



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 156 SLS 13RS 332
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Table with metadata: Date: April 8, 2013 8:20 AM, Author: BROOME, Dept./Agy.: Local Govt, Subject: Leases - Notification of Foreclosure, Analyst: Michael Cragin

LEASES OR NO IMPACT LF EX See Note Page 1 of 1
Provides relative to leases and residential lessee's right to notification of foreclosure action. (8/1/13)

Purpose of Bill: Requires the owner or lessor, prior to entering into a lease agreement for a residential building, to disclose in writing whether the premises of the unit is subject to any pending foreclosure procedure and the right of the lessee or tenant to receive a notification of foreclosure action. Also requires the owner/lessor to provide written notice within seven days to lessees, tenants, and certain third party rent payers when owner/lessor has received a notice of seizure in a foreclosure action. Specific language concerning the obligations of both the tenants and owner/lessor is required in the notice, and it must be signed by the owner or lessor. The bill provides that the tenant may in writing terminate the lease if the owner or lessor fails to provide proper notice. Further provides that the lessee/tenant may recover \$200 in damages (in addition to other costs) if in a civil legal proceeding establishes that the owner/lessor violated the lessee's right to disclosure under this section of the law. Applies to all owners/lessors in residential leases including properties subject to a federally related mortgage loan, and to residential lessees/tenants receiving Section 8 housing assistance.

Table with 7 columns: EXPENDITURES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 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, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

We concluded that the only governmental entities that may be fiscally affected by this bill might be Sheriffs' Offices. Therefore, we contacted a sample of offices to determine if there would be any fiscal impact as a result of this bill. Representatives of the East Baton Rouge, Calcasieu, and Caddo Parish Sheriffs' offices determined that this bill will have no impact on their offices' expenditures

REVENUE EXPLANATION

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

We concluded that the only governmental entities that may be fiscally affected by this bill might be Sheriffs' Offices. Therefore, we contacted a sample of offices to determine if there would be any fiscal impact as a result of this bill. Representatives of the East Baton Rouge, Calcasieu and Caddo Parish Sheriffs offices determined that this bill will have no impact on their offices' revenues.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Joy Irwin
Director of Advisory Services