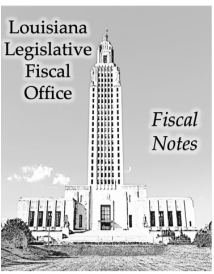


**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 851** HLS 24RS 1169  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 6, 2024	3:10 PM	<b>Author:</b> PHELPS
<b>Dept./Agy.:</b> Corrections		
<b>Subject:</b> Tax Sale Property Fraud		<b>Analyst:</b> Daniel Druilhet

CRIME OR SEE FISC NOTE LF EX Page 1 of 1  
 Creates the crime of tax sale property fraud

Proposed law creates the crime of tax sale property fraud; 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 or in violation of the prohibition against eviction, writ of possession, or suit to obtain possession against the owner of tax sale property or tax sale property adjudicated to a political subdivision to employ a device, scheme, or artifice with intent to defraud the tax debtor, make an untrue statement of material fact with intent to defraud the tax debtor, or 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 fraud; assesses a sentence of imprisonment for no more than two years, with or without hard labor, or a fine of \$5,000, or both, for those convicted; requires forfeiture of all rights and claims to the possession of the tax sale certificate and tax sale title to the property, full restitution to the victim or any other person who has suffered a financial loss as a result of the offense; provides applicable definitions.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

Proposed law may result in an indeterminable increase in SGF expenditures in the Department of Public Safety and Corrections – Corrections Services (DPSC – CS) or an increase in Local Funds expenditures if a person is convicted of tax sale property fraud. The exact fiscal impact of the passage of this legislation is indeterminable, since it creates a new crime, and it is not known how many people will be convicted nor the length of the sentences assessed with those convictions as a result of its potential enactment. Proposed law is a relative felony, and any impact on either local or state expenditures is contingent on whether offenders sustain either misdemeanor or felony-grade convictions for its violation.

For those convicted, sentenced, and then subsequently housed in a state facility, DPS&C-CS will sustain expenditures of \$107.60 per offender per day. For those convicted, sentenced, and then subsequently housed in a local facility, DPS&C-CS will sustain expenditures of \$26.39 per offender per day. DPS&C-CS advises that impacts on offender populations are anticipated to impact the number of offenders held in local facilities, and that in managing its offender population, it seeks to fill all beds in state facilities first, then assigns overflow offenders to local facilities.

Proposed law may result in an indeterminable increase in Local Funds expenditures to local governing authorities, to the extent that offenders sustain misdemeanor convictions for tax sale property fraud. The exact fiscal impact of the passage of this legislation to local governing authorities is indeterminable, since it is not known how many people will be convicted and incarcerated in local facilities, nor the length of the sentences assessed with those convictions as a result of its potential enactment. The maximum imprisonment term is no more than 2 years at the local level.

**REVENUE EXPLANATION**

Proposed law may result in an indeterminable increase in local revenues as a result of convictions of tax sale property fraud. The exact fiscal impact of the passage of this legislation on local revenue is indeterminable, as the fines that would be imposed on those convicted are optional, and the amount in fines that may be imposed may vary. The potential revenue will accrue to the local governing authority.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Patrice Thomas**  
 Deputy Fiscal Officer