

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. 47:2121(B), 2126, 2153(A), (B)(1)(a) and (C), 2154, and 2286,  
3 and to repeal R.S. 47:2122(10), 2124(A), 2156, 2287(A), 2289(B), and 2290(B),  
4 relative to ad valorem tax; to provide with respect to property subject to tax sale; to  
5 provide relative to information included on tax rolls; to provide for tax sale  
6 procedures and notifications; to provide for the assessment of property sold at a tax  
7 sale; to repeal the right to a redemption nullity for a tax debtor; and to provide for  
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:2121(B), 2126, 2153(A), (B)(1)(a) and (C), 2154, and 2286 are  
11 hereby amended and reenacted to read as follows:

12 §2121. Purpose; principles; property rights

13 \* \* \*

14 B. Effect of tax sale on property interest. No tax sale shall transfer or  
15 terminate the property interest of any person in tax sale property or adjudicated  
16 property until that person has been duly notified and both the redemptive period and  
17 any right held by that person to assert a payment ~~or redemption nullity~~ under R.S.

1 47:2286 have terminated.

2 \* \* \*

3 §2126. Duty of assessors; single assessment

4 Each assessor shall deliver to the appropriate tax collector the tax roll for the  
5 year in which taxes are collectible by November fifteenth of each calendar year,  
6 except as otherwise provided by law. At the same time, the assessor may file the tax  
7 roll in the mortgage records of the parish in which property subject to the taxes is  
8 located. The assessor shall use reasonable efforts to list on the tax roll all co-owners  
9 of record of the property, or if there has been a tax sale to a party other than a  
10 political subdivision, the tax sale purchaser and the other owners, to the extent their  
11 interests were not sold at tax sale. The tax roll shall be updated as of January first  
12 or later of the year in which the taxes are collectible. There shall be only one  
13 assessment for each tax parcel, and the full assessment shall be on each tax bill sent  
14 pursuant to R.S. 47:2127(C), ~~provided, however, if requested by a tax debtor, the~~  
15 ~~assessor may, but shall not be obligated to, make separate assessments for undivided~~  
16 ~~interests in each tax parcel.~~

17 \* \* \*

18 §2153. Notice of delinquency and tax sale

19 A.**1(a)** No later than the first Monday of February of each year, or as soon  
20 thereafter as possible, the tax collector shall send a written notice by certified mail,  
21 return receipt requested, to each tax notice party when the tax debtor has not paid all  
22 the statutory impositions which have been assessed on immovable property,  
23 notifying the person that the statutory impositions on the immovable property shall  
24 be paid within twenty days after the sending of the notice or as soon thereafter before  
25 the tax sale is scheduled, or that tax sale title to the property will be sold according  
26 to law. The notice shall be sufficient if it is in the following form:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51

"Year	Ward	Sect.	Ass. #	Property #	Notice #
*****PLEASE NOTE***** [NAME OF POLITICAL SUBDIVISION]					
*By law your taxes are delinquent after December thirty-first. The law requires interest be charged as follows: A flat rate of one percent (1%) per month on delinquent ad valorem taxes.					
*If monies for payment of taxes are in escrow, please forward tax notice to your mortgage company.					
*If a receipt is requested, enclose a self-addressed stamped envelope along with your payment.					
*Please notify the sheriff's office or the assessor's office with all address changes.					
*For questions about assessed value or millages contact: Assessor's Office: Property Tax Dept:					
*Payment may be made online at					
*[DATE OF NOTICE]. If taxes are not paid within twenty days after this date, the political subdivision will proceed to sell tax sale title to the property at [list location of the tax sale] beginning on [list first day of sale]. You will have the right to pay the amounts due until the day before the actual sale. If tax sale title to the property is sold, you will have three years [or other applicable redemptive period] from the date of the filing of the tax sale certificate in which to redeem the property according to law, but in order to redeem, you will be required to pay a 5% penalty and 1% per month on the amounts past due together with other costs in accordance with law.					
Total Assessed Value Tax Distributions	Millages	Homestead Exemption	Taxes and other Statutory Impositions Due	Assessment Information	
[add taxing districts]			[add amount of tax due each district]	Total Assessed Value	
					Property Description
Total Statutory Impositions Due					

1 Interest  
 2  
 3 Costs  
 4  
 5 Total  
 6

7 [Name of Tax Collector and Address]  
 8 Total Statutory Impositions Due  
 9 Interest  
 10 Cost  
 11 Total

12 [Tax Collector Name]  
 13 YEAR WARD SECT ASS.# PROPERTY NOTICE #  
 14

15 Name of Tax Debtor  
 16 [address]\_\_\_\_\_  
 17 Make checks payable to: \_\_\_\_\_ [Tax Collector Name]  
 18 Mail this portion of tax bill and payment to: \_\_\_\_\_[address]"

19 **(b) Nothing in this Section shall be construed to prohibit the tax**  
 20 **collector from sending more than one notice of sale.**

21 **(2)(a) No later than the first Monday of March of each year, or as soon**  
 22 **thereafter as possible, the tax collector shall search the mortgage and**  
 23 **conveyance records of tax sale eligible property to identify its tax sale parties.**

24 **(b) Prior to the tax sale, the tax collector shall send a written notice by**  
 25 **certified mail, return receipt requested, to each tax sale party identified**  
 26 **pursuant to Subparagraph (a) of this Paragraph. The notice shall advise the**  
 27 **person that it is required that the statutory impositions on the immovable**  
 28 **property be paid within twenty days after the sending of the notice or the tax**  
 29 **sale title to the property will be sold according to law. This notice shall be**  
 30 **sufficient if it is in the following form:**

31 **TAX SALE PARTY NOTICE OF TAX SALE**

32 **[Date]**  
 33 **[Name]**  
 34 **[Address]**  
 35 **[City], [ST] [Zip]**  
 36 **RE: Tax Bill Number:**  
 37 **Property: [Property Address]**

1 [Description of Property Abbr]

2 YOU HAVE A PUBLICALLY RECORDED INTEREST IN THE ABOVE  
 3 REFERENCED PROPERTY. PLEASE READ THIS NOTICE CAREFULLY.

4 The property taxes for the above referenced property were not paid. In  
 5 accordance with the notice requirement contained in Article VII, Section 25 of  
 6 the Louisiana Constitution, you are hereby notified that if the delinquent  
 7 property taxes are not paid within twenty days of the date of this notice, the  
 8 property will be sold at tax sale in accordance with law.

9 AFTER THE EXPIRATION OF THE REDEMPTIVE PERIOD, THE  
 10 PROPERTY CANNOT BE REDEEMED. CONTINUED POSSESSION OF  
 11 THE PROPERTY DOES NOT EXTEND THE REDEMPTIVE PERIOD.

12 Please contact [name of tax collector] if you believe that you received this notice  
 13 in error, have sold or transferred this property, or for further information or  
 14 assistance.

15 Thank you,

16 Tax Collector of [name of political  
 17 subdivision]

18 [Tax collector phone number]

19 THIS NOTICE CONCERNS ONLY THE PROPERTY DESCRIBED IN THE  
 20 "REGARDING" PORTION OF THIS LETTER; the address of that property  
 21 may or may not be the same as the mailing address of this notice.

22 If your recorded interest in this property is no longer valid or enforceable, you  
 23 may remove it by visiting the office of the recorder of mortgages and  
 24 conveyances located at [mortgage and conveyance office address]."

25 ~~B.(1)(a) At the expiration of twenty days' notice, counting from the day~~  
 26 ~~when the last of the written notices are sent, or as soon thereafter as practicable~~  
 27 Between thirty days and fourteen days prior to the opening day of the tax sale,  
 28 ~~the tax collector shall proceed to~~ once ~~publish a~~ consolidated ~~notice~~ in the official  
 29 journal of the political subdivision that shall serve both as a general notification

1 to ~~the~~ tax debtors of the delinquency and to advertise **as an advertisement** for **the**  
 2 **tax** sale, ~~the consolidated delinquent tax list under one form two times within thirty~~  
 3 ~~days in the official journal of the political subdivision. The publication and~~  
 4 ~~advertisement~~ **The consolidated notice** shall be sufficient if it is in the following  
 5 form:

6 "DELINQUENT TAX LIST

7 \_\_\_\_\_ vs. Delinquent Tax Debtors

8 (insert appropriate taxing bodies)

9 By virtue of the authority vested in me by the constitution and the laws of the  
 10 State of Louisiana, I will sell, at \_\_\_\_\_, within the legal hours for  
 11 judicial sales beginning at \_\_\_\_\_ o'clock a.m. on \_\_\_\_\_, the \_\_\_\_\_  
 12 day of \_\_\_\_\_, \_\_\_\_\_, and continuing on each succeeding legal day, until said  
 13 sales are completed, tax sale title to all immovable property on which taxes are now  
 14 due to \_\_\_\_\_, to enforce collection of taxes (insert  
 15 affected taxing bodies) assessed in the year \_\_\_\_\_, together with interest thereon from  
 16 January 1, \_\_\_\_\_, at the rate of one percent (1%) per month until paid and all costs.  
 17 The names of said delinquent tax debtors, the amount of statutory impositions due,  
 18 including any due for prior years, and the immovable property assessed to each to  
 19 be offered for sale are as follows: (Insert names of delinquent tax debtors in  
 20 alphabetical order, the amount of statutory impositions due, including any due for  
 21 prior years on each specific piece of property, and the description of each specific  
 22 piece of immovable property to be offered for sale.)

23 On the day of sale I will sell a tax sale title to such portions of the property  
 24 as each tax debtor will point out and, in case the debtor will not point out sufficient  
 25 property, I will at once and without further delay sell the least quantity as undivided  
 26 interests of said property of any tax debtor which any bidder will buy for the amount  
 27 of the statutory impositions for which the sale is made, together with interest and  
 28 costs due by said tax debtor. The sale will be without appraisalment, for cash or other  
 29 payment method acceptable to the tax collector, in legal tender money of the United

1 States, and the tax sale title to property sold will be redeemable at any time during  
 2 the applicable redemptive period by paying the price given, including costs and five  
 3 percent (5%) penalty thereon, with interest at the rate of one percent (1%) per month  
 4 until redeemed.

5 \* \* \*

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

18 "[Date]

19 [Name of New Owner]

20 RE: ~~Property No.~~ \_\_\_\_\_

21 Ward \_\_\_\_\_ Section No. \_\_\_\_\_ Assessment No. \_\_\_\_\_

22 Subd. \_\_\_\_\_ Lot \_\_\_\_\_

23 Dear Sir/Madam,

24 This is an important notice. Please read it carefully. We are writing to  
 25 inform you that the property taxes for the above noted property were not paid, and  
 26 tax sale title to the property was sold to a tax sale purchaser for delinquent taxes for  
 27 the [insert year(s)]. You may redeem this property within three years [or other  
 28 applicable redemptive period] from \_\_\_\_\_ by paying to the [name  
 29 of tax collector] the amount due stated in or enclosed with this document. The





1 as soon thereafter as possible.

2 **B. The tax sale shall be conducted on any weekday within the legal hours**  
 3 **for judicial sales, with bidding opening not earlier than 8:00 a.m. and closing no**  
 4 **later than 8:00 p.m. If a tax sale is conducted by using an online or electronic**  
 5 **bidding process that is conducted over the course of multiple days, bids may be**  
 6 **placed on any day at any time on any sale property upon which bidding has not**  
 7 **closed, provided that all sales of property close on a weekday within the legal**  
 8 **hours for sale as prescribed in this Subsection.**

9 **C.** The price shall be the amount of statutory impositions due on the property,  
 10 costs, and interest.

11 \* \* \*

12 §2286. Actions to annul

13 No tax sale shall be set aside except for a payment nullity, ~~redemption nullity,~~  
 14 or a nullity under R.S. 47:2162, all of which are relative nullities. The action shall  
 15 be brought in the district court of the parish in which the property is located. In  
 16 addition, the action may be brought as a reconventional demand or an intervention  
 17 in an action to quiet title under R.S. 47:2266 or as an intervention in a monition  
 18 proceeding under R.S. 47:2271 through 2280.

19 Section 2. R.S. 47:2122(10), 2124(A), 2156, 2287(A), 2289(B), and 2290(B) are  
 20 hereby repealed.

---

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

---

#### DIGEST

Gallot (SB 605)

Present law requires each assessor to deliver to the appropriate tax collector, by November 15<sup>th</sup> 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. Requires only one assessment for each tax parcel but authorizes, but does not require, the assessor to make separate assessments for undivided interests in each tax parcel.

Proposed law deletes the authorization for the assessor to make separate assessments for undivided interests in each tax parcel.

Present law requires the payment of annual ad valorem taxes by an owner of immovable property by December 31<sup>st</sup> of each year and requires the tax collector, in the case of nonpayment of taxes, to notify a tax debtor and all tax notice parties by February 1<sup>st</sup> that the taxes on their property for the recently concluded year have not been paid.

Proposed law clarifies that the tax collector may send more than one notice.

Proposed law requires a tax collector to search the mortgage and conveyance records of tax sale eligible property to identify the property's "tax sale parties" no later than the first Monday of March of each year, or as soon thereafter as possible.

Proposed law requires the tax collector to send written notification by certified mail, return receipt requested, to each "tax sale party" identified above prior to a sale of the property that the statutory impositions on the immovable property must be paid within 20 days after the sending of the notice or the tax sale title to the property will be sold according to law. The notice is deemed sufficient if it is in the form set forth in the proposed law.

Present law 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.

Proposed law changes present law by specifying that the notice required by present law be a "consolidated notice" to be published between 30 days and 14 days prior to the opening day of a tax sale to serve as a both general notification to tax debtors as well as advertisement of the tax sale. The notice is deemed sufficient if it is in the form set forth in present law.

Present law 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. The notice is deemed sufficient if it is in the form set forth in present law.

Proposed law deletes present law set forth above and instead authorizes the tax collector to cancel the sale of the property and refund the tax sale purchaser the tax sale purchase price "in the absence of providing actual notice of the sale to a tax sale party", including a transferee, or alternatively, [in the absence of] demonstrating a reasonable effort to provide notice, where the name and address of the tax sale party were reasonably ascertainable, or where the transfer was recorded after the tax collector completed his pre-sale tax sale party research. For each transferred property upon which a tax sale is cancelled, the tax collector must send the transferee a tax notification, inclusive of tax sale costs accrued.

Proposed law specifies requirements for the conduct of the tax sale by providing the days and hours during which bids may be placed.

Present law grants a person a "redemption nullity" - defined as the right of a person to annul a tax sale in accordance with R.S. 47:2286 because he was not duly notified at least six months before the termination of the redemptive period.

Proposed law repeals all provisions in present law relative to "redemption nullity".

Effective August 1, 2012.

(Amends R.S. 47:2121(B), 2126, 2153(A), (B)(1)(a) and (C), 2154, and 2286; repeals R.S. 47:2122(10), 2124(A), 2156, 2287(A), 2289(B), and 2290(B))

Summary of Amendments Adopted by SenateCommittee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Repeals additional provisions in present law which make reference to a right to "redemption nullity" deleted from present law.
2. Deletes the right of first refusal of an original tax sale purchaser in cases where a property was purchased at tax sale but such property is subsequently offered at another tax sale before the end of the redemption period.
3. Authorizes a tax collector to cancel the sale of the property and refund the tax sale purchaser the tax sale purchase price "in the absence of providing actual notice of the sale to a tax sale party", including a transferee, or alternatively, [in the absence of] demonstrating a reasonable effort to provide notice, where the name and address of the tax sale party were reasonably ascertainable, or where the transfer was recorded after the tax collector completed his pre-sale tax sale party research.
4. Requires a "consolidated notice" to be published between 30 days and 14 days prior to the opening day of a tax sale.
5. Requires a tax collector to search the mortgage and conveyance records of tax sale eligible property to identify the property's "tax sale parties" no later than the first Monday of March of each year, or as soon thereafter as possible.

Senate Floor Amendments to engrossed bill

1. Adds in present law provision relative to the duties of the assessor with regard to information on the tax rolls that if there has been a tax sale to a party other than a political subdivision that the assessor include the tax sale purchaser and other owners, to the extent their interests were not sold at the tax sale.