

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 659** HLS 24RS 427

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 20, 2024 7:10 PM	Author: PHELPS
Dept./Agy.: Local Government	Analyst: Deborah Vivien
Subject: Increases penalties for tax sale property provisions	

TAX/PROPERTY OR NO IMPACT LF RV See Note Page 1 of 1
Increases certain penalties relative to certain prohibited actions regarding tax sale property

Current law prohibits the eviction, charging of lease or rental payments or placing construction or improvements during the redemptive period for property acquired in a tax sale. Current law authorizes a penalty on the purchaser of 5% of the acquisition price and 5% of any amount paid by the tax debtor residing in the tax sale property for rent or lease payments imposed during the redemptive period, whether property is involved in a tax sale or adjudicated sale. No party is specified to impose, collect or appropriate/distribute any proceeds from the penalties.

Proposed law retains current law and increases the penalty from 5% to 20% of the acquisition price and from 5% to 20% of any amount paid by the tax debtor residing in the tax sale property for rent or lease payments imposed during the redemptive period.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

It is not clear how the penalties are imposed, collected or utilized, thus it is not clear where the impacts would accrue. The LFO can find no evidence that these penalties have been imposed or collected under current law or whether this language is interpreted by any collectors to authorize such actions.

According to the LA Sheriff Association 2023 publication on Ad Valorem Tax Collection, "The Collector has no authority to settle disputes arising between the tax sale purchaser and the owner(s) of record. The role of the Collector is to administer, collect and distribute the tax due, conduct tax sales of delinquent properties and to calculate and perform redemptions within the redemptive period as provided by law" (page 23).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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Legislative Fiscal Officer