


Family-Land and Love Amidst Extraction: Perspectives on Heirs' Property in Eastern Kentucky

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The Team

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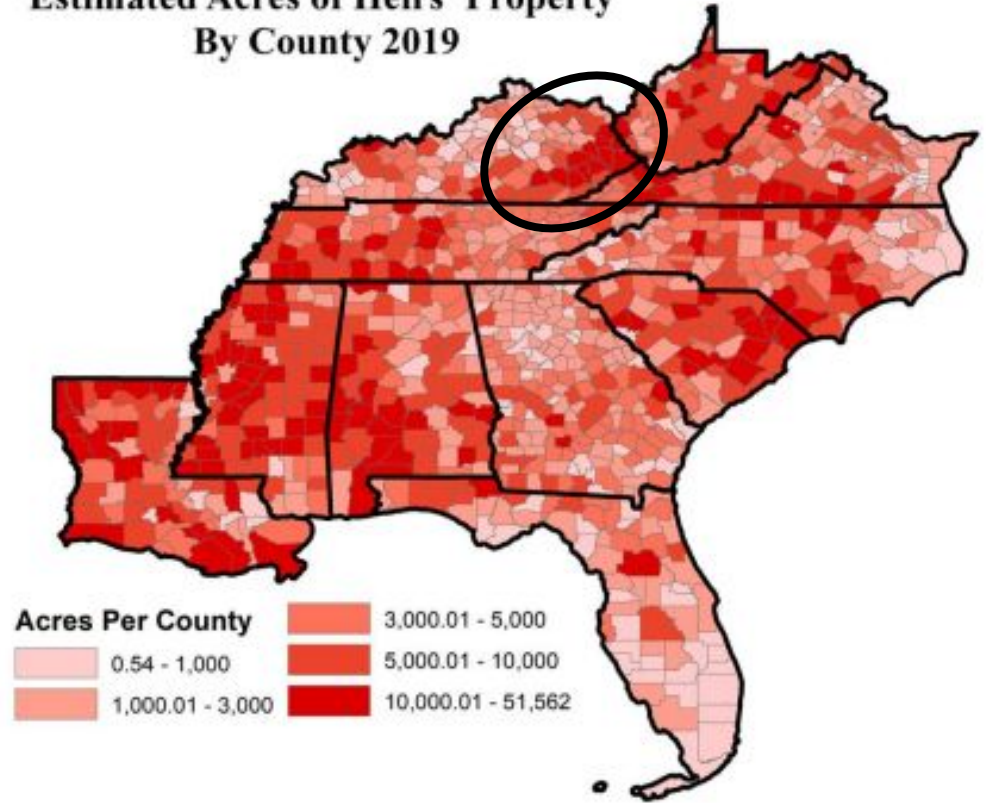
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Part 1: Context – Heirs’ Property in Eastern Kentucky



Figure 1: Acres of Heirs' Property Per County

**Estimated Acres of Heirs' Property
By County 2019**

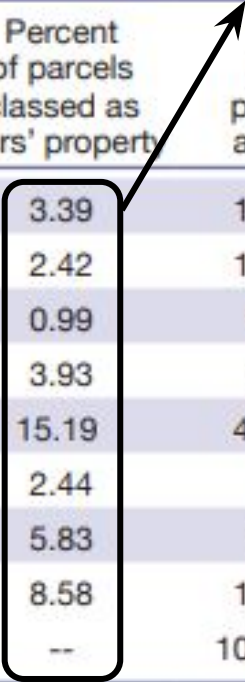


**Eastern
Kentucky has
high
proportion of
heirs' property**

Table 1 – Heirs’ property characteristics for Clay, Harlan, Knox, Lee, Leslie, Letcher, McCreary, and Owsley Counties, KY

	Number of county parcels	Number of heirs’ parcels	Percent of parcels classed as heirs’ property	Heirs’ property acreage	Heirs’ property assessed value	Percent manufactured housing
Clay	11,622	343	3.39	12,431.16	\$8,433,100	30.1
Harlan	17,331	354	2.42	10,645.25	\$4,373,853	21.6
Knox	16,995	149	0.99	5,732.05	\$2,818,465	30.6
Lee	4,128	141	3.93	8,036.40	\$2,631,625	24.9
Leslie	8,468	1,255	15.19	45,545.88	\$23,106,924	41.3
Letcher	13,839	338	2.44	360.70	\$1,907,300	27.6
McCreary	8,602	476	5.83	8,368.81	\$10,743,652	28.5
Owsley	2,711	228	8.58	10,235.30	\$6,310,800	26.5
Total	83,696	3,284	--	101,355.55	\$60,325,719	--

Conservative



Sources: Parcel data: Digital Map Products and CoreLogic for 2017–2018. Manufactured housing data: Social Explorer (2017a).

Cassandra Johnson Gaither, “Appalachia’s “Big White Ghettos”: Exploring the Role of Heirs’ Property in the Reproduction of Housing Vulnerability in Eastern Kentucky,” In Heirs’ Property and Land Fractionation: Fostering Stable Ownership to Prevent Land Loss and Abandonment (2019.)

**Eastern
Kentucky & West
Virginia have a
high proportion
of heirs'
property and low
market values**

Figure 2: Heirs' Property Total Market Value Per County

Estimated Total Market Value
of Heirs' Property By County 2019

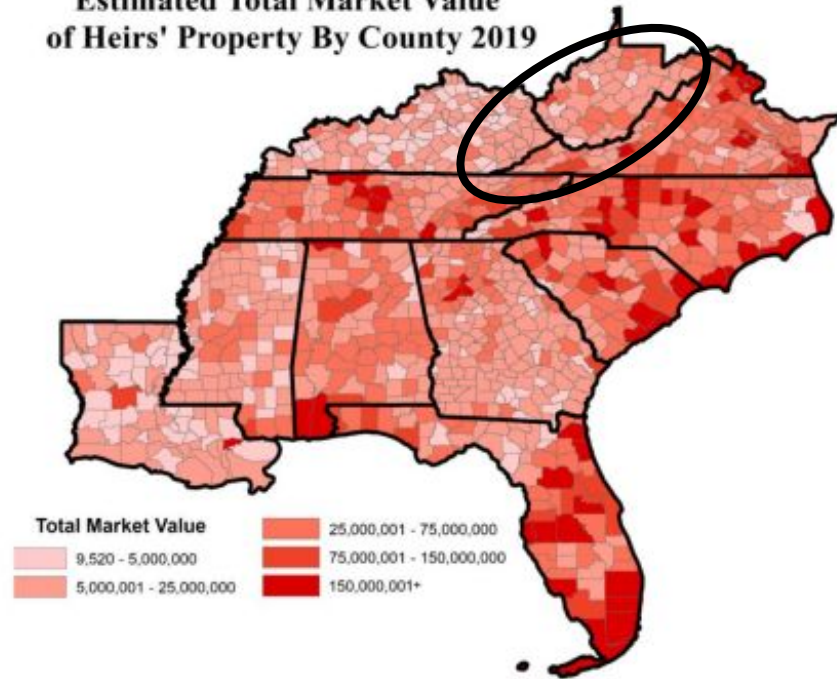


Table 4—Mean^a assessed property value properties for Clay, Harlan, Knox, Lee, L and Owsley Counties, KY.

County	Heirs' property ^b (dollars)	Non-heirs' property ^b (dollars)
Clay	24,658 (29,745)	36,139 (44,604)
Harlan	12,356 (16,155)	35,923 (44,107)
Knox	19,044 (34,245)	44,869 (56,369)
Lee	18,664 (31,920)	34,549 (41,946)
Leslie	18,530 (22,632)	27,657 (47,764)
Letcher	25,672 (27,249)	32,223 (43,922)
McCreary	23,007 (23,522)	39,928 (40,521)
Owsley	27,679 (28,498)	42,913 (44,846)

^a Mean for parcels with assessed values >0.

^b Number in parenthesis is standard deviation.

‘Heirs’ property values significantly lower than the mean values for non-heirs’ properties’



“May be fewer improvements or structures of any kind, whether manufactured or site-built homes, on heirs’ parcels.”



“Heirs’ parcels are less likely to be improved, thus resulting in underutilized capital.”

Cassandra Johnson Gaither, “Appalachia’s “Big White Ghettos”: Exploring the Role of Heirs’ Property in the Reproduction of Housing Vulnerability in Eastern Kentucky,” In Heirs’ Property and Land Fractionation: Fostering Stable Ownership to Prevent Land Loss and Abandonment (2019.)

Heirs' property in Eastern Kentucky exists within a land ownership matrix dominated by absentee corporation who primarily utilize the land for resource extraction

Corporate Surface Ownership: 12 Kentucky Counties

Appendix B

CORPORATE SURFACE ACREAGE BY COUNTY

<u>COUNTY</u>	<u>CORPORATE ACRES</u>	<u>PUBLIC ACRES</u>	<u>TOTAL PRIVATE ACRES IN SAMPLE</u>	<u>% CORP.</u>
Johnson	21,809	10,214	55,510	39%
Martin	58,878	0	92,627	64%
Floyd	13,835	32,227	58,420	24%
Pike	73,693	16,727	170,913	43%
Letcher	68,964	9,497	110,404	62%
Perry	55,474	3,901	99,462	56%
Knott	81,566	833	159,878	51%
Breathitt	44,211	14,165	159,145	28%
Knox	14,297	321	83,850	17%
Bell	64,117	26,304	115,723	55%
Laurel	2,940	84,807	55,677	5%
Harlan	165,733	9,487	212,382	78%
	665,517	208,483	1,373,991	48%

*Corporations own a total of 42% of all the surface land in the study counties (private + public). Government agencies states, and local units of government own 13% of the total.

Absentee Ownership - 12 Kentucky Counties

APPENDIX C
SURFACE
OUT OF STATE OWNERSHIP BY COUNTY
(Corporations + Individuals)

<u>COUNTY</u>	<u>ACRES</u>	<u>% PRIVATE LAND</u>	<u>TAXES</u>	<u>% OF TOTAL SAMPLE'S TAXES</u>
Johnson	29,719	54%	\$ 14,168	39%
Martin	74,521	80%	\$ 27,403	76%
Floyd	20,278	35%	\$ 11,057	25%
Pike	100,852	59%	\$ 87,634	62%
Letcher	55,867	51%	\$ 47,055	57%
Perry	38,726	39%	\$ 43,742	64%
Knott	28,515	18%	\$ 16,975	18%
Breathitt	67,589	42%	\$ 89,611	63%
Knox	28,251	34%	\$ 30,820	32%
Bell	57,520	58%	\$ 54,546	52%
Laurel	16,889	30%	\$ 22,104	29%
Harlan	152,024	72%	\$145,081	89%
	680,751	50%	\$590,196	54%

NOTE: Total out of county (corporations + individuals) ownership accounts for 1,045,287 acres, or 76% of the private sample surface land.

Not only is surface land concentrated in the hands of a small group of absentee corporate landowners...


But also, a concerning portion of the land that isn't owned by corporations is locked-up in heirship — dead capital.

Part 2: Purpose & Methodology




Purpose

The objective of this study is to determine how heirs' property owners (HPOs) and their communities understand their own personal and communal wealth and their perceptions of opportunities and barriers to building wealth in general, and the impact of heirs' property in particular.




Semi-Structured Interviews

Originally, two Community Engagement Coordinators (CECs) sought to interview a total of fifteen HPOs and who would be willing to participate in a semi-structured interview with questions focused on their experience with heirs' property.




Challenges

Despite being well established in their communities — and in the case of the CEC in Martin County, being a multigenerational resident — the CECs found it exceedingly difficult to collect accurate data about living HPOs. This is likely due to a combination of inaccurate property records and general unwillingness among HPOs to discuss their heirs' property




Semi-Structured Interviews

We decided it would be helpful to interview "community leaders" (i.e PVAs, attorneys, surveyors, judge executives, etc.) in order to get their perspective on the community wide impact of HP. Part of our concern was to triangulate between a household-centered view in the HPO interviews & a community-wide perspective in the leader interviews




Semi-Structured Interviews


Interviewed a total of 14 people; 6 leaders and 8 HPOs in 3 counties:

- 9 in Martin County - 3 leaders, 6 HPOs
 - 2 in Letcher County - 2 HPOs
 - 3 in Harlan County - 3 Leaders
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Methodology - Transcription

- Transcribed interviews for qualitative coding and quote capturing
 - Utilized Otter.ai but it failed to accurately transcribe the interviews, likely because the specific Appalachian dialect of our participants was not included in the datasets used to train the AI software.
 - In response to this technological barrier, we employed a long-time resident of Martin County to clean up the transcripts and record notes on how they interpreted the interviews.
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Methodology - Coding

- We identified a set of forty-five themes based on the semi-structured interview questions (a priori coding) and an initial survey of the interview transcripts (emergent coding).
 - The researchers then read carefully through all fourteen transcripts and quantified how many times each interviewee shared an experience or story that touched on any of the forty-five emergent themes, thereby “coding” the interviews.
 - Using a scoring system, we identified 13 “significant themes”
 - We also identified significant quotes that exemplified the themes.
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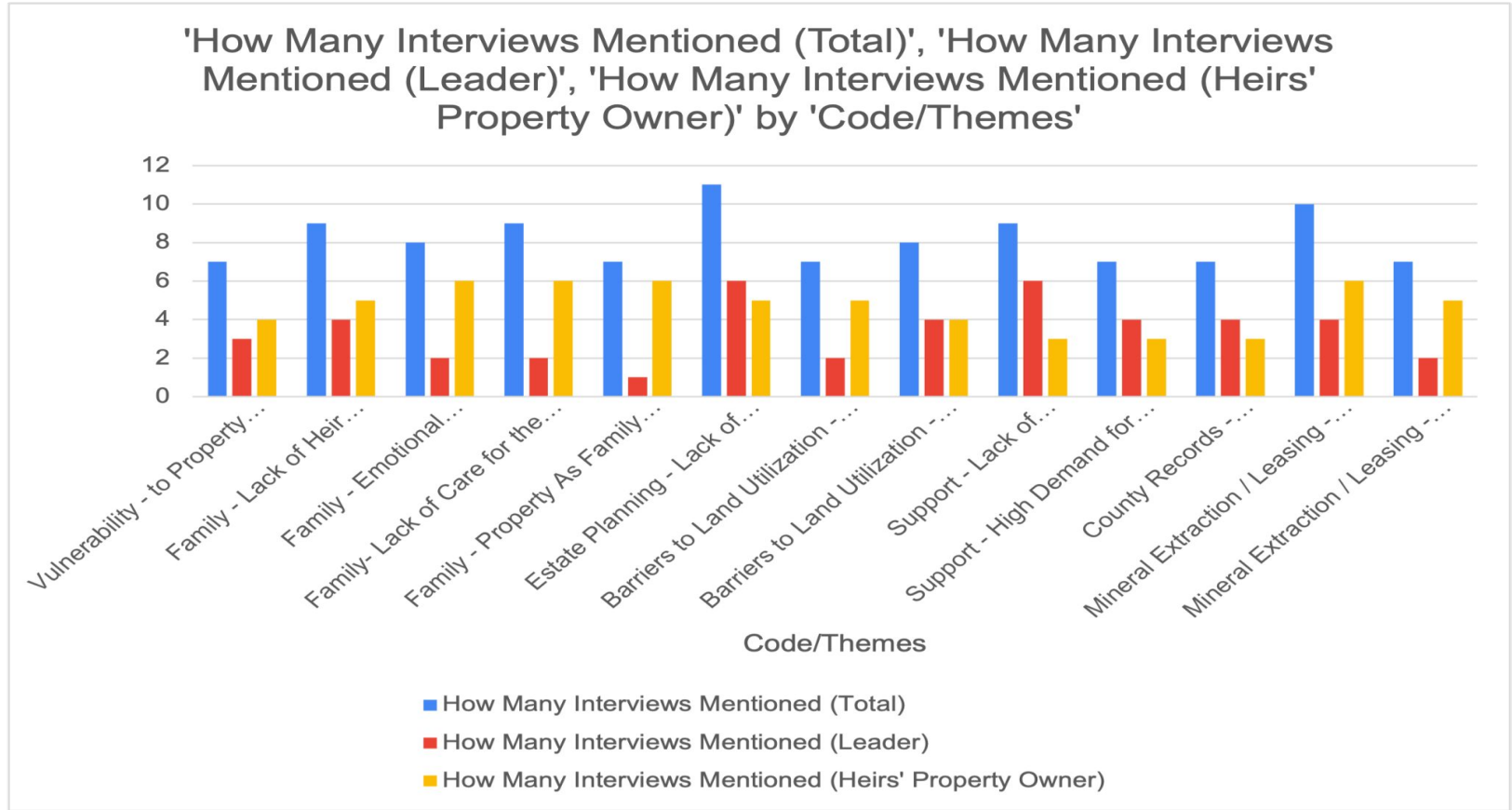
Part 3: Coding Results



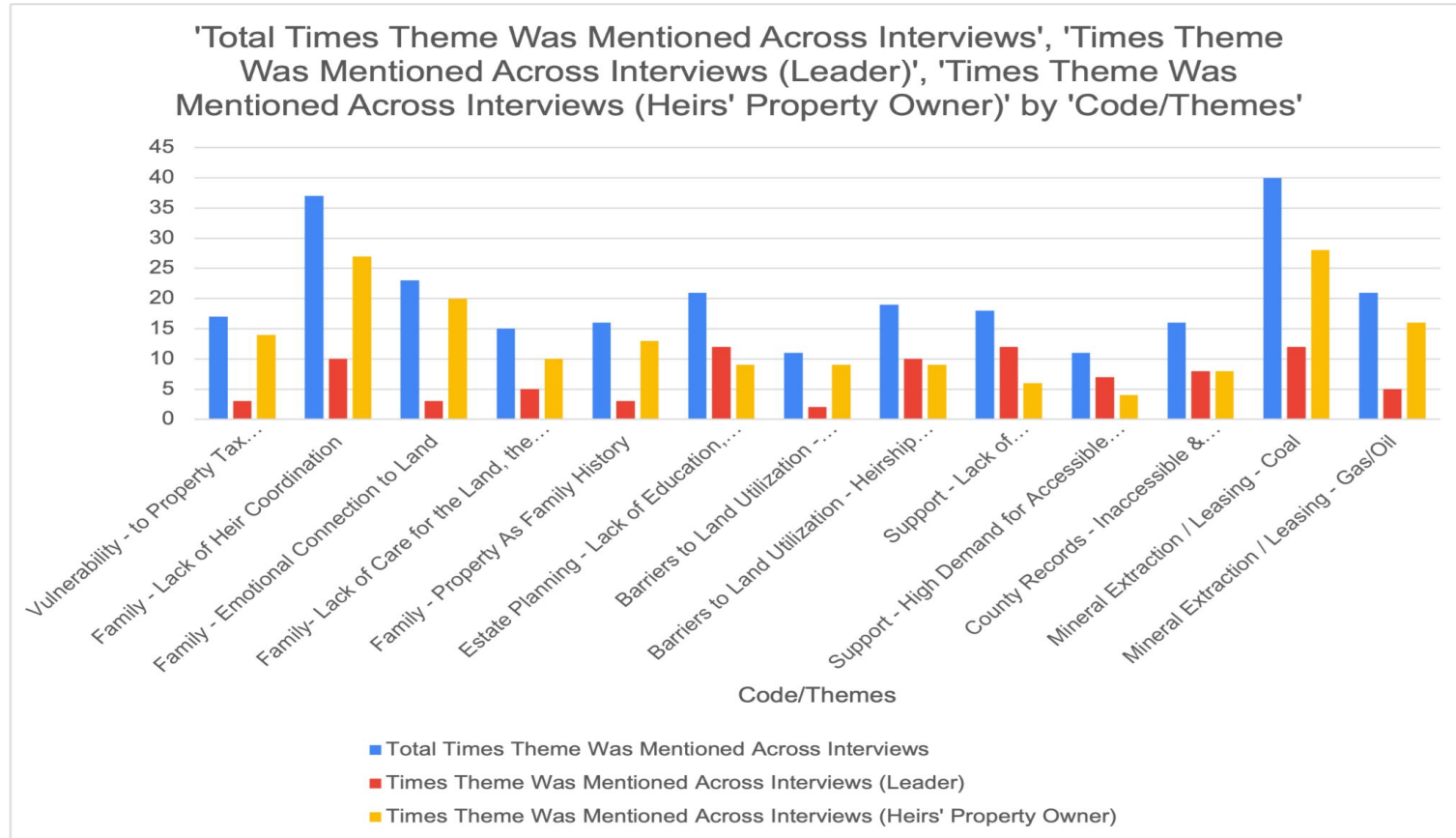
Methodology - Significant Themes

Code/Themes	How Many Interviews Mentioned (Total)	How Many Interviews Mentioned (Leader)	How Many Interviews Mentioned (Heirs' Property Owner)	Total Times Theme Was Mentioned Across Interviews	Times Theme Was Mentioned Across Interviews (Leader)	Times Theme Was Mentioned Across Interviews (Heirs' Property Owner)
Vulnerability - to Property Tax Delinquency	7	3	4	17	3	14
Family - Lack of Heir Coordination	9	4	5	37	10	27
Family - Emotional Connection to Land	8	2	6	23	3	20
Family- Lack of Care for the Land, the heirs' Property is a problem	9	2	6	15	5	10
Family - Property As Family History	7	1	6	16	3	13
Estate Planning - Lack of Education, Inaccessible	11	6	5	21	12	9
Barriers to Land Utilization - Terrain/Geology/Reclamation Status	7	2	5	11	2	9
Barriers to Land Utilization - Heirship Status	8	4	4	19	10	9
Support - Lack of Support/Programs/Attorneys (Negative)	9	6	3	18	12	6
Support - High Demand for Accessible Legal Services	7	4	3	11	7	4
County Records - Inaccessible & Unhelpful (Negative)	7	4	3	16	8	8
Mineral Extraction / Leasing - Coal	10	4	6	40	12	28
Mineral Extraction / Leasing - Gas/Oil	7	2	5	21	5	16

Methodology - Significant Themes



Methodology - Significant Themes



Part 4: Analysis



Argument:

Both the cause and effects of heirs' property are conflated by the historic and contemporary domination of extractive industry.

Argument (cont.):

Demographic shifts and the chaos, corruption, and underfunding of county administration in Eastern Kentucky – all of which are direct products of extractive industry – contributes to the regions' ungovernability and compounds the issue produced by heirs' property

Absenteeism – Context and Argument

Absentee-dominated extractive industries created an outmigration that has compounded the challenges of managing heirs' property; absentee corporate practices created absentee-owned heirs' property

- Surface mining shifted the coal industry away from being a labor-heavy industry, resulted in unemployment and the creation of the ‘hillbilly highway’; people moved to urban industrial centers like Detroit, Cleveland, Toledo, Cincinnati, etc and also Florida.
- Coordinating heirs for taxpaying and title clearing isn’t just a matter of gathering 100+ heirs, it’s about gathering a 100+ from across the country
- People who have never visited the property typically value the property differently; either see it as irrelevant, a burden; or as an opportunity for profit, particularly from resource extraction

“Appalachian Kentucky and West Virginia were severely depleted during the 1960s, too, when about 15 percent of their populations were lost due to the excess of out-migration over in-migration. The serious social and economic consequences for West Virginia and Kentucky become obvious when one realizes the enormity of the loss through migration during those three decades”

- *"The Invisible Minority: Urban Appalachians," Philliber, McCoy, & Dillingham (1981).*

Absenteeism - Demographic Shift Data

Table 3.1: Net Migration from Southern Appalachian Counties, 1940-70, by Decade

State	No. of counties†	Net Migration*					
		1940-50		1950-60		1960-70	
		Number	Rate**	Number	Rate**	Number	Rate**
Alabama	35	-137,010	-8.0	-205,821	-10.4	-73,463	-3.7
Georgia	34	-60,854	-10.5	-53,656	-31.8	+52,446	+7.8
Kentucky	49	-246,227	-22.1	-340,876	-31.8	-146,597	-15.9
Maryland	3	-10,543	-5.9	-14,751	-7.8	-2,057	-1.1
Mississippi	20	-94,878	-20.7	-90,324	-21.2	-34,861	-8.6
N. Carolina	29	-77,124	-9.4	-84,691	-9.6	-4,485	-0.5
S. Carolina	6	-23,578	-5.1	-40,593	-7.8	-3,807	-0.6
Tennessee	50	-62,162	-4.6	-173,871	-11.4	-45,514	-2.8
Virginia	21						
	(+5++)	-69,234	-13.7	-117,798	-22.2	-74,133	-14.8
W. Virginia	55	-204,763	-10.7	-446,711	-22.3	-259,528	-13.9
Total	303						
	(+5++)	-986,373	-10.9	-1,569,092	-16.3	-591,999	-6.1

Philliber, William W.; McCoy, Clyde B.; and C., Harry Dillingham, "The Invisible Minority: Urban Appalachians" (1981). Appalachian Studies. 12. https://uknowledge-uky-edu.ezproxy.uky.edu/upk_appalachian_studies/12

Absenteeism - Quotes


*Most [heirs] live away from here, but you've got a handful that are still here, that I think a lot of them want to keep property. Versus **the ones that are away, who are not attached.** - HPO*

*I go on the property once every two or three years. And, I'd say I'm the only one that goes on it at all [...] I guarantee you that 90% of them have never seen it. And that's 90% of our Heirship 90%, maybe 100% of the [redacted] Heirship and 99% of the [redacted] Heirship. **Never seen it. Don't know where it is.** - HPO*

*[Imitating absentee heirs:] I know that I've got an interest in 1000 acres up there or that 50 acres up there. And Donnie Sue is paying the taxes on it. And she asked us to chip in and sometimes we chip in and sometimes we don't worry about it. It's there in Harlan County, or Leslie County. It doesn't affect me, I live in California, Cincinnati, **whatever it doesn't affect me, but I own a piece.** - Leader*

Extraction, Leasing, Geography, Reclamation, and Land Access - Context and Argument

*Mining and enclosure of corporate-owned land has cut off access to heirs
Property and/or scaring heirs into not utilizing the property, creating a de-facto
dispossession*

- It only takes one heir to sign a mining lease, mining is not considered ‘wasting’ the property
 - All the roads to the property go through enclosed company land
 - Surface mining, including mountain-top-removal, can make the ground water toxic and can the property unusable for agricultural production
 - Heirs are afraid to do anything with the property if it’s leased because they think their use of the property will violate the lease
 - Reclamation periods last for a very long time and are not always active
- 

Extraction, Leasing, Geography, Reclamation, and Land Access - Quotes

*When we sit here and watch the top of the mountain drop 500 feet and couldn't do a thing because CONSOL Coal said they own it. **That's a war. That's something that is going on all over Appalachia.*** - HPO

Coal company can buy one Heir's right and then [they] own it, [they] go ahead mine" - Leader

What we experienced people that had been dead years and put them on these notices that you're putting in the paper saying, we're going to mine your land, they don't care, they're dead, notify the people. And that was one of the problems that we have been able to stand on, they never notified us. Even when we told them, they would continue to violate the law - HPO

*All these gas companies, they hang on to these leases. **We have no rights.***
-HPO


Family, Land, & Love - Quotes

I was born on this property. And I just had a heart for it back then I was just a kid and you know, and it's like, I always in my mind always wanted to come back [...] I say to myself, I said, you know, I should just sell everything, all timber and just move away like everybody else. But I can't do that. I can't do that. - HPO

*Just you know, as we grew up there, we were a big family and you know, Christmases, holidays and stuff. They all came and gathered there. So that's, you know, that was kind of the rock [...] I would love to see that property back the way it was when we grew up on it. **I would love to see the old two story house rebuilt on it.** -HPO*


[There are] Beautiful places [in this county]. And we owned, kept them up, kept them in the family. -HPO

*You got people that have inherited this land, people that don't want to let it go, because, you know, their mother or their grandmother, you know, worked hard to get that land... **in this generation, you don't really I don't think that emphasis is there.** - HPO*



Property Records & Taxes - Context & Argument

Low tax rates for property-owning corporations, corruption, the persistent poverty created by the collapse of the historic mono-economy, the fractionalization of government responsibilities, the metes and bounds system, and general underfunding has created:

- An awfully messy land registry → people can't even find where there property is or don't know what gov't office to contact
 - Inaccurate mailing addresses → people are not notified of their tax delinquency
 - A private market for delinquent property taxes → aggressive and unequal foreclosures, seems to specifically target heirs' property
 - Boundary disputes → divides communities, lowers resilience
 - Disempowers heirs' property owners from challenging leasing parties
- 


Property Records & Taxes - Quotes

You read and you find it in the paper after it's happened. Oh, those are our properties delinquent again.
-HPO

Undoubtedly, there are situations where it just doesn't get paid. Probably because [the PVA] can't figure out who the heirs are. In order to send the bill to someone. There are properties on the tax roll that the addresses are listed as unknown. Because [the PVA does not] know who to send the bill to. - Leader

What happens with a property is, until a couple years ago, you didn't even have to have your address or name or nothing on your deeds or whatever. [The county government] didn't even know where to send the deed, and property tax too. - HPO

Down here [in Eastern Kentucky], they got all these metes and bounds. The surveys are all metes and bounds, you know. The chestnut tree standing on the corner to the property line is no longer there. The big rock that used to mark the other side is no longer there. - HPO



"And eventually, somebody may pay the taxes for a few years, and then realize that they can't do anything with the property and just say, 'I'm done.' I can't, you know? Just \$300-\$400 dollars, whatever it is, by that time, maybe six or seven? You just can't get 27 people together, and then soon as one of them pass, and the second generation passes, or third generation, then it becomes untenable. And then it's sold on the courthouse steps."

- Martin County Resident



Appalachian Heirs' Property Coalition

A Project of LiKEN Knowledge

If you would like to collaborate, contact Kevin Slovisky at kslovinsky@likenknowledge.org