



September 24, 2025

Willie Griffin, Esq.
Attorney, Washington County Board of Supervisors
Post Office Box 189
Greenville, Mississippi 38702-0189

Re: Sale of Community Hospital Property Under Section 57-7-1

Dear Mr. Griffin:

The Office of the Attorney General has received your request for an official opinion.

Background

Delta Health System (DHS), a community hospital as defined under Mississippi Code Annotated Sections 41-13-1 *et seq.*, is owned by the Board of Supervisors of Washington County (the "County"). DHS and the County jointly own a parcel of real estate upon which sits a former medical clinic building located at 1699 S. Colorado Street in Greenville, Mississippi (the "Property"). The Property has not been utilized for several years due to needed repairs, and DHS has been approached by a potential purchaser who would like to renovate the Property into a pediatric dentistry clinic.

DHS and the County have approved orders, which 1) commission an appraisal of the property to determine fair market value, 2) declare the Property as surplus property no longer needed for hospital or county purposes and approve the sale to the prospective purchaser, and 3) seek an official opinion from the Attorney General that such sale is appropriate under Section 57-7-1.

Question Presented

May DHS and the County sell the unused parcel of hospital property to the prospective purchaser under the provisions of Section 57-7-1?

Brief Response

Yes, consistent with state law and prior opinions of this office, DHS and the County may sell the unused parcel of hospital property to the prospective purchaser under Section 57-7-1.

Applicable Law and Discussion

The Legislature has found and declared that “community hospitals must have the ability to respond to changing conditions by having the power to develop efficient and cost-effective methods and structures to provide for health care needs, while maintaining a public mission and character.” Miss. Code Ann. § 41-13-35(8)(b). Moreover, the Legislature has also found “that there is a compelling interest in establishing a structure and process for a community hospital to adapt to this dynamic environment, to operate efficiently, to offer competitive health care services, to respond more effectively to new developments and regulatory changes in the health care area, and to continue to serve and promote the health, wellness and welfare of the citizens of Mississippi.” *Id.*

In light of the community hospital’s overarching objective to adapt to the healthcare needs of the community, you ask whether DHS and the County may proceed to sell surplus community hospital property under Section 57-7-1, without the necessity of publishing a request for bids.

Mississippi Code Annotated Section 57-7-1 provides, in relevant part, as follows:

In the event that any municipality, county, supervisors district, municipal airport authority, regional airport authority or other governmental subdivision shall have surplus airport land or other lands which are not needed for airport purposes or for other governmental purposes, then such property so designated and described may be set aside and improved for industrial and commercial purposes and the same may thereafter be operated or the same may be leased or sold upon such terms and conditions as a municipality, county, municipal airport authority, regional airport authority or governmental subdivision shall prescribe.

Before proceeding with the sale of the property, the Board must first make a factual determination that the subject property is surplus and “not needed . . . for other governmental purposes.” *Id.* Assuming such determination has been made, MS AG Op., *Brown* (Aug. 8, 2003), and its predecessor MS AG Op., *Brown* (Aug. 9, 2002), provide guidance for your question. Those opinions addressed very similar circumstances in which a county-owned community hospital sought to sell surplus property to a local physician group. In each of those opinions, our office stated that a county may sell surplus community hospital property pursuant to Section 57-7-1 upon a proper finding spread across the minutes of the board of supervisors. *Brown* (Aug. 9, 2002) (citing MS AG Op., *Moffett* (Feb. 12, 1999)). See also MS AG Op. *Brown* (Aug. 8, 2003).

Crucially, the authority granted in Section 57-7-1 is limited to a sale or lease of surplus property for commercial or industrial purposes only. MS AG Op., *Moak* at *1 (July 11, 2022) (citing MS AG Op., *Manley* (Sept. 10, 2014)). Whether the operation of the pediatric dentistry clinic is for a commercial purpose is a factual determination for the Board of Supervisors. In addition, sales and

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leases pursuant to Section 57-7-1 do not necessarily require fair market value, but should be made for good and valuable consideration. *Brown* at * 3 (Aug. 9, 2002) (citing MS AG Op., *Moffett* (Feb. 12, 1999)).

If this office may be of any further assistance to you, please do not hesitate to contact us.

Sincerely,

LYNN FITCH, ATTORNEY GENERAL

By: */s/ Caleb A. Pracht*

Caleb A. Pracht
Special Assistant Attorney General

OFFICIAL OPINION