

2024 Regular Session

HOUSE RESOLUTION NO. 69

BY REPRESENTATIVE MANDIE LANDRY

TAX/AD VALOREM TAX: Requests the La. State Law Institute to study bidding procedures for tax sale property

1 A RESOLUTION

2 To urge and request the Louisiana State Law Institute to study and make recommendations
3 regarding bidding procedures for tax sale property and to submit a report of its
4 findings and recommendations to the legislature no later than February 1, 2025.

5 WHEREAS, R.S. 47:2153 requires tax collectors to send written notice no later than
6 the first Monday of February of each year to each tax notice party when a tax debtor has not
7 paid all of the statutory impositions which have been assessed on immovable property; and

8 WHEREAS, statutory impositions on immovable property are required to be paid
9 within twenty days after the tax collector sends written notice to the tax debtor or as soon
10 thereafter as possible before the tax sale is scheduled in order to stop the tax sale title of the
11 property from being sold at a tax sale in accordance with the law; and

12 WHEREAS, after property goes to a tax sale and within ninety days of the expiration
13 of the redemptive period, the tax collector is required to provide written notice to each tax
14 notice party that the tax sale title to the property has been sold at tax sale and that after
15 expiration of the redemptive period, the property cannot be redeemed; and

16 WHEREAS, R.S. 47:2153(B)(5) provides that on the day of the tax sale, the tax
17 collector shall sell the portion of the property which the debtor points out or if the debtor
18 does not point out any property, the tax collector shall sell the least quantity of the property,
19 determined by undivided interests, which any bidder may buy for the amount of taxes,
20 interest, penalties, and costs; and

1 WHEREAS, the purchase price or bid price shall be the amount of taxes, interest,
2 penalties and costs, and the bidding is by undivided interests with the initial bid being one
3 hundred percent and thereafter declining from the initial bid; and

4 WHEREAS, the tax collector may determine and establish that the least quantity that
5 can be sold by undivided interests is one percent or less of the whole; the tax sale shall
6 convey, and the purchaser shall take, tax sale title in the undivided interest bid in the entirety
7 of the property, or in the case of separate assessments for undivided interests in the property,
8 tax sale title in the undivided interest bid in the entirety of the undivided interest, intended
9 to be assessed and sold as it was owned by the delinquent tax debtor regardless of any error
10 in the dimensions or description of the property as assessed and sold; and

11 WHEREAS, in cases where tax sales for unpaid property taxes are conducted online,
12 tax collectors host an annual tax sale auction for participants to purchase a lien on tax sale
13 property and obtain a tax sale title with a tax sale certificate being issued to the winning
14 bidder; and

15 WHEREAS, if more than one bidder places a bid on the same property during the tax
16 sale auction, bidders bid down the percentage of undivided ownership interest in the property
17 they are willing to accept, with the lowest interest being one percent; and

18 WHEREAS, if more than one bidder bids the minimum one percent bid, the bidder
19 who first submits the one percent bid is deemed the winning bidder; and

20 WHEREAS, because these auctions are conducted online, bidders are allowed to
21 submit initial bids of one percent on the tax sale property which could work to eliminate
22 competition among bidders; and

23 WHEREAS, online bidding platforms should have safeguards in place to ensure that
24 all bidders have equal opportunities to place bids; and

25 WHEREAS, consideration should be given as to whether it is more advantageous
26 from the standpoint of encouraging investors who want to make long-term investments in
27 property in this state to change the bidding procedure from one where a minimum one
28 percent undivided ownership is the lowest bid that can be accepted to a system where
29 bidders are bidding down the interest rate on their return on investment to be paid to the

1 winning bidder and the tax sale would be for one hundred percent tax title ownership in the
2 property; and

3 WHEREAS, by switching the focus of a tax sale to one where long-term investment
4 is preferred, bidders would be disincentivized to bid the one percent ownership interest; and

5 WHEREAS, if the ultimate goal of a tax sale is to promote long-term investment in
6 property and to return blighted or abandoned property back into commerce, alternative
7 procedures to bidding on tax sale property should be considered that encourage bidders
8 willing to make long-term investment in properties, including renovations and updates on
9 blighted or abandoned property, to participate in tax sales; and

10 WHEREAS, the state and local governments have an interest in providing a
11 competitive tax sale bidding process that will encourage bidders with an interest in making
12 long-term investments in properties that may otherwise be blighted or abandoned, to
13 participate in tax sales.

14 THEREFORE, BE IT RESOLVED that the House of Representatives of the
15 Legislature of Louisiana does hereby urge and request the Louisiana State Law Institute to
16 study and make recommendations regarding bidding procedures and to submit a report of
17 its findings and recommendations to the legislature no later than February 1, 2025.

18 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
19 director of the Louisiana State Law Institute.

20 BE IT FURTHER RESOLVED that the Louisiana State Law Institute shall submit
21 one print copy and one electronic copy of any report produced pursuant to this Resolution
22 to the David R. Poynter Legislative Research Library as required by R.S. 24:772.

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)]

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