit and is valid for one (1) year. The ordinance authorizes PRVWSD to make fee-based inspections of rental property.