



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 488 HLS 14RS 1334
Bill Text Version: ENGROSSED
Opp. Chamb. Action: w/ SEN COMM AMD
Proposed Amd.:
Sub. Bill For.:

Date: May 15, 2014 1:37 PM Author: BERTHELOT
Dept./Agy.: Tax Collectors Analyst: Becky Ewing
Subject: Authorized Agents of Tax Collectors for Tax Sales

TAX/PROPERTY EG1 DECREASE LF EX See Note Page 1 of 1
(Constitutional Amendment) Authorizes agents of the tax collector to sell property for delinquent taxes and requires the fee of the authorized agent to be included within the costs recoverable in the tax sale
Purpose of Bill: This bill authorizes agents of tax collectors to assist in the tax sale process, including the sale of property for delinquent taxes. In addition, this bill provides for the authorized agent to charge a fee, not to exceed the maximum amount set in accordance with applicable state law, to be included in the costs recovered from the tax sale proceeds. The provisions of this bill are subject to voter approval in the statewide election to be held on November 4, 2014.

Table with 7 columns: EXPENDITURES/REVENUES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

This bill may decrease local fund expenditures for parish sheriffs' offices and municipalities by an indeterminable amount.

Sheriffs

According to officials with the East Baton Rouge Parish Sheriff, Ascension Parish Sheriff, and Bossier Parish Sheriff, this bill would not affect expenditures because tax collectors in these parishes and several others are already using authorized agents to conduct tax sales online. Furthermore, these third party providers add their service costs to the amount to be recovered in the tax sale, so their services are provided at no cost to the local governments.

This bill may decrease local fund expenditures for parish sheriff offices which do not currently use authorized agents to conduct tax sales. By using an authorized agent rather than their own staff, these tax collectors may decrease payroll costs. The Pointe Coupee Sheriff's Office estimated that expenditures could decrease by \$10,000 and the Bossier Sheriff's Office estimated a possible decrease of approximately \$71,000 annually. The amount of cost savings would depend on the extent of services that would be handled by an agent and the effect on staffing at individual sheriffs' offices.

An official with the Secretary of State's office indicated that there would be no additional election costs to propose this constitutional amendment, as the November 4, 2014 statewide election is included in current budgets.

Municipalities

According to officials with the Town of Glenmora and the Village of Epps, this bill would not affect local fund expenditures. The Town of Glenmora indicated it would continue to hold tax sales under current procedures without an authorized agent. The village of Epps does not currently hold tax sales because of the costs involved and its delinquent property taxes are negligible (less than \$1,000). Several other municipalities indicated they will not be affected by this bill because their tax sales are handled by the parish tax collector (sheriff). However, it is reasonable to assume that those municipalities which hold their own tax sales and would start using an authorized agent may experience some cost savings as a result of this bill.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this bill.

Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}
Joy Irwin
Director of Advisory Services