DIGEST

SB 393 Original   2024 Regular Session   Miller

Present law uses the term "taxes" throughout Chapter 5 of Subtitle III of Title 47 of the Louisiana Revised Statutes of 1950.

Proposed law amends present law and replaces "taxes" with "statutory impositions" throughout present law except when specifically referring to ad valorem taxes. "Statutory impositions" is defined in present law to include ad valorem taxes and other charges included on a property tax bill.

Present law provides that the purpose of present law includes the following:

(1)   Encourage the payment and efficient collection of property taxes.

(2)   Satisfy the requirements of due process.

(3)   Provide a fair process and statutory price for the redemption of tax sales and adjudicated property.

Proposed law repeals present law.

Present law defines the terms "acquiring person", "adjudicated property", "duly notified", "governmental lien", "send", "tax sale", "tax sale party", "tax sale property", "tax sale purchaser" and "tax sale title".

Proposed law repeals these definitions from present law.

Proposed law defines"delinquency obligation" as statutory impositions included in the tax bill that are not paid by the due date, plus interest, costs, and penalties that may accrue.

Proposed law defines "forbidden purchase nullity"as a nullity of an action conducted in violation of proposed law.

Proposed law defines "premium"as the amount paid at tax lien auction in excess of the statutory impositions, interest, penalty, and costs.

Proposed law defines "redemption price" as the amount calculated pursuant to proposed law that is required to be paid in order to redeem a tax lien certificate.

Proposed law defines "tax lien auction" as the sale of a delinquent obligation.

Proposed law defines "tax lien certificate" as the written instrument evidencing the delinquent obligation and the lien and privilege securing it that identifies the holder thereof.

Present law provides that delinquent ad valorem property taxes bear interest at a rate of 1% per month.

Proposed law clarifies that the 1% interest per month is on a non-compounding basis and allows for the imposition of a 5% penalty if statutory impositions remain unpaid after 90 days. Further provides that failure to pay statutory impositions allows the tax lien to be sold at tax lien auction and that a tax lien has priority over all mortgages, liens, privileges, and security interests.

Present law requires the tax collector to mail property tax bills to the tax debtor and each tax notice party. If the property is sold at tax sale, future tax bills are required to be sent to the tax sale purchaser.

Proposed law retains present law requirement that property tax bills be mailed to the tax debtor and each tax notice party. Further requires the tax bill to inform tax debtor if there is any unredeemed tax sale certificate or tax lien certificate.

Present law requires the tax collector to send written notice to each tax notice party when the tax debtor has not paid all the statutory impositions that have been assessed on immovable property. The notice informs recipients that if the statutory impositions are not paid within 20 days of sending of the notice, the tax sale title to the property will be sold.

Proposed law retains present law notice requirement to each tax notice party. Further requires the tax collector to include that assessment constitutes a lien and that if not paid within 20 days that the lien will either be retained by tax collector or sold at auction.

Present law requires the tax collector to seize, advertise, and sell tax sale title to property upon which delinquent taxes are due.

Proposed law repeals present law and requires the tax collector to advertise for sale by public auction the delinquent obligation for statutory impositions and the lien securing it.

Present law requires that the tax collector resend notice by first class mail to the tax debtor when the certified mail is returned. Further requires the tax collector to take additional steps to notify including:

(1)   Review the local telephone directory or internet for the tax debtor.

(2)   Contact the assessor for potential updated addresses or other properties assessed in the tax debtor's name.

(3)   Examine the mortgage and conveyance records of the parish where the property is located to determine whether there are any other transactions pertaining to the tax debtor.

(4)   Attempt personal or domiciliary service of the tax bill.

(5)   Post a notice of the tax lien auction at the property.

(6)   Perform a computer search of digitized records and data bases of the clerk of court or sheriff's office for addresses of other properties that may be assessed in the tax debtor's name.

Proposed law retains present law and requires that notice be re-sent to the occupant of the property as well.

Present law provides for the adjudication of property, including adjudication to political subdivisions, minimum bid prices, pre-bidding procedures, donations of adjudicated property, and the notice, form, affidavit, and disposition of proceeds from adjudicated property.

Proposed law repeals present law and provides procedures for when the tax collector elects to retain the tax lien and procedures for when the tax collector elects to sell the tax lien at auction.

Proposed law provides that a tax lien certificate prescribes five years after recordation unless an action to enforce tax lien is filed. Provides that if no action filed within five years, recorder of mortgages shall cancel the inscription upon request of an interested party. Further provides that the prescription period is suspended by filing of bankruptcy and otherwise suspended or interrupted as provided by law.

Proposed law provides that after three years from recordation of certificate, the tax lien certificate holder can institute proceeding to enforce a tax lien.

Proposed law requires that 90-180 days prior to filing an action to enforce the tax lien, tax lien certificate holder shall send notice to all tax lien certificate holders and to all tax auction parties.

Proposed law authorizes the tax lien certificate holder to make necessary repairs to the property to comply with a notice/order of the political subdivision charged with enforcement of property standards when authorized by a court.

Present law authorizes any person to request that notices sent to tax debtor also be sent to requesting party.

Proposed law retains present law but adds that any such request is valid only for the current year.

Proposed law provides a procedure for the tax lien enforcement process.

Proposed law provides for the redemption of the tax lien certificate by paying the redemption price.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as Senate Bill No. 119 of this 2024 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 47:1993, the headings of Chapter 5 and Part I of Subtitle III of Title 47 of the Louisiana Revised Statutes of 1950, R.S. 47:2122, 2124, 2126, 2127, 2130, 2132-2136, 2151, 2153-2156, 2158-2160, 2162, 2163, Part V of Chapter 5 of Subtitle III of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:2241-2247, the heading of Part VI and Subpart A of Chapter 5 of Subtitle III of Title 47 of the Louisiana Revised Statutes of 1950, 2266, 2286, 2287, and 2289, 2290, 2291(A) and (B); adds R.S. 47:2127.1, 2140, 2150, 2151.1, 2160.1, and 2267, and repeals R.S. 47:2121, 2123, 2128, 2131, 2152, 2157, 2161, Part IV of Chapter 5 of Subtitle III of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:2196-2238.9, R.S. 47:2271-2280, and 2288)