

2024 Regular Session

HOUSE BILL NO. 659

BY REPRESENTATIVE PHELPS

TAX/PROPERTY: Increases certain penalties relative to certain prohibited actions regarding tax sale property

1 AN ACT

2 To amend and reenact R.S. 47:2158.1(B) and 2231.1(B), relative to tax sale property; to
3 provide for the rights of owners of certain tax sale property; to provide for penalties
4 for certain violations; to increase the penalties for certain violations; and to provide
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:2158.1(B) and 2231.1(B) are hereby amended and reenacted to
8 read as follows:

9 §2158.1. Prohibition of certain actions; exceptions

10 * * *

11 B. The acquiring person shall not be entitled to or charge any rental or lease
12 payments to the owner or occupants and shall not place any constructions on or make
13 any improvements to the tax sale property during the redemptive period. An
14 acquiring person who violates the provisions of this Section shall be subject to a
15 penalty of five percent of the price paid by the acquiring person for tax title, ~~and~~ five
16 percent of any amounts paid by the tax debtor who is the owner of and who is
17 residing in the tax sale property for rental or lease payments, and shall forfeit any
18 right to claim any statutory imposition associated with the property other than the

1 delinquent amount of unpaid ad valorem taxes if the property is redeemed during the
 2 redemptive period. The penalty shall accrue from the time the acquiring person took
 3 possession of the property until the time the property is redeemed. Furthermore,
 4 nothing in this Section shall be construed to limit the rights of a tax debtor who is the
 5 owner of and who is residing in the tax sale property to recover rental or lease
 6 payments paid to an acquiring person in violation of the provisions of this Section.

7 * * *

8 §2231.1. Prohibition of certain actions; exceptions

9 * * *

10 B. The acquiring person shall not be entitled to or charge any rental or lease
 11 payments to the owner or occupants and shall not place any constructions on or make
 12 any improvements to the tax sale property during the redemptive period. An
 13 acquiring person who violates the provisions of this Section shall be subject to a
 14 penalty of five percent of the price paid by the acquiring person for tax title, and five
 15 percent of any amounts paid by the tax debtor who is the owner of and who is
 16 residing in the tax sale property for rental or lease payments, and shall forfeit any
 17 right to claim any statutory imposition associated with the property other than the
 18 delinquent amount of unpaid ad valorem taxes if the property is redeemed during the
 19 redemptive period. The penalty shall accrue from the time the acquiring person took
 20 possession of the property until the time the property is redeemed. Furthermore,
 21 nothing in this Section shall be construed to limit the rights of a tax debtor who is the
 22 owner of and who is residing in the tax sale property to recover rental or lease
 23 payments paid to an acquiring person in violation of the provisions of this Section.

24 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 659 Engrossed

2024 Regular Session

Phelps

Abstract: Requires a person acquiring tax sale title to property to forfeit any right to claim any statutory imposition associated with property acquired through a tax sale other than the delinquent amount of unpaid taxes if the acquiring person improperly charges rent or lease payments or improperly evicts a property owner who is residing in tax sale property during the redemptive period.

Present law (R.S. 47:2121 et seq.) provides the procedures for the payment and collection of property taxes, including the procedures for the sale of property for the collection of delinquent ad valorem property taxes.

Present law (R.S. 47:2158) provides that when necessary to comply with an order of a political subdivision for the purpose of enforcing property standards, upon the presentation of the order and a certified copy of a tax sale certificate for immovables to a judge, the judge shall grant ex parte an order of seizure and possession, commanding the sheriff to seize the property and place the purchaser in actual possession.

Present law authorizes a purchaser to take actual possession without the order with the consent or acquiescence of the tax debtor or otherwise, provided no force or violence is used. Present law prohibits a tax debtor who is an owner of and who is residing in the tax sale property from being subject to any eviction proceeding or a writ of possession pursuant to present law during the redemptive period.

Present law (R.S. 47:2231) provides that after the tax sale certificate is filed, the political subdivision may institute a suit in the district court of the parish in which the property is located to obtain possession of the adjudicated property. Authorizes the suit to be tried by summary proceeding and with costs of court being paid out of the first revenue received from the sale of the tax sale property.

Present law (R.S. 47:2231.1) prohibits a tax debtor who is an owner of and who is residing in the tax sale property adjudicated to a political subdivision from being subject to any eviction proceeding or suit to obtain possession pursuant to present law during the redemptive period.

Present law (R.S. 47:2158.1 and 2231.1) prohibits the acquiring person from charging any rental or lease payments from the owner or occupants and prohibits constructions and improvements during the redemptive period by the acquiring person to the tax sale property. Further provides for a penalty for violations of present law payable by an acquiring person of 5% of the price paid by the acquiring person for tax title and 5% of any amounts paid by the tax debtor who is the owner of and who is residing in the tax sale property for rental or lease payments. The penalty shall accrue from the time the acquiring person took possession of the property until the time the property is redeemed.

Proposed law retains present law but adds a penalty for an acquiring person to forfeit any right to claim any statutory imposition associated with the property acquired through a tax sale other than the delinquent amount of unpaid taxes if the acquiring person improperly charges rent or lease payments or improperly evicts a property owner who is residing in tax sale property during the redemptive period.

(Amends R.S. 47:2158.1(B) and 2231.1(B))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Removes the increase in penalties for violations of present law payable by an acquiring person from 5% of the price paid by the acquiring person for tax title and 5% of any amounts paid by the tax debtor who is the owner of and who is residing in the tax sale property for rental or lease payments to 20% of the price paid by the acquiring person for tax title and 20% of any amounts paid by the tax debtor who is the owner of and who is residing in the tax sale property for rental or lease payments.
2. Adds a penalty of forfeiture of any right of a person acquiring tax sale title to claim any statutory imposition associated with property acquired through a tax sale other than the delinquent amount of unpaid taxes if the acquiring person improperly charges rent or lease payments or improperly evicts a property owner who is residing in tax sale property during the redemptive period.