

RÉSUMÉ DIGEST

ACT 738 (HB 851)

2024 Regular Session

Phelps

New law provides that it is unlawful for any person, in connection with the issuance of a tax sale certificate or tax sale title to the property pursuant to existing law to knowingly do any of the following:

- (1) Employ a device, scheme, or artifice with intent to defraud the tax debtor.
- (2) Make an untrue statement of material fact with intent to defraud the tax debtor.
- (3) Receive any portion of the monies, funds, credits, assets, securities, or other property of the tax debtor in connection with the purchase of tax sale property when the recipient knows that the proceeds or other funds were paid as a result of a violation of new law.

New law provides for a penalty of imprisonment, with or without hard labor, for not more than two years, or a fine of not more than \$5,000, or both.

New law provides that in addition to the penalties provided in new law, a person convicted under new law shall forfeit all rights and claims to possession of the tax sale certificate and tax sale title to the property and shall be ordered to make full restitution to the victim and any other person who has suffered a financial loss as a result of the offense.

New law provides that if a person ordered to make restitution pursuant to new law is found to be indigent and therefore unable to make restitution in full at the time of conviction, the court shall order a periodic payment plan consistent with the person's financial ability.

New law defines the terms "person", "tax debtor", "tax sale property", and "tax sale title".

New law provides for a statement of legislative intent.

New law provides for provisions of new law with updated terminology relative to tax lien certificates and provides that these provisions will become effective on January 1, 2026, if the proposed constitutional amendment contained in Act No. 409 of the 2024 R.S. of the Legislature is adopted at a statewide election held on Dec. 7, 2024.

Effective upon signature of governor (June 19, 2024).

(Adds R.S. 14:71.3.1)