

Regular Session, 2012

SENATE BILL NO. 398

BY SENATOR GALLOT

TAX/SALES. Constitutional amendment to provide an alternative bidding procedure on property at a tax sale. (2/3-CA13s1(A))

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 25(A)(1) and (B)(1) of the Constitution of  
3 Louisiana, relative to tax sales; to provide relative to the procedure for bidding at ad  
4 valorem tax sales; to authorize an alternative bidding procedure; to provide for  
5 related matters; and to specify an election for submission of the proposition to  
6 electors and provide a ballot proposition.

7 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members  
8 elected to each house concurring, that there shall be submitted to the electors of the state, for  
9 their approval or rejection in the manner provided by law, a proposal to amend Article VII,  
10 Section 25(A)(1) and (B)(1) of the Constitution of Louisiana, to read as follows:

11 §25. Tax Sales

12 Section 25.(A) Tax Sales. (1) There shall be no forfeiture of property for  
13 nonpayment of taxes. However, at the expiration of the year in which the taxes are  
14 due, the collector, without suit, and after giving notice to the delinquent in the  
15 manner provided by law, shall advertise for sale the property on which the taxes are  
16 due. The advertisement shall be published in the official journal of the parish or  
17 municipality, or, if there is no official journal, as provided by law for sheriffs' sales,

1 in the manner provided for judicial sales. On the day of sale, the collector shall sell  
2 the portion of the property which the debtor points out. If the debtor does not point  
3 out sufficient property, the collector shall sell immediately the least quantity of  
4 property which any bidder will buy for the amount of the taxes, interest, and costs.

5 **In lieu of selling the least quantity of property, the collector may elect to allow**  
6 **bidders to bid down the five percent redemption penalty provided for in**  
7 **Subparagraph (B)(1) of this Section in increments of one-tenth of one percent**  
8 **as may be provided by law.** The sale shall be without appraisalment. A tax deed by  
9 a tax collector shall be prima facie evidence that a valid sale was made.

10 \* \* \*

11 (B) Redemption. (1) The property sold shall be redeemable for three years  
12 after the date of recordation of the tax sale, by paying the price given, including  
13 costs, five percent penalty thereon **or such percentage bid-down as provided for**  
14 **in Subparagraph (A)(1) of this Section,** and interest at the rate of one percent per  
15 month until redemption.

16 \* \* \*

17 Section 2. Be it further resolved that this proposed amendment shall be submitted  
18 to the electors of the state of Louisiana at the statewide election to be held on November 6,  
19 2012.

20 Section 3. Be it further resolved that on the official ballot to be used at said election  
21 there shall be printed a proposition, upon which the electors of the state shall be permitted  
22 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as  
23 follows:

24 Do you support an amendment to authorize the collector to allow bidders on  
25 property at a tax sale to bid down the 5% penalty that they receive if the  
26 property is redeemed within three years in increments of one-tenth of one  
27 percent in lieu of the collector selling the least quantity of property which  
28 any bidder will buy for the amount owed on the property?(Amends Article  
29 VII, Section 25(A)(1) AND (B)(1))

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Danielle Doiron.

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DIGEST

Present constitution provides, relative to ad valorem property tax sales, that on the day of sale, the collector shall sell the portion of the property which the debtor points out, and that if the debtor does not point out sufficient property, the collector shall sell immediately the least quantity of property which any bidder will buy for the amount of the taxes, interest, and costs.

Present constitution provides that property sold at the tax sale is redeemable for three years after the date of recordation of the tax sale by paying the price given, including costs, 5% penalty thereon, and interest at the rate of one percent per month until redemption.

Proposed constitutional amendment authorizes the collector to allow bidders to bid down the 5% redemption penalty in increments of one-tenth of one percent in lieu of selling the least quantity of property as may be provided by law.

Provides for submission of the proposed amendment to the voters at the statewide election to be held on November 6, 2012.

(Amends Const. Art. 7, §25(A)(1) and (B)(1))