



OFFICE OF LEGISLATIVE AUDITOR

Fiscal Note

Fiscal Note On: HB 335 HLS 07RS 152
Bill Text Version: ENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 2, 2007 2:27 PM Author: LAFLEUR
Dept./Agy.: Tax Collectors Analyst: Shawn Dietrich
Subject: Notice to Mortgagee of Delinquent Taxes

TAX/AD VALOREM TAX EG SEE FISC NOTE LF RV See Note Page 1 of 1
Repeals the annual fee for notice of ad valorem tax delinquency to mortgagees and authorizes a new one-time fee for notice of ad valorem tax delinquency

Purpose of Bill: Current law (R.S. 47:2180.1(A)) requires tax collectors to notify mortgagees of delinquent property taxes. Mortgagees must pay the tax collector a \$5 fee per property per year to cover the costs of notification. This bill replaces the \$5 per property per mortgagee fee with a one-time \$20 per property per mortgagee fee.

Table with 7 columns: EXPENDITURES, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

Local government expenditures could increase by an indeterminate amount. We contacted the Louisiana Sheriffs' Association, but they were not able to provide us with information to complete this fiscal note.

REVENUE EXPLANATION

Local government revenues could be affected by an indeterminate amount.

We contacted the Louisiana Sheriffs' Association, but they were not able to provide us with information to complete this fiscal note. However, we did receive feedback from the East Baton Rouge Sheriff's Office.

Assuming the sheriff's office currently charges the \$5 fee and receives the same number of requests for notification each year, this bill would not affect revenues in Fiscal Years 2008 through 2011 but would decrease revenues in Fiscal Year 2012.

Assuming that the life of the mortgage ends shortly after the \$20 payment is received, this bill could generate an increase in local revenues. For example, under current law, a mortgagee will pay \$5 in Fiscal Year 2008 for notification.

According to the Lafayette Parish Sheriff's Office, R.S. 47:2180.1 is obsolete because of a U.S. Supreme Court decision in Menonite Board of Missions vs. Adams, 462 U.S. 791 (1983). The Supreme Court ruled that mortgagees have a legally protected property interest and are entitled to reasonable notice.

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Signature of Michael G. Battle

Michael G. Battle
Manager, Performance Audit