

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## **Title Tangles: Adjudicated Property, Taxing Authorities and the Quest for Reform**

By Wesley E. Johnson

This presentation will address the significant changes in the law from 2009 to 2026 as we explore current law derived from ACT 819 (2008) and the path forward to ACT 774 (2024). SB 119 (ACT 409) and the subsequent passage of the Constitutional Amendment on the ballot this past December means that ACT 774, enacted by the 2024 Legislature, will become effective in January 2026. The law is lengthy and significantly changes current law with the responsibility for implementation of the majority of the changes falling directly to local government officials. Having a unified understanding of new obligations of all involved in the process as well as how ACT 774 may or may not change the manner in which local governments currently address their tax distressed and blighted and abandoned property situations is critical for attorneys who have the responsibility of advising their clients on the new law.

The state of Louisiana changed the tax sale process in 2009 with ACT 819.<sup>1</sup> Another overhaul is scheduled for 2026 when ACT 774 becomes effective. The success of ACT 774 will rely heavily on implementation by local jurisdictions during the entire process. This paper discusses how the collection of delinquent taxes and handling of subsequent property tax liens and enforcement of such liens will look in 2026 for the purpose of allowing local governments the opportunity to best plan and prepare for these changes. A consistent understanding of what is expected statewide by our tax collectors, assessors, clerks of court and local governments will provide the best chance of success for ACT 774. In addition to the more immediate expected results of ACT 774, this paper will also address those properties for which property taxes are not paid and for which no tax lien certificate is purchased at a subsequent statutory auction held by the tax collector—property that we currently refer to as Adjudicated Property.<sup>2</sup> Beginning in 2026, property in this situation will be referred to as property receiving no bid. See La. R.S. § 47:2246.

---

<sup>1</sup> A brief history of ACT 819 from the 2008 Legislative Session (effective in 2009) can be found at this link: [Tax-Sale-Presentation-Michael-Bealer.pdf](#) A thorough history of Louisiana Land Titles was also written by Ory Peret and can be accessed through the following link:

[http://www.doa.la.gov/osl/FPP/Publications/ORY\\_PORET\\_BKLT.pdf](http://www.doa.la.gov/osl/FPP/Publications/ORY_PORET_BKLT.pdf)

<sup>2</sup> The definition of “adjudicated property” in current law is property of which tax sale title is acquired by a political subdivision pursuant to La. R.S. 47:2196. La. R.S. 47:2122(2). The term “adjudicated property” is unique to Louisiana. In other states such as Texas and Mississippi, these properties are referred to as “struck off properties” because they are “struck off” or sold to the state.

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

SB 119 (ACT 409)<sup>3</sup>:

§25. Tax Sales Administration

Section 25.(A) ~~Tax Sales~~ Immovables.

(1) There shall be no forfeiture of property for nonpayment of taxes. **However, the assessment of ad valorem taxes and other impositions on immovable property shall constitute a lien and privilege on the property assessed in favor of the political subdivision to which taxes and other impositions are owed. The legislature shall provide, by law, for the efficient administration of tax sales, which shall include at a minimum:**

**(a) Imposition of interest on the delinquent taxes and other impositions not to exceed one percent per month on a noncompounding basis.**

**(b) Imposition of penalty not to exceed five percent of the delinquent taxes and other impositions.**

**(c) A period of time during which the lien cannot be enforced.**

**(d) A procedure for claiming the excess proceeds from the sale of the property, as a result of the enforcement of the lien.**

**(2) The legislature may, by law, provide authority to the tax collector to waive penalties for good cause**

SB 119 (ACT 409) led to Constitutional Amendment No. 4 being on the December 2024 ballot:

Do you support an amendment to eliminate mandatory tax sales for nonpayment of property taxes and require the legislature to provide for such procedures by law; to limit the amount of penalty and interest on delinquent property taxes; and to provide for the postponement of property tax payments under certain circumstances?

<sup>3</sup> Entire text of ACT 409 accessible via: [ViewDocument.aspx](#)

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## **Starting in 2026 – Tax Lien Certificates Will be Auctioned**

In accordance with ACT 774’s newly enacted La. R.S. § 47:2154(D), the tax collector shall file a tax lien certificate in favor of the winning bidder *or if no bidder, in favor of the political subdivision*.<sup>4</sup> A significant change to the law is that this lien, regardless of who it is in favor of, will be filed in the mortgage records. It bears repeating, it is a lien filed in the mortgage records. Newly enacted La. R.S. § 47:2160.1(A) drives home this point by stating that after the tax lien auction and filing of the tax lien certificate, all subsequent statutory impositions shall continue to be assessed to and paid by the tax debtor. This makes complete sense if what was won at the auction is a lien.

A few points about tax lien certificates:

**La. R.S. § 47:2127(C)** All tax liens issued by the tax collector or other tax collectors shall be ranked in *pari passu*.

PARI PASSU. Lat. By an equal progress; equa bly; ratably; without preference. Coote, Mortg. 56. Used especially of creditors who, in marshal ling assets, are entitled to receive out of the same fund without any precedence over each other. Black’s Law Dictionary, Revised Fourth Edition, p. 1270

Also Relevant: Tax lien has priority over all other encumbrances

*Beginning in 2027, property will potentially go back up for auction each year even after a NO BID situation results in the tax lien certificate being filed in favor of the political subdivision.*

**La. RS § 47:2164** -- Tax lien certificate holders can assign the liens to anyone not prohibited from purchasing them via La. RS § 47:2162. Political subdivision can assign for less than the full delinquent obligation without it being considered a donation. Assignment shall be filed with mortgage records and notice delivered to tax collector.

**Tax Lien Prescription:** Tax lien certificates that are won in 2026 and all subsequent years will prescribe after seven (7) years. La. R.S. § 47:2155(C) This is a preemptive period<sup>5</sup> and the new law states that no action to collect the delinquent obligation or enforce the lien and privilege may be instituted after 7 years after the recordation of the tax lien certificate.<sup>6</sup> *Id.*

---

<sup>4</sup> See also La. R.S. § 47:2155(A)

<sup>5</sup> Prescription is a peremptory exception set forth in La. C.C.P. Art. 927. The party pleading an exception of prescription bears the burden of proving that the action has prescribed. However, if the face of the petition shows that the cause of action is prescribed, then the petitioner must make a showing of timeliness.

<sup>6</sup> “Upon expiration of this time period, the recorder of mortgages shall cancel the inscription of the tax lien certificate from the records upon request of an interested party.” La. R.S. § 47:2155(C)

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## **Lien will NOT prescribe while held by the Political Subdivision:**

From a historical perspective, prior to ACT 819 there was no statutory mechanism for which adjudicated property could be sold by the local government. The law also did not contain a mechanism by which they could be re-auctioned. From a tax debtor's perspective it was the best kind of property purgatory although it inadvertently resulted in many heirship problems that often did not arise until the second or third generation and left political subdivisions with an inventory of adjudicated property. ACT 819 allowed adjudicated property to be sold by the political subdivisions as long as specific notice requirements were met. This has improved the previous problem; however, the Non-Warranty Deed that purchasers receive is insufficient for purposes of the acquisition of title insurance, regardless of how closely the statutory notice requirements are followed. ACT 774 results in the sale of a tax lien certificate that, after full foreclosure, is supposed to result in title that is insurable. The lien's prescription after 7 years works well to prevent tax liens from corrupting property into perpetuity, BUT for purposes of property receiving NO BID, the proposed law originally failed to take into account the enormous burden that this prescription could have created for political subdivisions. Fortunately, language was added to the legislation suspending prescription of NO BID properties while they are in the hands of the political subdivisions. La. R.S. § 47:2155(C)

## **Adjudicated Property**

The definition of the term "adjudicated property," has been revised. Beginning in 2026, "Adjudicated property" means "property of which tax sale title was acquired by a political subdivision pursuant to La. R.S. § 47:2196 prior to January 1, 2027." Additionally, the law contemplates a continued ability to sell adjudicated property in the same manner as currently allowed. NOTE: This is referred to in the presentation as "Option 1"

*No changes to these relevant statutes:*

- **La. RS § 47:2288. Acquisitive prescription** The tax sale certificate and the act by which an acquiring person obtains full ownership constitute just title for purposes of acquisitive prescription.
- **La. RS § 47:2202(B) – Lot Next Door** ".....the governing authority of each political subdivision may allow an adjoining landowner to purchase adjudicated property for any price set by the governing authority without public bidding at a public meeting of the governing authority; provided, that the governing authority of an applicable political subdivision determines that the adjoining landowner has maintained the adjudicated property for a period of one year prior to the sale. Such a sale shall be deemed a public sale under the provisions of this Subpart."

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

The definition of "acquiring person" will change in 2026. The revised definition emphasizes the difference between pre-ACT 819 (Pre 1/1/09); post ACT 819 (1/1/09-12/31/25) and ACT 774 (Post 1/1/26) and also acknowledges that adjudicated property can still be sold by a political subdivision.

“Acquiring person” means ~~either~~ any of the following:

- (a) A person acquiring ~~tax sale title to~~ a tax sale property conducted prior to January 1, 2009.
- (b) A political subdivision or any other person seeking to acquire or acquiring ownership of adjudicated property.
- (c) A person acquiring tax sale title to a tax sale property at a tax sale conducted after January 1, 2009, but before January 1, 2026.
- (d) A person acquiring the delinquent obligation at a tax auction after January 1, 2026.

## **La. RS § 47:2206: Notice of sale or donation of adjudicated property**

NOTE: *There is currently no mention in the heading of any other type of sale, but this should include “sale or donation of immovable property encumbered by a tax lien certificate”*

Notice must be sent by the political subdivision or acquiring party to any tax sale party or **tax auction party** whose interest the successful bidder or donee intends to be terminate, that the party has until the later of **a** or **b** to redeem the property, terminate the tax lien certificate or otherwise challenge in a court of competent jurisdiction the potential sale or donation:

- (a) 60 days from notice if 5 years have elapsed from filing of the tax sale certificate **or tax lien certificate** or 6 months after date of notice if 5 years have not elapsed filing of the tax sale certificate **or tax lien certificate**
- (b) (b) filing of the sale or donation transferring the property

“Tax Auction Party” La. RS § 47:2122(14):

- ▶ Tax notice party
- ▶ Owner of property, including owner of record at the time of the tax lien auction as shown in the conveyance records in the parish
- ▶ Any reasonably locatable person holding an identifiable ownership interest or usufruct interest *even if not shown in the conveyance records of the parish where the property subject to the lien is located*
- ▶ Any other person holding an interest such as a mortgage, privilege

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

Notice given after 3 years after recordation of tax certificate or tax lien certificate = intent to sell  
Statutory form for the notice is provided and includes tax sale titles and tax lien certificates. If  
written notice to tax sale party or tax auction party is returned, political subdivision or acquiring  
party shall mail the notice to the tax sale party or tax auction party at each address identified by  
taking additional steps to locate the tax sale party or tax auction party, which shall include at least  
three of the following<sup>7</sup>:

- ▶ (a) Review the local telephone directory or internet for the tax sale party or tax auction party.
- ▶ (b) Contact assessor for potential updated addresses of the tax sale party or tax auction party
- ▶ (c) Examine the mortgage and conveyance records of the parish where the property is located to determine whether there are any other transactions pertaining to the tax sale party or tax auction party
- ▶ (d) Perform a computer search of digitized records and databases of the clerk of court or sheriff's office for addresses of properties that may be owned by the tax sale party or tax auction party
- ▶ (e) Search the business entity records of the Louisiana secretary of state or the equivalent records in which an identified entity was formed or maintains its principal place of business.

### ***Tyler v. Hennepin (2023)***

Geraldine Tyler owned a condominium in Hennepin County, Minnesota, that accumulated about \$15,000 in unpaid real estate taxes along with interest and penalties. The County seized the condo and sold it for \$40,000, keeping the \$25,000 excess over Tyler's tax debt for itself. Minn. Stat. §§281.18, 282.07, 282.08. Tyler filed suit, alleging that the County had unconstitutionally retained the excess value of her home above her tax debt in violation of the Takings Clause of the Fifth Amendment and the Excessive Fines Clause of the Eighth Amendment. The District Court dismissed the suit for failure to state a claim, and the Eighth Circuit affirmed. *Held*: Tyler plausibly alleges that Hennepin County's retention of the excess value of her home above her tax debt violated the Takings Clause.

Adjudicated property rarely is worth a significant amount of money. Adjudicated property sales rarely result in a bidding war or, even more exciting, results in a bidding war and sells for more than the redemption bill. A \$20,000 price tag in most parts of North Louisiana is unique for adjudicated property. Regardless, when *Tyler v. Hennepin* was published, the message from the United States Supreme Court was clear – if the sale results in the political subdivision receiving MORE than the statutory impositions and costs of the sale, then the tax debtor should have a way to recoup or request the overage. The monitoring of these is not difficult because they are rare.

---

<sup>7</sup> LESSONS LEARNED: *Starting at this phase of the process is advisable in order to avoid the inevitable – receiving returned mail after the fact, months later, after a deed has been filed.*

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

Nevertheless, ACT 774 enacted **La. RS § 47:2211 Disposition of proceeds of sale of adjudicated property** to mandate through statute the manner in which any overages of adjudicated property or sales of immovable property to enforce a tax lien certificate must be addressed. The new statute requires that the political subdivision “shall notify” each “tax auction party” that excess funds are being held for the benefit of “persons holding any interest in the property.” These individuals can then submit an application to receive their portion of the proceeds by submitting an affidavit “asserting the facts necessary to prove their interest in the property and the proportion of the proceeds to which they are entitled.” Notices to these individuals must be sent no later than 30 days after the “date of the sale” and after one year from the date of the notices, excess funds shall revert to the selling political subdivision.

**TO CONSIDER:** “*The date of the sale*” is the date of filing of the deed – The auction can actually happen first (and then the notices sent) or the notices can be sent and then the auction – once the deed is filed, the 30 day requirement to send the Overage Notices commences. What if political subdivision sends the notices 32 days after the date of the sale? Shouldn’t the language include “or as soon as possible thereafter” which would render the 30 days more of a suggested timeline than a mandatory deadline? How does the political subdivision “notify” these individuals who have already been sent notices prior to the auction? It is significant that the language in La. RS § 47:2211 reverts from an obligation to send a notice to an obligation to “notify” which is more difficult and likely to not occur in light of already failed efforts that resulted in the sale.

## **Option 2:**

**La RS § 47:2207.1 – Assignment of a Tax Lien Certificate** – Upon receipt of price and satisfaction of any terms or conditions in ordinance authorizing assignment, political subdivision should authenticate assignment of tax lien certificate and file in Mortgage Records.

**La. RS § 47:2246** – Any person may purchase on the terms and conditions set by the political subdivision. (and then file a foreclosure action as a certificate holder under La. RS § 47:2266.1)

Prior Notice is not required before a political subdivision transfers a tax lien certificate. **La. RS § 47:2206(D)**<sup>8</sup>

<b><u>2026</u></b>	<b><u>2027</u></b>	<b><u>2028</u></b>	<b><u>2029 (3rd Year)</u></b>
Political Subdivision	? or PS	? or PS	? or PS
?	? or PS	? or PS	? or PS

<sup>8</sup> Rationale: Assignment of a tax lien certificate initiates the 7 year prescription period if foreclosure does not occur. This process has its own set of strict notice requirements.

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## **La. R.S. § 47:2153.1 Exclusion of certain delinquent obligations from tax lien auction**

Delinquent obligations related to immovable property encumbered by a tax lien certificate issued to and held by a political subdivision may be excluded from a tax lien auction at the election of the political subdivision. As soon as practical after being directed by the political subdivision to exclude a delinquent obligation from the tax lien auction, the tax collector shall file in the mortgage records a tax lien certificate in the favor of the political subdivision.

*If a tax lien certificate stays with the political subdivision (no bid), then the following year, newly added La. R.S. § 47:2153.1 will allow the political subdivision to request (if it chooses) for the property to be excluded from the next year's tax lien auction (if the taxes are again not paid and the property risks a subsequent lien). This is very important for political subdivisions to understand so that they do not risk (if they do not want to risk) having another tax lien certificate holder buying the second lien. On the other hand, it may be exactly what is desired depending on the situation.*

## **Law Authorizing Adjudicated Property Sales – La. RS § 47:2201**

Allows **local ordinances** to be adopted regarding the public sale or donation.

This statute remains but has been significantly revised with the following additions:

- Option 1: Public sale or donation of adjudicated property (Option 1)
- Option 2: Sale or donation of tax lien certificates issued to the political subdivision (La. RS § § 47:2201, 47:2207.1 and 47:2246) **See Minimum Bid Below – § 47:2202(A)(4)**
- Option 3: Conversion of adjudicated property to tax lien certificates (La. RS § 47:2201, *Political subdivision may adopt ordinances which convert title to adjudicated property....to a tax lien certificate.....shall file tax lien certificate in Mortgage records.*
- Option 4: Sale of immovable property encumbered by a tax lien certificate held by a political subdivision (La. RS 47:2201(C)) *A political subdivision may adopt ordinances regarding the public sale of immovable property that is encumbered by a tax lien certificate which has been held by the political subdivision for not less than three years after the recordation of the tax lien certificate in the mortgage records of the parish.....in order to satisfy the debt secured by the certificate and any other statutory impositions related to the property and due to the political subdivision. See Minimum Bid Below – La. RS § 47:2202(A)(5)*

**Must comply with §§§ 47:2202, 2203 and 2206 which have all been revised to include the additional options**

**Bundling** - Option to sell or donate individual adjudicated property or tax lien certificates or multiple parcels or certificates. La. RS § 47:2201(A)



# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## La. RS § 47:2202: Minimum Bids (A)

- (1) Can set a dollar amount as a minimum bid which shall be at least the statutory impositions  
OR
- (2) May require appraisal of adjudicated property to be sold at public sale – licensed appraiser required and minimum bid must be at least 2/3 appraised value for the first sale and 1/3 for the second sale.
- (3) No minimum bid or required appraisal required
- (4) **Can elect to set a minimum bid for the assignment of a tax lien certificate issued to the political subdivision to be sold at a public sale.**
- (5) **Shall set a minimum bid for the sale of immovable property to enforce a tax lien certificate held by the political subdivision that is not less than 2/3 of the market value of the immovable property as established by the assessor.**

## La. RS § 47:2203: Pre-Bidding Procedures – look very similar to current 47:2203:

- (A) Political subdivision may provide by ordinance for the sale of adjudicated property, **sale of immovable property to enforce a tax lien certificate held by a political subdivision or assignment of tax lien certificates held by political subdivisions** at a public sale and may include the date for the sale or a subsequent ordinance can set the date or the date can be set administratively by the political subdivision.
- (B) Person should deposit an amount to determined sufficient to cover expenses of the sale including advertisements, appraisals, and other costs associated with sale. Other than related to more than just adjudicated property - same language as current statute,
- (C) Advertisements for the auction requirements are the same – 2\* in official publication. One time at least 30 days prior and one time no more than 7 days prior to date of sale. Ad should include minimum bid, latest date written bids will be accepted, time and date of in person bidding, and any other terms of sale. If no minimum bid – then ad should include that statement – relates to sale of adjudicated property **or assignment of tax lien certificate issued to tax lien certificate**. NOTE: La. RS § 47:2202(A)(5) mandates that 2/3 market value of immovable property as established by assessor = minimum bid for sale of immovable property to enforce a tax lien certificate -- so “no minimum bid” does not apply to sale of encumbered property moving forward.

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## **La. RS § 47:2204: Additional Terms of Ordinance:**

Relates to sale of adjudicated property and sale of immovable property to enforce a tax lien certificate held by a political subdivision or assignment of tax lien certificate held by a political subdivision.

Sale may be subject to terms and conditions imposed by political subdivision in the ordinance.

Political subdivision may also authorize sale of adjudicated property or assignment of a tax lien certificate issued to a political subdivision at a public sale at a price TBD by highest bidder without setting a minimum bid or requiring an appraisal.

NOTE: Again, La. RS § 47:2202(A)(5) mandates that 2/3 market value of immovable property as established by assessor = minimum bid for sale of immovable property to enforce a tax lien certificate so “no minimum bid” does not apply to sale of encumbered property.

Ordinance “may provide” that a subsequent ordinance is required to approve the sale.

LESSONS LEARNED: Resolutions rather than subsequent ordinances may work better for some political subdivisions. Ordinance or resolution authorizing sale can occur before the notice period or after – statute doesn’t say when it has to occur. This is a local decision.

**After the Sale:** Filing a copy of one of the notices sent is now mandatory (“shall” instead of “may”) AND mortgage record affidavit that is currently optional (La. RS § 47:2208) is now mandatory for adjudicated property and for sale of immovable property to enforce a tax lien certificate. Must explain how tax sale parties or tax auction parties were identified, how addresses were obtained, the results of sending written notice, and dates of publication. Must index under owner filing affidavit and each tax debtor BUT the statute then states that the affidavit “shall” index under name of owner filing affidavit, name of each tax debtor, ***and names of other tax auction parties*** -- The remainder of La. RS § 47:2208 is the same -- except that Subsection (D) states that the recorder of mortgages shall treat **and mark** as cancelled.....all liens, privileges,.....Indemnification language is the same LESSON LEARNED: include an affidavit indemnifying clerk of court that lists the language in the statute verbatim

**La. RS § 47:2207** – Provides the Nonwarranty Deed format for an adjudicated property sale or sale of immovable property to enforce a tax lien. Only the heading of the statute has been revised to include “sale of immovable property to enforce a tax lien certificate”

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## 2026 Tax Lien Auctions

### Prior to Tax Lien Auctions:

- 1% per month starting in January with a 5% penalty assessed if property goes to auction (La. RS §§ 47:2153 and 47:2127(B))
- “In the event of a tax lien auction of immovable property, the interest rate may be reduced.” (La. RS § 47:2127(B))
  - What is a “tax lien auction of immovable property” in 2026 forward? ACT 774’s definition of “tax lien auction” is “the sale of a delinquent obligation pursuant to this Chapter” La. RS § 47:2122(16) so the auction itself is for a lien -- not the property. I think it is a typo (creating an oxymoron) and that because of where it is in the statute, it means “In the event of a tax lien auction of ~~immovable property~~ property, the interest rate may be reduced.”
- Tax lien has priority over all other encumbrances (La. RS § 47:2127(C))
- No later than the first Monday of February or as soon as possible thereafter (same language), CMRRR to each tax notice party. If it is returned for any reason, the tax collector must resend the notice by first class mail and to “occupant” at the address listed + shall take additional steps to notify the tax debtor of the delinquent statutory impositions and pending tax lien auction. (La. RS § 47:2153(A))
- Additional steps shall include any three of a list of six options (the first of which is to review the local telephone directory or internet for the tax debtor) (La. RS § 47:2153(B)).
- Tax collector is to send the first class mail to all identified addresses and can recover reasonable and customary costs actually incurred in compliance. (La. RS § 47:2153(B)).
- After 20 days from the date of the last written notices sent (or as soon thereafter practicable) – no change here.....notice of delinquency and advertisement of auction in official journal. Tax Collector may also publish via the Internet (La. RS § 2153(C)(1)(b)) the portion of the notice and advertisement that details the names of the delinquent tax debtors, the amount of the statutory impositions due, and the description of each specific property for which a tax lien certificate will be issued. Tax collector should provide the web address in the original printed notice or advertisement where the comprehensive list can be viewed.

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

- Public auction must be advertised by May 1 or as soon thereafter as possible (no changes to law) and should be held on designed weekdays between 8am-8pm and if online, any bid received prior to the opening of the auction shall be null and void. (La. RS § 47:2154(B))

## During and After The Tax Lien Auction:

- 100% Interest will be sold – always (no in-division interests)
- Tax lien filed in the Mortgage Records
- Tax Debtor will continue to receive ad valorem tax bill. Tax collector must send notice to tax debtor and tax notice parties (La. RS § 47:2143(D)) but “[t]he assessor shall not list the name of the tax lien certificate purchaser on the tax roll.” (La. RS § 47:2126)
- Notice shall indicate if there is a prior unredeemed tax sale, tax sale certificate or tax lien certificate in connection with the immovable property.<sup>9</sup> (La. RS § 47:2127(D))

## Beginning in 2027, A few things can happen:

The tax debtor can pay the taxes in 2027 (even though there is a tax lien certificate still outstanding for 2026). This prevents a tax lien for that year BUT does not resolve the previous year’s tax lien.

If the tax debtor realizes that the tax lien certificate from the year before still needs to be paid – they “terminate the tax lien” (redeems) BUT if they do not, the tax lien eventually expires after year 7 (fully redeemable until that time in the event that property owner/tax debtor needs to resolve) unless the tax lien certificate holder moves to foreclose.

Tax lien certificate purchaser from 2026 is supposed to be notified by the tax collector that the 2027 taxes have not been paid. *This allows a decision to be made – do they pay it and keep things from getting really complicated? Or do they not pay it and risk another tax lien certificate purchaser to enter the equation?*

Tax lien certificate purchaser with just one tax lien certificate can initiate foreclosure on the property as soon as year three (3) [But only if La RS § 47:2156 Notice has been sent between 180-365 days prior].

---

<sup>9</sup> Tax sale is pre-2009; tax sale certificate is 2009-2025 and tax lien certificate is 2026 BUT prior to 2026, these notices go to tax sale or tax sale certificate purchaser so how is this helpful? The statutory language (La. RS § 47:2127) in the notice states: **“INDICATE IF APPLICABLE: According to our records, the property for which these statutory impositions are due has previously been sold at a tax sale or tax sale title or tax lien certificate has previously been issued. You should take steps immediately to remedy this threat to your ownership. You may have a right of redemption or termination if timely exercised.”**

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## **Redemptions (Terminations of Tax Liens)**

Every state has its own redemption period.<sup>10</sup> Louisiana’s constitutionally required redemptive period was previously three years. Former Article VII, Section 25(B)(1) of the Louisiana Constitution; La. R.S. § 472122 (11) The three year period mandated in the state constitution ran from the date of recordation of the tax sale. During this time period, the tax debtor had an absolute right to reclaim “redeem” his property by paying the price given, including costs, five percent penalty thereon, and interest at the rate of one percent per month until redemption. If the political subdivision acquired the tax sale certificate, then state law allowed the property to be sold or donated after the constitutionally mandated redemptive period. After the state’s constitutional right to redeem the property has expired, any person may currently redeem tax sale title to property issued to a political subdivision (adjudicated property) in the name of the tax debtor until any of the following shall occur<sup>11</sup>:

The later of sixty days or six months, as applicable, after the notice required by La. R.S. § 47:2206, or the filing of the sale or donation transferring the property from the political subdivision pursuant to La. R.S. § 47:2201 et seq.

(2) The granting of the order of possession pursuant to La. R.S. § 47:2232.

(3) Sixty days or six months, as applicable, after the notice required by La. R.S. § 47:2236 (Claim of ownership by political subdivision provision)

**La. RS § 47:2245** Redemptions → Termination of a Tax Lien Certificate (ACT 774)

What was previously referred to as the “redemption period” is the “termination period”

**La. RS § 47:2247** – Termination of Tax Lien Certificate Issued to a Political Subdivision – Pay the termination price PLUS:

- Actual costs incurred regarding notification pre-auction
- Pay all the fees associated with the auction.
- Pay all fees associated with locating tax auction parties and notifying them of the subsequent transaction *as allowed by law*.
  - Tax lien certificate holder (including the political subdivision if it is the tax lien certificate holder) can receive up to \$500 for efforts to notify tax auction parties including title research fees, postage and administrative fees. Must submit an affidavit of costs and fees to the tax collector attesting to these costs. La. RS § 47:2156(D)

---

<sup>10</sup> For example, in Mississippi the redemption period is two years. Miss. Code Ann. § 27-45-3 (2016)

<sup>11</sup> La. R.S. § 47:2246

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## Abandoned/Blighted Property Affected by a Tax Lien Certificate

### Current Law:

La. RS § 47:2158

- Writ of possession is required
- Judge must grant an ex parte order of seizure and possession
- Privilege on the property for the costs of complying

La. RS § 47: 2161

- Subsection (B) addresses tax sale purchasers in the city of New Orleans and allows \$1,500-\$3,000.

### **La. RS § 47:2158 Repairs**

When authorized in a notice or order of a political subdivision charged with the enforcement of property standards or by a court of competent jurisdiction<sup>12</sup>, a tax lien certificate holder may make necessary repairs that are required to comply with a notice or order of political subdivision charged with enforcement of property standards. The tax lien certificate holder who undertakes repairs shall have the rights and duties of a manager pursuant to Civil Code Arts. 2292 through 2297.

- Court involvement will not be mandatory – “notice or order of a political subdivision charged with the enforcement of property standards” or by court of competent jurisdiction....
- Tax lien certificate holder may make the necessary repairs to comply with the notice or order.....
- Duties of a Manager - Civil Code Arts. 2292 through 2297

Expenses are Recoverable ONLY IF: To preserve privilege on the property for costs of complying with the order of the political subdivision, tax lien certificate holder must file statement of privilege in the mortgage records detailing expenses incurred in compliance. Must file within 15 days of satisfaction of requirements of the order AND must send a copy of the statement of privilege to the debtor. Privilege terminates 5 years after the recordation of the statement of privilege.

---

<sup>12</sup> “as determined by the value of immovable property described and not by the value of the delinquent statutory impositions”

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## Initiation of Foreclosure

For 2026 tax lien certificates, this portion of the law is not relevant for at least 2-3 years. ACT 774 allows political subdivisions to convert adjudicated property to a tax lien certificate that can be sold or donated; however, foreclosure cannot occur until 3 years after the filing of the tax lien certificate in the mortgage records which will serve to delay efforts to foreclosure on adjudicated property that is converted. Otherwise, for a political subdivision willing/interested in testing the tax lien foreclosure process as soon as possible, 365/180 days notices could be sent for selected adjudicated properties worth the extensive cost of foreclosure NOW and the conversion of the tax sale title for the adjudicated property to a tax lien certificate could occur as soon as the law becomes effective.

**La. RS § 47:2156** Notice requirement involving the foreclosure. A specific notice must be sent between 365-180 days prior to the filing of the foreclosure. When the petition is then filed, the notice (sent within the required timeframe) can then be attached to the petition as required by law.

**La. RS § 47:2166.1:** Initiation of Foreclosure after 3 years from date of filing tax lien certificate:

- a. Tax lien purchaser sends a notice to all tax auction parties between 365-180 days prior to filing of petition.<sup>13</sup>
- b. Recommended that notice include a payment schedule for at least 6 months of what is owed to stop foreclosure. Notice Form is in La. RS § 47:2156(C)
- c. Tax lien certificate holder can receive up to \$500 for efforts to notify tax auction parties including title research fees, potages and administrative fees. Must submit an affidavit of costs and fees to the tax collector attesting to these costs. La. RS § 47:2156(D)
- d. Petition can be filed: “Upon the expiration of the later of three years from recordation of the tax lien certificate or one hundred eighty days after providing the notices required by La. R.S. § 47:2156, a certificate holder may, by verified petition, institute in a court of competent jurisdiction”
- e. Expect a diligent tax lien purchaser to send notice between 365 and 180 days prior to year 3 and then file the petition
- f. Once petition is filed – extra charges will be added (court costs and attorney’s fees).
- g. 30 days after all tax auction parties are served termination of lien through tax collector no longer possible.

---

<sup>13</sup> Mortgage holder requires certified or registered mail or commercial courier as defined by CCP Art. 1313

# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

## **Filing the Foreclosure Petition**

- a. Notice is required (at least 180 days and no more than 365 days prior)
- b. Notice should include redemption amount from within 15 days.
- c. Attach tax lien certificate, affidavit of costs<sup>14</sup> & a certification from the tax collector (a statement certifying amount of termination price as of date in the statement) to the petition.
- d. Petitioner shall send a copy of the petition to the tax collector and file a notice of pendency of action with the recorder of mortgages of the parish in which the property is located. (\$100)
- e. The petition shall include each of the following allegations:
  1. Petitioner is a certificate holder of a tax lien recorded in mortgage records of parish.
  2. At least three years have passed since the recordation of the tax lien certificate.
  3. At least one hundred eighty days have passed since the transmission of notices as required by La. R.S. § 47:2156.
  4. The attached tax lien certificate was issued for the collection of delinquent obligations on the property described.
  5. The complete legal description of the immovable property subject to the tax lien certificate.
  6. The amount of the obligation secured by the lien as evidenced by the statement of tax collector and the affidavit of costs incurred executed by the certificate holder.
- f. Petition has to be served on the tax collector (do they waive service when a copy of the petition is provided to them by the petitioner?) and each tax auction party.
  1. Curator can be appointed.
  2. Once all parties served, petitioner notifies the clerk of court and clerk of court serves notice on tax collector providing the last date of service
  3. Tax collector cannot allow termination of tax lien after 30 days from this date.
  4. Any interested person can file a contradictory motion for the court to set the termination price and direct the clerk of court to terminate the tax lien certificate, upon deposit of the termination price in the registry of the court or delivery of the termination

---

<sup>14</sup> The petitioner is entitled to recover court costs and reasonable attorney fees incurred in prosecution of the action. Except for good cause shown, the recoverable amount of attorney fees shall not exceed the greater of twenty-five percent of the total amount sought to be collected as specified in Subparagraph (f) of this Paragraph or two thousand five hundred dollars.



# E&P Consulting Services, LLC

1030 North 9<sup>th</sup> Street · Monroe, Louisiana 71201

Phone (318) 807-0924 · Fax (318) 807-0925

price to the certificate holder. The court shall fix the amount of the termination price within thirty days of filing of the motion.

- g. Writ of Fieri Facis: Enforcement of the *In Rem* Judgment Through Seizure and Sale
  - i. Same procedure as seizure & sale -- Code of Civil Procedure Article 2291 et seq
  - ii. The winning bidder shall deliver the price of the judicial sale to the sheriff. After deducting the costs of the sale and any commission due, the sheriff shall distribute the proceeds in the following order:
    - 1. To the plaintiff certificate holder for the payment of the judgment plus judicial interest through the date of sale and reasonable costs and attorney fees incurred in relation to the judicial sale.
    - 2. To the holders of tax lien certificates that have not preempted for the termination price.
    - 3. To holders of recorded mortgages, liens, and privileges to satisfy each claim.
    - 4. To each owner in accordance with their interest.
  - iii. Seizure under a writ of fieri facias must occur within one year of date of issuance (La. CCP 2294) [6 months in Orleans Parish] “Once in place, the lien on intangible property lasts for one year from the original return date on the Writ. The Writ can be reissued upon the creditor's request, thereby extending the life of the lien”
    - 1. NOTE: a Writ of Fieri Facias is not the demand for payment - rather it is the procedure that allows a creditor who has already obtained a money judgement against a person/property, to begin to garnish / seize the property.
    - 2. The Writ is issued by the clerk of the court that entered the judgment upon the request of the judgment creditor.
  - iv. In a typical foreclosure, a 3<sup>rd</sup> party in interest holder can intervene and assert a superior interest and request to be paid first – but the order of payment for tax liens has mortgage holders paid 3<sup>rd</sup>.