

2025 Regular Session

HOUSE BILL NO. 557

BY REPRESENTATIVE BRAUD

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/AD VALOREM TAX: Provides relative to adjudicated tax-delinquent property and the tax lien certificate process

1 AN ACT

2 To amend and reenact R.S. 47:2201(B) and 2266.1(A)(1), relative to ad valorem taxation;
3 to provide for ad valorem tax administration by political subdivisions; to provide
4 with respect to tax lien certificate property; to authorize conversion of certain
5 adjudicated property to tax lien certificate property; to provide for requirements
6 applicable to those conversions; to provide for enforcement of tax lien certificates;
7 to provide for a prior Act of the Legislature of Louisiana; to provide for
8 applicability; to provide for effectiveness; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:2201(B) and 2266.1(A)(1) are hereby amended and reenacted to
11 read as follows:

12 §2201. Ordinance; sale or donation of adjudicated property or certain tax lien
13 certificates; conversion of adjudicated property to tax lien certificates; sale
14 of immovable property to enforce a tax lien certificate held by a political
15 subdivision

16 * * *

17 B. A political subdivision may adopt ordinances which convert title to
18 adjudicated property held by the political subdivision to a tax lien certificate issued
19 to the political subdivision. The political subdivision shall file a tax lien certificate
20 with the recorder of mortgages for the parish in which the property is located. For

1 purposes of R.S. 47:2266.1(A), adjudicated property may be converted to a tax lien
2 certificate property, and the period of adjudication may be included in the three-year
3 period required for the tax lien certificate. If the conversion occurs after three years
4 from the recordation of the adjudication with the recorder of conveyances of the
5 parish in which the property is located, the property may be sold after compliance
6 with the post-tax lien notice requirements in R.S. 47:2156.

7 * * *

8 §2266.1. Procedure to recognize amounts due under tax lien certificate

9 A.(1) Upon the expiration of the later of three years from recordation of the
10 tax lien certificate, or the tax sale certificate if R.S. 47:2201(B) is applicable, or one
11 hundred eighty days after providing the notices required by R.S. 47:2156, a
12 certificate holder may, by verified petition, institute in a court of competent
13 jurisdiction, as determined by the value of the immovable property described and not
14 by the value of the delinquent obligation, an ordinary proceeding against each owner
15 of the property seeking recognition of the amounts due to the certificate holder and
16 the lien and privilege evidenced by the tax lien certificate.

17 * * *

18 Section 2. The provisions of this Act shall supersede and control over the provisions
19 of Acts 2024, No. 774 in regards to R.S. 47:2201(B) and 2266.1(A)(1).

20 Section 3. The provisions of this Act shall apply to all taxable periods beginning on
21 or after January 1, 2026.

22 Section 4. This Act shall become effective on January 1, 2026.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 557 Engrossed

2025 Regular Session

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Abstract: Provides relative to adjudicated tax-delinquent property and conversion of that property to tax lien certificate property.

Present law, which becomes operative Jan. 1, 2026, defines "tax lien certificate" as the written instrument evidencing a delinquent property tax obligation and the lien and privilege

securing it that identifies its holder. Requires the ad valorem tax collectors of political subdivisions to advertise for sale, by public auction, delinquent obligations and the liens securing them. Proposed law retains present law.

Present law, which becomes operative Jan. 1, 2026, provides for procedures and requirements relating to tax lien certificates. Authorizes a political subdivision to adopt ordinances which convert title to adjudicated property it holds into a tax lien certificate issued to the political subdivision. Proposed law retains present law.

Proposed law adds that for purposes of present law and proposed law, adjudicated property may be converted to a tax lien certificate property, and the period of adjudication may be included in the three-year period required for the tax lien certificate. Provides that if the conversion occurs after three years from the recordation of the adjudication, the property may be sold after compliance with the post-tax lien notice requirements provided in present law.

Proposed law applies to all taxable periods beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 47:2201(B) and 2266.1(A)(1))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change references from "tax sale certificate" to "tax lien certificate".