

LOUISIANA WEBINAR SERIES

A WFG EVENT

The New World of Tax Sales in Louisiana

PRESENTED BY
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WFG
Agent
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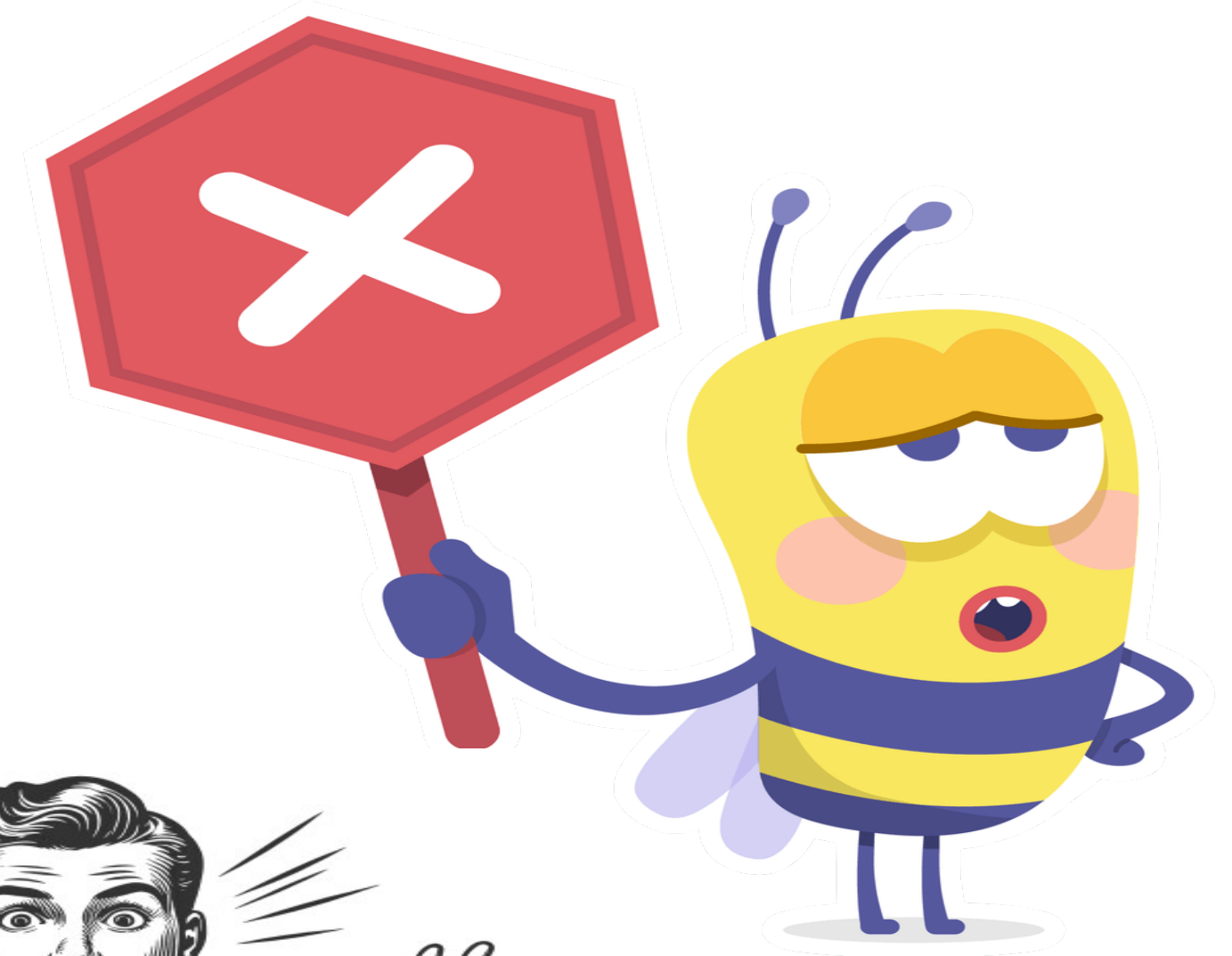
 **WFG National Title Insurance Company**
a Williston Financial Group company

WHAT MOTIVATED THIS LEGISLATION?

1. Lack of clear constitutional approval of the 2008 Revisions by the Louisiana Supreme Court in ***Central Properties***
2. ***Hennepin County*** ruling and possible constitutional challenge by a Louisiana court.
3. Encourage the payment and efficient collection of property taxes.
4. Provide a fair process and statutory price for redemptions of both Tax Sales to third parties and adjudicated properties

Effective Date of Act 774- January 1, 2026

No judicial sales under the new act until at least 3 years thereafter, so until that time please remember that underwriter approval is required, please call us!



TAX SALE PROCEDURE FOR ALL SALES PRIOR TO JANUARY 1, 2026

- After delinquency taxing authority to sell at public auction
R.S. 47:2154
- Prior to the public auction the taxing authority is required to send Notice of Delinquency and Tax Sale. R.S. 47:2153
- Notice should be designed to “duly notify” all persons with an interest in the property (the pre-sale notice)
- At adjudication a bidder may bid to acquire a full 100% interest or a partial interest.

TAX SALE PROCEDURE FOR ALL SALES PRIOR TO JANUARY 1, 2026- PART 2

- Following the adjudication the tax sale purchaser may send out the post sale notice containing the right to redeem and advising that if a Nullity Action is not filed within 6 months the sale may be confirmed.
- Within 90 days of the expiration of the redemption period, the taxing authority advising that the property has been sold at tax sale. R.S. 47:2156
- Again, this notice is to be sent to all parties with an interest in the property, and by a means designed to be “duly notified”.
- Following the termination of the 3 years, the tax certificate purchaser is required to file a Petition to Confirm or alternatively a Monition.

WHAT IS INCLUDED IN ACT 774

Changes in definitions include:

1. “Taxes” replaced with “Statutory Impositions”; includes ad valorem and all other items on a tax bill.
2. “Tax sale certificate” replaced with “Tax Lien Certificate.
3. “Termination Price” new definition of amount to be paid to redeem as set forth in law.

Changes in Procedure

1. Bidders at the tax auction may submit a bid reducing the statutory interest (1%) in increments of not less than 0.1% with a floor of 0.7%
2. Prescriptive period of 7 years to file to enforce the tax lien certificate. This is preemptive, unless the property remains with the taxing authority.

THE JUDICIAL SALE PROCESS

1. Replacing the Petition to Confirm, the tax lien purchaser to file an ordinary proceeding seeking a writ of fieri facias, to be filed no earlier than 3 years following recordation of the certificate or 180 days after providing notice to the interested parties required by R.S. 47:2156
2. Verified Petition to foreclose on the property *via ordinaria* brought in court where property is located (except where properties in two parishes).
3. Petition to be served upon the dispossessed parties, the tax collector, and a Notice of Lis Pendens filed.
4. A Curator may be appointed under the provisions in the La. Code of Civil Procedure.
5. Any person may cause a termination of the lien certificate by payment within 30 days after the last service was made. Thereafter, termination can only be by contradictory rule to show cause
6. Plaintiff is entitled reasonable attorney's fees "shall not exceed the greater of 25% of the total amount sought or \$2,500.00, and court costs.

THE JUDICIAL SALE PROCESS- CONTINUED

7. Judgment shall be *in rem* only and shall prime all other liens, privileges and encumbrances.
8. Judgment to be enforced by seeking the issuance of a writ of fieri facias, pursuant to the provisions of La. CCP 2291, et seq.
Query: CCP 2291-2999 *does not* include the requirement for appraisal and the Act is silent. I would suggest appraisal should be required.
9. The Act is also silent as to terms, i.e. all cash or 10% down with balance within 30 days; as such that is the plaintiff's prerogative, but would expect most to require all cash.
10. R.S. 47:2267 sets forth the distribution of the proceeds, which would be critical to satisfying the constitutional challenges in *Hennepin*.
11. Judicial Sale does not terminate restrictions, covenants and immobilizations

RECENT CASELAW ON TAX SALES

Spain v. H&H Investors, 2023-0491(La. App. 4 Cir. 09/26/23); 382 So.3d 312

Spain v. H&H Investors, 2023-0491(La. App. 4 Cir. 11/07/23); 2023 La. App. LEXIS 1854;
2023 WL 7319119

Equity Trust Co. v. Thorrick, 2023-0779 (La. app. 4 Cir. 07/10/24); 2024 La. App. LEXIS
1102; 2024 WL 3354968

Jon Loy, Inc. v. Allen, 2023-645 (La. App. 4 Cir. 4/18/24); 2024 La. App. LEXIS 659; 2024
WL 1671960

Thank You!



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