

2024 Regular Session

SENATE BILL NO. 175

BY SENATOR LUNEAU

TAX/AD VALOREM. Constitutional amendment that provides relative to tax sales (2/3-CA13s1(A))

A JOINT RESOLUTION

1

2 Proposing to amend Article VII, Section 25 of the Constitution of Louisiana, relative to tax

3 sales; to provide for the collection of ad valorem taxes; to provide for the sale of lien

4 and privilege on immovable property; to provide for interest and penalties on

5 delinquent ad valorem taxes; to provide for the satisfaction of unpaid taxes and

6 termination of liens; to provide for the annulment and enforcement of tax lien

7 certificates; and to specify an election for submission of the proposition to electors

8 and provide a ballot proposition.

9 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members

10 elected to each house concurring, that there shall be submitted to the electors of the state, for

11 their approval or rejection in the manner provided by law, a proposal to amend Article VII,

12 Section 25 of the Constitution of Louisiana, to read as follows:

§25. ~~Tax Sales~~ **Collection of Ad Valorem Taxes**

13

14 Section 25.(A) ~~Tax Sales.~~ ~~(1)~~ There shall be no forfeiture of property for

15 nonpayment of **ad valorem taxes or other impositions. A political subdivision**

16 **shall have a lien and privilege on the property on which the ad valorem taxes or**

17 **other impositions are assessed securing the payment of the ad valorem taxes and**

1 other impositions, including any interest, costs, and penalties that may accrue
2 as provided by law.

3 (B) Sale of lien and privilege on immovable property. (1) ~~However, at~~ At
4 the expiration of the year in which the taxes are due, the tax collector, ~~without suit,~~
5 ~~and after giving notice to the delinquent in the manner provided by law~~ in
6 accordance with procedures established by law, shall advertise for sale the right
7 to receive payment of unpaid ad valorem taxes and other impositions together
8 with the lien and privilege securing the payment. The tax collector shall issue
9 a tax lien certificate identifying the holder, which in case of no purchaser shall
10 be the political subdivision, of the right to receive payment of the unpaid ad
11 valorem taxes and other impositions and the lien and privilege securing the
12 payment, which shall be prima facie evidence of the validity of the unpaid ad
13 valorem taxes and other impositions, the lien and privilege, and the assignment
14 of the right to receive payment of the unpaid ad valorem taxes and other
15 impositions and the lien and privilege. The tax lien certificate and the rights
16 which it evidences shall be transferable at will and without consent of the
17 property owner, ~~the property on which the taxes are due. The advertisement shall~~
18 ~~be published in the official journal of the parish or municipality, or, if there is no~~
19 ~~official journal, as provided by law for sheriffs' sales, in the manner provided for~~
20 ~~judicial sales. On the day of sale, the collector shall sell the portion of the property~~
21 ~~which the debtor points out. If the debtor does not point out sufficient property, the~~
22 ~~collector shall sell immediately the least quantity of property which any bidder will~~
23 ~~buy for the amount of the taxes, interest, and costs. The sale shall be without~~
24 ~~appraisalment. A tax deed by a tax collector shall be prima facie evidence that a valid~~
25 ~~sale was made.~~

26 (2) ~~If property located in a municipality with a population of more than four~~
27 ~~hundred fifty thousand persons as of the most recent federal decennial census fails~~
28 ~~to sell for the minimum required bid in the tax sale, the collector may offer the~~
29 ~~property for sale at a subsequent sale with no minimum required bid. The proceeds~~

1 ~~of the sale shall be applied to the taxes, interest, and costs due on the property, and~~
 2 ~~any remaining deficiency shall be eliminated from the tax rolls.~~ **The interest on**
 3 **delinquent ad valorem taxes and other statutory impositions shall accrue at a**
 4 **rate not to exceed one percent interest per month on a noncompounding basis.**
 5 **The penalty on each year's delinquent taxes and impositions shall not exceed**
 6 **five percent.**

7 (B) Redemption. (1) ~~The property sold shall be redeemable for three years~~
 8 ~~after the date of recordation of the tax sale, by paying the price given, including~~
 9 ~~costs, five percent penalty thereon, and interest at the rate of one percent per month~~
 10 ~~until redemption.~~

11 (2) ~~In the city of New Orleans, when such property sold is residential or~~
 12 ~~commercial property which is abandoned property as defined by R.S. 33:4720.12(1)~~
 13 ~~or blighted property as defined by Act 155 of the 1984 Regular Session, it shall be~~
 14 ~~redeemable for eighteen months after the date of recordation of the tax sale by~~
 15 ~~payment in accordance with Subparagraph (1) of this Paragraph.~~

16 (3) ~~In any parish other than Orleans, when such property sold is vacant~~
 17 ~~residential or commercial property which has been declared blighted, as defined by~~
 18 ~~R.S. 33:1374(B)(1) on January 1, 2013, or abandoned, as defined by R.S.~~
 19 ~~33:4720.59(D)(2) on January 1, 2013, it shall be redeemable for eighteen months~~
 20 ~~after the date of recordation of the tax sale by payment in accordance with~~
 21 ~~Subparagraph (1) of this Paragraph.~~

22 **(C) Satisfaction of Unpaid Taxes and Other Impositions and**
 23 **Termination of Lien and Privilege. The obligation to pay unpaid ad valorem**
 24 **taxes and other impositions may be satisfied by paying the amount due as**
 25 **provided by law. Upon satisfaction of the delinquent obligation, the lien and**
 26 **privilege securing the payment of the ad valorem taxes and other impositions**
 27 **is terminated.**

28 (C) **(D) Annulment of Tax Lien Certificate.** ~~No sale of property for taxes~~
 29 ~~shall be set aside for any cause, except on proof of payment of the taxes prior to the~~

1 ~~date of the sale, unless the proceeding to annul is instituted within six months after~~
2 ~~service of notice of sale. A notice of sale shall not be served until the final day for~~
3 ~~redemption has ended. It must be served within five years after the date of the~~
4 ~~recordation of the tax deed if no notice is given. The fact that taxes were paid on a~~
5 ~~part of the property sold prior to the sale thereof, or that a part of the property was~~
6 ~~not subject to taxation, shall not be cause for annulling the sale of any part thereof~~
7 ~~on which the taxes for which it was sold were due and unpaid. No judgment~~
8 ~~annulling a tax sale shall have effect until the price and all taxes and costs are paid,~~
9 ~~and until ten percent per annum interest on the amount of the price and taxes paid~~
10 ~~from date of respective payments are paid to the purchaser; however, this shall not~~
11 ~~apply to sales annulled because the taxes were paid prior to the date of sale. A tax~~
12 ~~lien certificate may be annulled as established by law.~~

13 ~~(D)~~ Quieting Tax Title. The manner of notice and form of proceeding to quiet
14 tax titles shall be provided by law.

15 (E) Enforcement of Tax Lien Certificate. No action to enforce a tax lien
16 certificate may be filed less than three years after recordation of the tax lien
17 certificate. Procedures to enforce a tax lien certificate are as provided by law.

18 ~~(E)~~(F) Movables; Tax Sales. When taxes on movables are delinquent, the tax
19 collector shall seize and sell sufficient movable property of the delinquent taxpayer
20 to pay the tax, whether or not the property seized is the property which was assessed.
21 Sale of the property shall be at public auction, without appraisalment, after ten days
22 advertisement, published within ten days after date of seizure. It shall be absolute
23 and without redemption.

24 If the tax collector can find no corporeal movables of the delinquent to seize,
25 he may levy on incorporeal rights, by notifying the debtor thereof, or he may proceed
26 by summary rule in the courts to compel the delinquent to deliver for sale property
27 in his possession or under his control.

28 ~~(F)~~(G) Postponement of Taxes. The legislature may postpone the payment
29 of taxes, but only in cases of overflow, general conflagration, general crop

1 destruction, or other public calamity, and may provide for the levying, assessing, and
2 collecting of such postponed taxes. In such case, the legislature may authorize the
3 borrowing of money by the state on its faith and credit, by bond issue or otherwise,
4 and may levy taxes, or apply taxes already levied and not appropriated, to secure
5 payment thereof, in order to create a fund from which loans may be made through
6 the Interim Emergency Board to the governing authority of the parish where the
7 calamity occurs. The money loaned shall be applied to and shall not exceed the
8 deficiency in revenue of the parish or a political subdivision therein or of which the
9 parish is a part, caused by postponement of taxes. No loan shall be made to a parish
10 governing authority without the approval of the Interim Emergency Board.

11 Section 2. Be it further resolved that this proposed amendment shall be submitted to
12 the electors of the state of Louisiana at the statewide election to be held on November 5,
13 2024.

14 Section 3. Be it further resolved that on the official ballot to be used at said election
15 there shall be printed a proposition, upon which the electors of the state shall be permitted
16 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
17 follows:

18 Do you support an amendment to eliminate the sale of land to collect past
19 due property taxes and to authorize instead, the sale of a lien securing the
20 payment of property taxes to the parish or city?

21 (Amends Article VII, Section 25)

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Danielle Clapinski.

DIGEST

SB 175 Original 2024 Regular Session Luneau

Present Constitution prohibits the forfeiture of property for nonpayment of taxes. However, when the year in which taxes are due expires, the collector is required with notice of delinquency to the taxpayer and without suit to advertise the property on which the taxes are due for sale. Advertisement shall be published in the official journal of the parish or municipality or as provided by law for sheriff's sales.

Proposed Constitution retains present constitution and authorizes a political subdivision to issue a lien and privilege on the property on which the ad valorem taxes or other impositions are assessed in order to secure payment of the ad valorem taxes and other impositions. The

tax collector issues a tax lien certificate identifying the holder of the right to receive payment of the unpaid ad valorem taxes and other impositions. The tax lien certificate and the rights which it evidences shall be transferable at will and without consent of the property owner. Proposed constitution provides that interest accrues at a rate not to exceed 1% per month on a noncompounding basis and that the penalty shall not exceed 5%.

Present Constitution provides that property sold in a tax sale is redeemable for three years after the date of recordation of the tax sale, by paying the price given, including costs, 5% penalty thereon, and interest at the rate of 1% per month until redemption.

Proposed Constitution repeals present constitution and authorizes the satisfaction of unpaid taxes and termination of the tax lien and privilege. The obligation to pay unpaid ad valorem taxes and other impositions are satisfied by paying the amount due as provided by law, and upon satisfaction of the delinquent obligation, the lien and privilege securing the payment of the ad valorem taxes and other impositions is terminated.

Present Constitution provides that no sale of property for taxes is to be set aside for any cause, except on proof of payment of the taxes prior to the date of the sale, unless the proceeding to annul is instituted within six months after service of notice of sale. A notice of sale is not be served until the final day for redemption has ended and must be served within five years after the date of the recordation of the tax deed if no notice is given.

Proposed Constitution repeals present constitution and provides that a tax lien certificate may be annulled as established by law.

Present Constitution provides that the manner of notice and form of proceeding to quiet tax titles are as provided by law.

Proposed Constitution repeals present constitution and authorizes the enforcement of tax lien certificates. Provides that no action to enforce a tax lien certificate may be filed less than three years after recordation of the tax lien certificate. Further provides procedures to enforce a tax lien certificate are as provided by law.

Specifies submission of the amendment to the voters at the statewide election to be held on November 5, 2024.

(Amends Const. Art. VII, Sec. 25)