

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 286** SLS 24RS 405

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 7, 2024	4:42 PM	Author: LUNEAU
Dept./Agy.: Local ad valorem taxing jurisdictions		Analyst: Deborah Vivien
Subject: Changes to ad valorem tax sale, enforcement and notice		

TAX/AD VALOREM

OR SEE FISC NOTE LF RV

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Provides relative to the assessment, payment and collection of ad valorem taxes. (See Act)

Current law provides for provisions regarding sales of property to satisfy delinquent ad valorem tax debt, including interest, penalties, liens, titles, notifications, enforcement, among other issues.

Proposed law includes numerous amendments and repeals to the language regarding ad valorem tax sales, including but not limited to local allowance of tax sales secured with a lien instead of title, enforcement and notification procedures by tax collectors and purchasers, and execution of judgments, disposal of excess proceeds, among other issues. Proposed law is applicable to tax sales conducted on or after January 1, 2025 but other provisions begin with tax year 2026.

Effective only after enactment and voter approval of SB ____ of 2024 Regular Session on November 5, 2024.

EXPENDITURES	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	
Annual Total						
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	
Annual Total						

EXPENDITURE EXPLANATION

The expenditure impact to local taxing jurisdictions in regard to this bill is indeterminate. The LFO has been in communication with multiple associations and agencies representing local governmental entities. To this point, many have been either non-responsive or unable to predict specific fiscal impacts that may result from adoption of the provisions included in the bill.

With the bills enactment depending on a November 2024 election, it is not clear whether all components of the bill can be achieved by local taxing authorities in the timeframes allowed in the bill or may require additional resources to expedite. Some dates required in the bill may pose problems for Orleans Parish, where ad valorem taxation occurs prospectively. The bill appears to remove some jurisdictional authority from the Board of Tax Appeals, which may allow for distribution of those resources to other areas of responsibility.

REVENUE EXPLANATION

The revenue impact to local taxing jurisdictions in regard to this bill is indeterminate. The LFO has been in communication with multiple associations and agencies representing local governmental entities. To this point, many have been either non-responsive or unable to predict specific fiscal impacts that may result from adoption of the provisions included in the bill.

It is not clear if changing the tax sale security from title to lien would shift marketability, though a more direct path to a clear title may be a consideration. Statutory impositions of penalty and interest appear to be the same as current law (Interest 1% simple interest monthly; Penalty 5% after 90 days), which could help maintain a similar purchaser pool.

LFO makes no determination whether any component of the law will lead to a change in redemption patterns beyond those currently experienced. However, any recipient of ad valorem taxes including those with direct millages or those with dedicated funds initiated from ad valorem taxes may be impacted positively or negatively by portions of the bill.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger

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Legislative Fiscal Officer