

DIGEST

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SB 55 Reengrossed

2025 Regular Session

Miller

Present law defines various terms related to the payment and collection procedure for property tax lien auctions and adjudicated property.

Proposed law modifies the definitions of the terms "acquiring person", "delinquent obligation", "owner", "tax auction party", "tax lien auction", "tax lien certificate", "tax sale certificate", and "termination price". Otherwise, retains definitions provided in present law.

Proposed law defines the term "face value" of a tax lien certificate as the total amount of the delinquent obligation at the time the tax lien certificate is issued. This shall include the delinquent statutory impositions and any interest and costs accruing prior to the issuance of the tax lien certificate but shall not include any penalty assessed pursuant to present law.

Proposed law defines the term "tax lien" as the right to receive payment of the delinquent obligation and includes the lien and privilege securing the delinquent obligation pursuant to present law.

Proposed law defines the term "tax lien certificate holder" as the purchaser of a tax lien and the purchaser's successors or assigns, provided that the tax lien has not been extinguished.

Present law provides for the termination of a tax lien or a tax lien certificate.

Proposed law changes the terminology from "termination of the tax lien" to "extinguishment of the tax lien" throughout present law.

Present law provides for the enforcement of a tax lien certificate.

Proposed law changes the terminology from "tax lien certificate" to "tax lien".

Present law requires that any delinquent statutory impositions bear interest from the day after taxes were due until paid and provides for the rate at which interest accrues.

Proposed law specifies that interest continues to accrue until either the statutory impositions are paid, a tax lien certificate is issued for the delinquent obligation on immovable property, or the moveable property is sold pursuant to the provisions of present law.

Present law provides for the time and payment of taxes and also details how and when interest and penalties accrue unpaid taxes.

Proposed law requires that a delinquent obligation be secured by a lien and privilege in accordance with the provisions present law. Further requires that the lien and privilege have priority over all other mortgages, liens, privileges, and other encumbrances.

Present law allows the exclusion of delinquent obligations related to immovable property encumbered by a tax lien certificate issued to and held by a political subdivision from a tax lien auction at the election of the political subdivision. Further requires the tax collector to file a tax lien certificate in favor of the political subdivision in the mortgage records as soon as practical after being directed to do so by the political subdivision. Proposed law retains present law.

Present law requires the tax lien certificate holder to send notice to each tax lien auction party at least 180 days but no more than one year before bringing an action.

Proposed law changes the period of time for sending notice to at least six months but no more than one year before bringing an action; otherwise, retains present law.

Present law authorizes a tax lien certificate holder to make necessary repairs that are required to comply with the notice of order. Further authorizes a privilege on the immovable property to the tax lien certificate holder who makes the repairs.

Proposed law stipulates that the privilege arising due to repairs is effective against third persons once the privilege is filed in the mortgage records and is preferred in rank to all other mortgages, privileges, and other rights effective against third persons.

Present law prohibits the eviction of a tax debtor who remains the owner and resident of the property subject to a tax lien certificate.

Proposed law provides that the tax lien certificate holder is also prohibited from charging rental or lease payments on the owner of occupants.

Present law requires a penalty of 5% of the price paid by the acquiring person plus 5% of amounts paid by the tax debtor and provides that the penalty accrues until the property is redeemed.

Proposed law clarifies that the penalty accrues until the property is redeemed, the tax lien is extinguished, or the debtor's interest is terminated.

Present law provides for the authentication of a sale or donation of property.

Proposed law replaces the terms "authenticate" and "authentication" with the terms "execute" and "execution"; otherwise, retains present law.

Proposed law requires that a political subdivision in whose favor a tax lien certificate is issued shall cause the certificate to be filed for registry in the mortgage records of the parish in which the property is located.

Present law establishes a process for the sale or donation of adjudicated property.

Proposed law provides that immediately following the public sale of immovable property to enforce a tax lien held by a political subdivision and, if applicable, upon the satisfaction of any terms or conditions imposed by the ordinance authorizing the public sale, the political subdivision shall execute in favor of the winning bidder an act of sale. Stipulates that, except as otherwise provided in present law and proposed law, the sale shall operate to terminate all interests in the immovable property.

Proposed law requires that if the sale or donation terminates an interest established by a filing in the conveyance records, then the affidavit of sale or donation must be also filed in the conveyance records; otherwise, retains present law.

Present law allows a certificate holder, upon expiration of three years from the recordation of the tax lien certificate or 180 days after providing notice required under present law, to petition a court seeking recognition of the delinquent obligation and tax lien and privilege.

Proposed law changes the requirement from 180 days after providing notice to six months after providing notice and requires the petition to name each owner of the property as a defendant; otherwise, retains present law.

Present law provides procedures for recognition of amounts due under tax lien certificates. Further provides that after a certain time period, the tax lien certificate may only be terminated by the court or the tax lien certificate holder.

Proposed law sets forth actions parties are allowed to take after the six-month period including:

- (1) Filing a motion for judgment recognizing the tax lien and any privilege.

- (2) No longer accepting any attempted termination payments by the tax collector.
- (3) Filing of a contradictory motion for the court to set the termination price by any person holding an interest in the property. Further provides that the court shall enter an order fixing the termination price no later than 30 days after the motion is filed, order the mover to remit the full termination price no more than 30 days after signing of the order by depositing the full termination price into the court registry or delivering the full termination price to the certificate holder, and direct the clerk of court to terminate the tax lien certificate.

Proposed law authorizes the governing body of a political subdivision to donate adjudicated property by ordinance to any person as allowed by present constitution. Further authorizes the donated property to be used only as allowed by present constitution.

Proposed law makes technical changes to update and standardize terminology; otherwise, retains present law.

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

Effective Jan. 1, 2026.

(Amends R.S. 47:2122, 2127, 2151, 2153(A),(B)(1)(intro. para.), (C)(1)(a) and (4), and (D), 2154(A) and (C)-(F), 2155, 2156, 2158, 2158.1, 2160, 2162, 2163, 2201-2204, 2207-2209, 2211, the heading of Part V of Ch. 5 of Subtitle III of Title 47 of the La. Revised Statutes of 1950, 2242, 2243(A) and (B), 2244, the heading of 2245 and 2245 (intro. para.), the heading of Subpart B of Part V of Ch. 5 of Subtitle III of Title 47 of the La. Revised Statutes of 1950, 2246, 2247, the heading of Part VI of Ch. 5 of Subtitle III of Title 47 of the La. Revised Statutes of 1950 as amended by §1 of Act No. 774 of the 2024 RS, R.S. 47:2127.1, 2140, 2151.1, 2160.1, 2164, 2207.1, 2241.1, 2266.1(A), (D), and (E), 2267, and 2268 as enacted by §1 of Act No. 774 of the 2024 RS, and the heading of Part III of Ch. 5 of Subtitle III of Title 47 of the La. Revised Statutes of 1950, R.S. 47:2145(E), the heading of Part IV of Ch. 5 of Subtitle III of Title 47 of the La. Revised Statutes of 1950, 2205, the heading of 2027 and (A), (B)(intro. para.), (C)(intro. para.), and (E); Adds R.S. 47:2127(E) of §1 of Act No. 774 of the 2024 RS; Repeals R.S. 47:2153.1 as enacted by §1 of Act No. 774 of the 2024 RS)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

- 1. Corrects internal citations.
- 2. Makes technical changes.

Senate Floor Amendments to engrossed bill

- 1. Require the ordering of the mover to remit the full termination price no more than 30 days following the signing of the order.

Summary of Amendments Adopted by House

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

- 1. Revise the definition of "owner" by restoring present law to include persons shown in parish conveyance and mortgage records.
- 2. Delete requirement that all tax liens rank concurrently, irrespective of when statutory impositions become due or tax lien certificates are recorded.

3. Require that a political subdivision in whose favor a tax lien certificate is issued shall cause the certificate to be filed for registry in the mortgage records of the parish in which the property is located.
4. Restore provisions of present law providing relative to ordinances allowing for the public sale of adjudicated property.
5. Require a political subdivision to execute an act of sale in favor of the winning bidder immediately following the public sale of immovable property.
6. Provide with respect to affidavits filed with the recorder of mortgages indicating how tax sale parties or tax lien auction parties whose interests were terminated were identified.
7. Add references to adjudicated property and to other applicable laws within present law relative to affidavits for the sale or donation of adjudicated property.
8. Delete provision that a tax collector shall not be required to accept partial payment of the termination price due for a given tax lien certificate.
9. Change authorization for a tax collector to cancel any tax lien certificate from certificates that are improperly issued to authorization to cancel tax lien certificates in accordance with applicable law.