

2024 Regular Session

SENATE BILL NO. 119

BY SENATOR MILLER

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

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 25 of the Constitution of Louisiana, relative to ad valorem tax; to provide for the administration of tax sales of immovable property; to provide for the postponement of taxes under certain circumstances; and to specify an election for submission of the proposition to electors and provide a ballot proposition.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 25 of the Constitution of Louisiana, to read as follows:

§25. Tax Sales **Administration**

Section 25.(A) ~~Tax Sales~~ **Immovables**. (1) There shall be no forfeiture of property for nonpayment of taxes. However, **the assessment of ad valorem taxes and other impositions on immovable property shall constitute a lien and privilege on the property assessed in favor of the political subdivision to which taxes and other impositions are owed. The legislature shall provide, by law, for the efficient administration of tax sales, which shall include at a minimum:**

1                    (a) Imposition of interest on the delinquent taxes and other impositions  
2                    not to exceed one percent per month on a noncompounding basis.

3                    (b) Imposition of penalty not to exceed five percent of the delinquent  
4                    taxes and other impositions.

5                    (c) A period of time during which the lien cannot be enforced.

6                    (d) A procedure for claiming the excess proceeds from the sale of the  
7                    property, as a result of the enforcement of the lien.

8                    (2) The legislature may, by law, provide authority to the tax collector to  
9                    waive penalties for good cause.

10                    ~~at the expiration of the year in which the taxes are due, the collector, without~~  
11                    ~~suit, and after giving notice to the delinquent in the manner provided by law, shall~~  
12                    ~~advertise for sale the property on which the taxes are due. The advertisement shall~~  
13                    ~~be published in the official journal of the parish or municipality, or, if there is no~~  
14                    ~~official journal, as provided by law for sheriffs' sales, in the manner provided for~~  
15                    ~~judicial sales. On the day of sale, the collector shall sell the portion of the property~~  
16                    ~~which the debtor points out. If the debtor does not point out sufficient property, the~~  
17                    ~~collector shall sell immediately the least quantity of property which any bidder will~~  
18                    ~~buy for the amount of the taxes, interest, and costs. The sale shall be without~~  
19                    ~~appraisement. A tax deed by a tax collector shall be prima facie evidence that a valid~~  
20                    ~~sale was made.~~

21                    ~~(2) If property located in a municipality with a population of more than four~~  
22                    ~~hundred fifty thousand persons as of the most recent federal decennial census fails~~  
23                    ~~to sell for the minimum required bid in the tax sale, the collector may offer the~~  
24                    ~~property for sale at a subsequent sale with no minimum required bid. The proceeds~~  
25                    ~~of the sale shall be applied to the taxes, interest, and costs due on the property, and~~  
26                    ~~any remaining deficiency shall be eliminated from the tax rolls.~~

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

1           until redemption:

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

7                   (3) ~~In any parish other than Orleans, when such property sold is vacant~~  
8           residential or commercial property which has been declared blighted, as defined by  
9           R.S. 33:1374(B)(1) on January 1, 2013, or abandoned, as defined by R.S.  
10          33:4720.59(D)(2) on January 1, 2013, it shall be redeemable for eighteen months  
11          after the date of recordation of the tax sale by payment in accordance with  
12          Subparagraph (1) of this Paragraph:

13                  (C) ~~Annulment. No sale of property for taxes shall be set aside for any cause,~~  
14          except on proof of payment of the taxes prior to the date of the sale, unless the  
15          proceeding to annul is instituted within six months after service of notice of sale. A  
16          notice of sale shall not be served until the final day for redemption has ended. It must  
17          be served within five years after the date of the recordation of the tax deed if no  
18          notice is given. The fact that taxes were paid on a part of the property sold prior to  
19          the sale thereof, or that a part of the property was not subject to taxation, shall not  
20          be cause for annulling the sale of any part thereof on which the taxes for which it  
21          was sold were due and unpaid. No judgment annulling a tax sale shall have effect  
22          until the price and all taxes and costs are paid, and until ten percent per annum  
23          interest on the amount of the price and taxes paid from date of respective payments  
24          are paid to the purchaser; however, this shall not apply to sales annulled because the  
25          taxes were paid prior to the date of sale:

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

28                  (E) ~~(B)~~ (B) ~~Movables; Tax Sales. When taxes on movables are delinquent, the tax~~  
29          collector shall seize and sell sufficient movable property of the delinquent taxpayer

1 to pay the tax, whether or not the property seized is the property which was assessed.  
2 Sale of the property shall be at public auction, without appraisalment, after ten days  
3 advertisement, published within ten days after date of seizure. It shall be absolute  
4 and without redemption.

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

9 ~~(F)~~(C) Postponement of Taxes. The legislature may postpone the payment  
10 of taxes, but only in cases of an emergency declared by the governor or a parish  
11 president pursuant to the Louisiana Homeland Security and Emergency  
12 Assistance and Disaster Act, ~~overflow, general conflagration, general crop~~  
13 ~~destruction, or other public calamity~~, and may provide for the levying, assessing, and  
14 collecting of such postponed taxes. In such case, the legislature may authorize the  
15 borrowing of money by the state on its faith and credit, by bond issue or otherwise,  
16 and may levy taxes, or apply taxes already levied and not appropriated, to secure  
17 payment thereof, in order to create a fund from which loans may be made through  
18 the Interim Emergency Board to the governing authority of the parish where ~~the~~  
19 ~~calamity occurs~~ taxes are postponed. The money loaned shall be applied to and  
20 shall not exceed the deficiency in revenue of the parish or a political subdivision  
21 therein or of which the parish is a part, caused by postponement of taxes. No loan  
22 shall be made to a parish governing authority without the approval of the Interim  
23 Emergency Board.

24 Section 2. Be it further resolved that this proposed amendment shall be submitted to  
25 the electors of the state of Louisiana at the statewide election to be held on November 5,  
26 2024.

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

1 follows:

2 Do you support an amendment to eliminate mandatory tax sales for  
3 nonpayment of property taxes and instead require the legislature to provide for such  
4 procedures by law; to limit the amount of penalty and interest on delinquent property  
5 taxes; and to provide for the postponement of property tax payments under certain  
6 circumstances?

7 (Amends Article VII, Section 25)

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

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DIGEST

SB 119 Engrossed

2024 Regular Session

Miller

Present Constitution does not allow the forfeiture of property for nonpayment of taxes. However, when the year in which taxes are due expires, the collector is required after giving notice of delinquency to the taxpayer and without suit to advertise the property on which the taxes are due for sale. Requires advertisement to be published in the official journal of the parish or municipality or as provided by law for sheriff's sales.

Proposed Constitution repeals present constitution provisions and requires the legislature to provide by law for the efficient administration of tax sales including notice provisions that satisfy due process requirements.

Present Constitution provides that property sold in a tax sale shall be 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 provisions and requires the legislature to provide by law for the efficient administration of tax sales including provisions related to a redemptive period, imposition of interest not to exceed 1% per month on a non-compounding basis, imposition of penalty not to exceed 5%, a time period that liens cannot be enforced, and a procedure for claiming excess proceeds from the sale of property as a result of the enforcement of a lien.

Proposed law allows the legislature, by law, to give authority to tax collectors to waive penalties for good cause.

Present Constitution provides that no sale of property for taxes shall 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 shall not be served until the final day for redemption has ended. It 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 provisions.

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

Proposed Constitution repeals present constitution provisions.

Present Constitution authorizes the legislature to postpone the payment of taxes only in cases of overflow, general conflagration, general crop destruction and other public calamity.

Proposed Constitution authorizes the legislature to postpone the payment of taxes only in cases of an emergency declared by the governor or a parish president pursuant to the Louisiana Homeland Security and Emergency Assistance and Disaster Act.

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)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Changes the name of Section 25 from "Tax Sales" to "Tax Administration".
2. Provides additional minimum requirements to be provided by the legislature for the administration of tax sales, including provisions related to when liens cannot be enforced and procedures for claiming excess proceeds from the property sale after enforcement of a lien.
3. Allows the legislature to provide authority to tax collectors to waive penalties for good cause.
4. Makes technical changes.