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DIGEST

SB 63 Engrossed

2025 Regular Session

Jenkins

Present law (R.S. 33:361) provides that a municipality shall be vested with all powers, rights, privileges, immunities, authorities, and duties in accordance with all constitutional and statutory provisions.

Proposed law retains present law and expands the powers of municipalities to provide that the governing authority of a municipality shall have a privilege against a multifamily residential property for the amount of any unpaid service charge or user fee for sewage disposal services or water system services the municipality provides.

Proposed law provides that a multifamily residential property shall mean immovable property consisting of more than four dwelling units occupied by persons other than the owner of the immovable property.

Proposed law provides that when an owner of a multifamily residential property with a master meter service agreement fails to pay the service charge or user fee for the sewage disposal or water system services, a municipal governing authority seeking to collect the past due amounts owed shall make written demand by any of the following:

- (1) U.S. mail postage paid, or commercial courier as defined in present law to the mailing address designated by the owner.
- (2) Electronic mail to the address designated by the owner.
- (3) Hand delivery to the physical location of the multifamily residential property, if neither a mailing address nor an electronic mail address has been designated by the owner.
- (4) Any other method reasonably calculated to provide notice to the owner.

Proposed law provides that the owner shall have 30 days after the written demand to deliver payment for the amount owed to the municipal governing authority. The municipal governing authority shall apply any sums paid by the owner following delivery of the written demand to the balance owed. After expiration of the 30 day period, the municipal governing authority may file a sworn detailed statement of privilege in accordance with proposed law.

Proposed law provide that upon the filing of a sworn detailed statement of privilege, the municipal governing authority shall have a privilege upon the multifamily residential property. The privilege

shall secure unpaid service charges, user fees, together with interest thereon at the legal interest rate from the date due.

Proposed law provides that the sworn detailed statement of privilege shall be signed and verified by a municipal official with knowledge of the unpaid service charges or user fees for sewage disposal or water system services and filed for registry in the mortgage records of the parish where the multifamily residential property is located. The statement of privilege shall include all of the following:

- (1) Complete property description of the applicable multifamily residential property.
- (2) Name of the recorded owner the date that the service charges or user fees became delinquent.
- (3) Statement of the amount of unpaid service charges or user fees owed for sewage disposal or water system services.
- (4) Date the written demand was made upon the owner.

Proposed law provides that a privilege pursuant to proposed law is effective from the time the statement of privilege is filed for registry in the mortgage records and, except as otherwise provided in the Private Works Act, is preferred in rank to all mortgages, privileges, and other rights that become effective against third persons after recordation of the privilege authorized pursuant to proposed law.

Proposed law provides that the effect of recordation of a statement of privilege filed under proposed law shall cease in accordance with present law and may be reinscribed in accordance with applicable law.

Effective August 1, 2025.

(Adds R.S. 33:361.1)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Local and Municipal Affairs to the original bill

1. Defines multifamily residential property.
2. Provides methods by which a municipal governing authority seeking to collect past due amounts may do so in writing.
3. Provides a time line for delivery of delinquent payments after a written demand by a municipal governing authority.

4. Provides for the creation of a privilege in favor of governing authorities against multifamily residential property for unpaid service charges and user fees.
5. Provides for the contents of the statement of privilege.
6. Provides for the effectiveness and recordation of the statement of privilege.