SLS 12RS-626

ORIGINAL

Regular Session, 2012

SENATE BILL NO. 605

BY SENATOR GALLOT

TAX/AD VALOREM. Provides for procedures and notifications required for tax sales. (8/1/12)

1	AN ACT
2	To amend and reenact R.S. 47:2126, 2153(A), (B)(1)(a) and (C), 2154, and 2286, and to
3	enact R.S. 47:1993(D)(3) and 2153(B)(8), and to repeal R.S. 47:2122(10) and 2156,
4	relative to ad valorem tax; to provide with respect to property subject to tax sale;
5	to require assessors to compile certain information relative to transferred property;
6	to provide relative to information included on tax rolls; to provide for tax sale
7	procedures and notifications; to provide for the assessment of property sold at a tax
8	sale; to repeal the right to a redemption nullity for a tax debtor; and to provide for
9	related matters.
10	Be it enacted by the Legislature of Louisiana:
11	Section 1. R.S. 47:2126, 2153(A), (B)(1)(a) and (C), 2154, and 2286 are hereby
12	amended and reenacted and R.S. 47:1993(D)(3) and 2153(B)(8) are hereby enacted, to read
13	as follows:
14	\$1993. Preparation and filing of rolls by assessor
15	* * *
16	D.(1) * * * *
17	* * *

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1	(3) Each assessor shall compile a list that catalogues the name and
2	address of the owner of property along with the assessment number of property
3	transferred following the preparation of the current year tax roll through the
4	time the assessor receives the last tax sale certificate adjudicating the tax roll
5	delinquencies for the prior year. No later than February fifteenth of each year,
6	the assessor shall provide this list of information to the tax collector.
7	<u>Thereafter, the assessor shall provide this list of information within thirty days</u>
8	following the date the last tax sale certificate adjudicating the delinquent
9	amounts due upon the prior year's tax roll is received by the assessor.
10	* * *
11	§2126. Duty of assessors; single assessment
12	Each assessor shall deliver to the appropriate tax collector the tax roll for the
13	year in which taxes are collectible by November fifteenth of each calendar year,
14	except as otherwise provided by law. At the same time, the assessor may file the tax
15	roll in the mortgage records of the parish in which property subject to the taxes is
16	located. The assessor shall use reasonable efforts to list on the tax roll all co-owners
17	of record of the property, or if there has been a tax sale to a party other than a
18	political subdivision, the tax sale purchaser and the other owners, to the extent their
19	interests were not sold at tax sale. The tax roll shall be updated as of January first
20	or later of the year in which the taxes are collectible. There shall be only one
21	assessment for each tax parcel, and the full assessment shall be on each tax bill sent
22	pursuant to R.S. 47:2127(C), provided, however, if requested by a tax debtor, the
23	assessor may, but shall not be obligated to, make separate assessments for undivided
24	interests in each tax parcel.
25	* * *
26	§2153. Notice of delinquency and tax sale
27	A.(1)(a) No later than the first Monday of February of each year, or as soon
28	thereafter as possible, the tax collector shall send a written notice by certified mail,
29	return receipt requested, to each tax notice party when the tax debtor has not paid all

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1 the statutory impositions which have been assessed on immovable property, 2 notifying the person that the statutory impositions on the immovable property shall be paid within twenty days after the sending of the notice or as soon thereafter before 3 the tax sale is scheduled, or that tax sale title to the property will be sold according 4 to law. The notice shall be sufficient if it is in the following form: 5 Notice # Ward Ass. # Property # 6 "Year Sect. 7 8 ********PLEASE NOTE******* 9 **[NAME OF POLITICAL** SUBDIVISION] *By law your taxes are delinquent after 10 December thirty-first. The law requires 11 interest be charged as follows: A flat rate 12 13 of one percent (1%) per month on 14 delinquent ad valorem taxes. *If monies for payment of taxes are in 15 escrow, please forward tax notice to your 16 17 mortgage company. *If a receipt is requested, enclose a self-18 19 addressed stamped envelope along with 20 your payment. *Please notify the sheriff's office or the 21 assessor's office with all address 22 23 changes. *For questions about assessed value or 24 millages contact: 25 Assessor's Office: 26 Property Tax Dept: 27 28 29 *Payment may be made online at 30 *[DATE OF NOTICE]. If taxes are not 31 32 paid within twenty days after this date,

1	the political subdivision will proceed to
2	sell tax sale title to the property at [list
3	location of the tax sale] beginning on
4	[list first day of sale]. You will have the
5	right to pay the amounts due until the
6	day before the actual sale. If tax sale title
7	to the property is sold, you will have
8	three years [or other applicable
9	redemptive period] from the date of the
10	filing of the tax sale certificate in which
11	to redeem the property according to law,
12	but in order to redeem, you will be
13	required to pay a 5% penalty and 1% per
14	month on the amounts past due together
15	with other costs in accordance with law.

16

17	Total Assessed	Millages	Homestead	Taxes and	Assessment
18	Value Tax		Exemption	other	Information
19	Distributions			Statutory	
				Impositions	
				Due	
20	[add taxing			[add amount	Total Assessed Value
21	districts]			of tax due	
				each district]	
22					Property Description
23					
24	Total Statutory				
25	Impositions				
26	Due				
27	Interest				
28					
29	Costs				

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1 2	Total								-
2	Total								
4									_
5	[Name of Tax	Collector	and Addres	.e]					
6			ind Addres]					
7	Total Statutory	Imposition	is Due			I			
8	Interest	inposition							
9	Cost								
10	Total								
11									
12	[Tax Collector	r Name]							
13									
14	YEAR WA	RD S	ECT	AS	S.#	PRC	PERTY	NOTICE #]
15									
16									
17									
18									
19	Name of Tax	Debtor							
20	[address]								
21									
22	Make checks	payable to:					[Tax Coll	ector Name]	
23									
24	Mail this port	ion of tax b	ill and pay	men	t to:		[addre	ess]"	
25	<u>(b) No</u>	o later than	<u>n thirty da</u>	ys pi	rior to th	e opei	ning day o	<u>f the tax sale,</u>	or
26	as soon there	eafter as po	ossible pri	<u>or t</u>	o the sale	e, the	<u>tax collec</u>	tor shall send	<u>d a</u>
27	written notice	<u>e by certifie</u>	ed mail, ret	<u>urn</u>	receipt re	equest	ted, to eacl	<u>h transferee w</u>	<u>'ho</u>
28	appears upor	<u>the list pr</u>	ovided pu	rsua	nt to R.S	<u>. 47:1</u>	993(D)(3)	whose prope	<u>rty</u>
29	<u>is eligible for</u>	tax sale. T	<u>The writte</u>	<u>n no</u>	tice shall	be su	fficient if	it is in the fo	<u>rm</u>
30	prescribed by	y Subparag	graph (a) o	of th	is Paragr	<u>aph.</u>			
31	<u>(c) No</u>	thing in thi	is Section s	hall	be constr	rued to	o prohibit	the tax collec	<u>tor</u>

1	from sending more than one notice of sale.
2	(2)(a) The tax collector shall research the records of the recorder of
3	mortgages and conveyances on any property scheduled for the purpose of
4	identifying the tax sale parties which are on record for the property.
5	(b) No later than thirty days prior to the opening day of the tax sale, or
6	as soon thereafter as possible prior to the sale, the tax collector shall send a
7	written notice by certified mail, return receipt requested, to each tax sale party
8	identified pursuant to Subparagraph (a) of this Paragraph. The notice shall
9	advise the person that it is required that the statutory impositions on the
10	immovable property be paid within twenty days after the sending of the notice
11	or the tax sale title to the property will be sold according to law. This notice
12	shall be sufficient if it is in the following form:
13	TAX SALE PARTY NOTICE OF TAX SALE
14	[Date]
15	[Name]
16	[Address]
17	[city], [ST] [Zip]
18	<u>RE:</u> Tax Bill Number:
19	Property: [Property Address]
20	[Description of Property Abbr]
21	YOU HAVE A PUBLICALLY RECORDED INTEREST IN THE ABOVE
22	REFERENCED PROPERTY. PLEASE READ THIS NOTICE CAREFULLY.
23	
24	The property taxes for the above referenced property were not paid. In
25	accordance with the notice requirement contained in Article VII, Section 25 of
26	the Louisiana Constitution, you are hereby notified that if the delinquent
27	property taxes are not paid within twenty days of the date of this notice, the
28	property will be sold at tax sale in accordance with law.
29	AFTER THE EXPIRATION OF THE REDEMPTIVE PERIOD. THE

1	PROPERTY CANNOT BE REDEEMED. CONTINUED POSSESSION OF
2	THE PROPERTY DOES NOT EXTEND THE REDEMPTIVE PERIOD.
3	<u>Please contact [name of tax collector] if you believe that you received this notice</u>
4	in error, have sold or transferred this property or for further information or
5	assistance.
6	<u>Thank you,</u>
7	
8	Tax Collector of [name of political
9	subdivision]
10	[Tax collector phone number]
11	THIS NOTICE CONCERNS ONLY THE PROPERTY DESCRIBED IN THE
12	"REGARDING" PORTION OF THIS LETTER; the address of that property
13	may or may not be the same as the mailing address of this notice.
14	If your recorded interest in this property is no longer valid or enforceable, you
15	may remove it by visiting the office of the recorder of mortgages and
16	conveyances located at [mortgage and conveyance office address]."
17	(c) Notwithstanding any other law to the contrary, a tax sale shall not
18	be annulled or set aside due to lack of notice to a tax sale party.
19	B.(1)(a) At the expiration of twenty days' notice, counting from the day
20	when the last of the written notices are sent, or as soon thereafter as practicable No
21	later than thirty days prior to the opening day of the tax sale, the tax collector
22	shall proceed to twice publish a consolidated notice that shall serve both as a
23	general notification to the tax debtors of the delinquency and to advertise as an
24	advertisement for the tax sale. the consolidated delinquent tax list under one form
25	two times within thirty days in the official journal of the political subdivision. The
26	publication and advertisement The consolidated notice shall be published in the
27	official journal of the political subdivision at the interval pursuant to R.S.
28	43:203(2). The consolidated notice shall be sufficient if it is in the following form:
29	"DELINQUENT TAX LIST

29

1	vs. Delinquent Tax Debtors
2	(insert appropriate taxing bodies)
3	By virtue of the authority vested in me by the constitution and the laws of the
4	State of Louisiana, I will sell, at, within the legal hours for
5	judicial sales beginning at o'clock a.m. on, the
6	day of,, and continuing on each succeeding legal day, until said
7	sales are completed, tax sale title to all immovable property on which taxes are now
8	due to, to enforce collection of taxes (insert
9	affected taxing bodies) assessed in the year, together with interest thereon from
10	January 1,, at the rate of one percent (1%) per month until paid and all costs.
11	The names of said delinquent tax debtors, the amount of statutory impositions due,
12	including any due for prior years, and the immovable property assessed to each to
13	be offered for sale are as follows: (Insert names of delinquent tax debtors in
14	alphabetical order, the amount of statutory impositions due, including any due for
15	prior years on each specific piece of property, and the description of each specific
16	piece of immovable property to be offered for sale.)
17	On the day of sale I will sell a tax sale title to such portions of the property
18	as each tax debtor will point out and, in case the debtor will not point out sufficient
19	property, I will at once and without further delay sell the least quantity as undivided
20	interests of said property of any tax debtor which any bidder will buy for the amount
21	of the statutory impositions for which the sale is made, together with interest and
22	costs due by said tax debtor. The sale will be without appraisement, for cash or other
23	payment method acceptable to the tax collector, in legal tender money of the United
24	States, and the tax sale title to property sold will be redeemable at any time during
25	the applicable redemptive period by paying the price given, including costs and five
26	percent (5%) penalty thereon, with interest at the rate of one percent (1%) per month
27	until redeemed." * * *
28	(8) The tax collector may extend a right of first refusal to purchase

property offered at two or more consecutive year tax sales to the original tax

1	<u>sale purchaser. It shall be the responsibility of the tax sale purchaser to notify</u>
2	the tax collector of his previous purchase. The bid amount adjudicating the
3	successive tax sale title shall be the same as the bid amount adjudicating
4	original tax sale title to the original purchaser.

C.(1) Within thirty days after the filing of the tax sale certificate, or as soon 5 thereafter as possible, by utilizing the list of transferred properties compiled by 6 the assessor pursuant to R.S. 47:1993(D)(3), the tax collector shall research the 7 8 records of the recorder of conveyances on all property to which tax sale title was sold 9 to tax sale purchasers for any transfers of the property that occurred after the 10 preparation of the tax roll for the year that the property was sold for taxes. If there 11 has been a transfer, within thirty days after filing a tax sale certificate, the tax 12 collector shall use reasonable efforts to send the new owner a written notice that tax 13 sale title to the property was sold. The notice shall state the amount necessary to 14 redeem the property. This notice shall also advise the owner that the property may 15 be redeemed at any time within three years or other applicable redemptive period 16 after the date of filing of the tax sale certificate. This shall serve as the required notice to the transferee in Subsection A of this Section. This notice shall be 17 18 sufficient if it is in the following form:

19 <u>"[Date]</u>

20	[Name of New Owner]
21	RE: Property No
22	Ward Section No Assessment No
23	Subd Lot
24	Dear Sir/Madam,
25	This is an important notice. Please read it carefully. We are writing to
26	inform you that the property taxes for the above noted property were not paid, and
27	tax sale title to the property was sold to a tax sale purchaser for delinquent taxes for
28	the [insert year(s)]. You may redeem this property within three years [or other
29	applicable redemptive period] from by paying to the [name

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1	of tax collector] the amount due stated in or enclosed with this document. The
2	redemptive period will expire on Under some circumstances, the
3	third party buyer may be entitled to take actual possession and full ownership of the
4	property after this time.
5	After the expiration of the redemptive period the property cannot be
6	redeemed. Continued possession of the property does not extend the redemptive
7	period.
8	Please contact the [name of tax collector] if you believe that you received this
9	notice in error, have sold or transferred this property, or for further information and
10	assistance.
11	Thank You,
12	Tax Collector of [name of political subdivision]
13	This notice concerns only the property described in the "regarding" portion
14	of this letter; the address of that property may or may not be the same as the mailing
15	address of this notice. Again, please contact our office if you feel that you received
16	this notice in error.
17	[Enclose or list the amount of statutory impositions due.]"
18	identify any transferee whose property was sold at tax sale to whom notice was
19	not sent pursuant to Subsection A of this Section. If the transferee is identified
20	the sale will be cancelled and the tax sale purchaser shall receive a refund in the
21	amount of the tax sale purchase price.
22	(2) For each property upon which a tax sale is cancelled pursuant to
23	Paragraph (1) of this Subsection, the tax collector shall send the transferee a tax
24	notification, inclusive of tax sale costs accrued.
25	§2154. Tax sales; time of sale; price
26	\underline{A} . The tax collector shall seize, advertise, and sell tax sale title to the
27	property or an undivided interest therein upon which delinquent taxes are due, on or
28	before May first of the year following the year in which the taxes were assessed, or
29	as soon thereafter as possible.

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1	B. The tax sale shall be conducted on any weekday within the legal hours
2	for judicial sales with bidding opening not earlier than 8:00 a.m. and closing no
3	later than 4:30 p.m. If a tax sale is conducted by using an online or electronic
4	bidding process which is conducted over the course of multiple days, bids may
5	be placed on any day at any time on any sale property upon which bidding has
6	not closed, provided that all sales of property close on a weekday within the
7	legal hours for sale as prescribed in this Subsection.
8	$\underline{\mathbf{C}}$ The price shall be the amount of statutory impositions due on the property,
9	costs, and interest.
10	* * *
11	§2286. Actions to annul
12	No tax sale shall be set aside except for a payment nullity, redemption nullity,
13	or a nullity under R.S. 47:2162, all of which are relative nullities. The action shall
14	be brought in the district court of the parish in which the property is located. In
15	addition, the action may be brought as a reconventional demand or an intervention
16	in an action to quiet title under R.S. 47:2266 or as an intervention in a monition
17	proceeding under R.S. 47:2271 through 2280.
	Section 2. R.S. 47:2122(10) and 2156 are repealed in their entirety.

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

DIGEST

<u>Present law</u> requires each assessor to deliver to the appropriate tax collector, by November 15th of each year, the tax roll for the year in which taxes are collectible. Further requires the assessor to use reasonable efforts to list all co-owners of record of the property, or if there has been a tax sale to a party other than a political subdivision, the tax sale purchaser and other owners, to the extent their interests were not sold at tax sale.

<u>Proposed law</u> changes <u>present law</u> to require each assessor to compile a list that catalogues the name and address of the owner of property along with the assessment number of property which is transferred following the preparation of the current year tax roll up until the time the assessor receives the last tax sale certificate adjudicating the tax roll delinquencies for the prior year. Further requires that no later than Feb. 15th, the assessor provide this list to the tax collector. Requires that the assessor provide this list within 30 days following the date the last tax sale certificate adjudicating the delinquent amounts due upon the prior year's tax roll is received by the assessor.

Present law requires the payment of annual ad valorem taxes by an owner of immovable

Page 11 of 13 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions. property by December 31st of each year.

<u>Present law</u> requires the tax collector, in the case of nonpayment of taxes, to notify a tax debtor and all tax notice parties by February 1st that the taxes on their property for the recently concluded year have not been paid. Requires that the notice state that if payment is not made within twenty days the property will be subject to tax sale.

<u>Proposed law</u> retains <u>present law</u> and adds the requirement that within 30 days of the scheduled tax sale, the tax collector shall provide notification of the pending tax sale to persons who have recently acquired the property, as well as all tax sale parties for the property as recorded with the recorder of mortgages and conveyances.

<u>Present law</u> requires the tax collector to notify a tax debtor of a pending tax sale by publishing an advertisement in the official journal of the political subdivision in which the property is located. The collector is also required to publish in the same official journal a notice for purposes of advertising the tax sale to the public.

<u>Proposed law</u> changes <u>present law</u> by specifying that the notice required by <u>present law</u> be a consolidated notice to serve as a both general notification to tax debtors as well as advertisement of the tax sale.

<u>Proposed law</u> provides that in cases where a property was purchased at tax sale and tax sale certificate has been issued and such property is subsequently offered at another tax sale before the end of the redemption period, the tax collector may offer a right of first refusal to the original tax sale purchaser.

<u>Present law</u> provides that after a tax title is sold on a property the tax collector is required to search the records of the recorder of conveyances for the property to discover any transfers of the property which may have occurred after the preparation of the tax roll. If a transfer has occurred, requires the tax collector to notify the new owner that the property has been sold at tax sale and that the property may be redeemed within three years after the filing date of the tax sale certificate.

<u>Proposed law</u> changes <u>present law</u> with regard to the effect of the tax sale on the tax sale purchaser of a property which was transferred after the tax roll was prepared. If the tax collector discovers that a property was transferred after preparation of the tax roll and that the new owner of the property did not receive a notice of the tax sale, then he shall cancel the tax sale.

<u>Proposed law</u> authorizes the tax collector to seize, advertise and sell title to property upon which delinquent taxes are due.

<u>Proposed law</u> retains <u>present law</u> and specifies requirements for the conduct of the tax sale by providing the days and hours at which bids may be placed.

<u>Present law</u> grants a tax debtor the right to annul a tax sale if he was not notified at least six months before the termination of the redemptive period.

<u>Proposed law</u> repeals these provisions.

<u>Present law</u> requires a tax sale purchaser to send periodic notices to tax sale parties during the redemptive period regarding the sale of the property and pending end of the redemptive period.

<u>Proposed law</u> repeals these provisions.

Effective August 1, 2012.

(Amends R.S. 47:2126, 2153(A), (B)(1)(a) and (C), 2154, and 2286; adds R.S. 47:1993(D)(3) and 2153(B)(8); repeals R.S. 47:2122(10) and 2156)