

_____, seconded by _____ offered the following ordinance for adoption.

ORDINANCE NO. 796

AN ORDINANCE TO PROVIDE FOR THE SALE OF ADJUDICATED PROPERTIES; AND, FURTHER PROVIDING WITH RESPECT THERETO.

WHEREAS, the Parish of Claiborne has an interest in the health, safety and welfare of its citizens; and

WHEREAS, numerous properties have been adjudicated to the Parish for nonpayment of taxes; and

WHEREAS, Act 819 was enacted by the 2008 Legislative Session, revising La. R.S. 47:2121, *et seq.* to establish procedures for the sale of adjudicated properties, and the Parish of Claiborne desires to establish and adopt such procedures in order to place such adjudicated properties back into the economic stream of commerce for the benefit of its communities; and

WHEREAS, R.S.47:2201, authorizes a political subdivision to adopt general ordinances governing the public sales and donations of adjudicated property.

NOW THEREFORE:

I. ADMINISTRATION

Claiborne Parish Police Jury hereby establishes the Claiborne Parish Adjudicated Property Program, which shall be administered by the Claiborne Parish Police Jury (hereinafter "CPPJ" or "Parish" or "Police Jury"). The Parish shall either handle the process internally or shall contract with a third-party administrator or management company (hereinafter "Management Company") to administer the sale or donation of adjudicated properties in the Parish.

The PPPJ hereby authorizes, pursuant to La. R.S.47:2196, the public sale of all properties adjudicated to the Parish since January 1, 1975, and for a period of at least three (3) years. The sale of said properties shall be governed by the laws of the State of Louisiana and this Ordinance.

II. PUBLIC INFORMATION AND DISCLOSURE

Forms and instructions shall be accessible to the public from the web site or printed publication produced and provided by Claiborne Parish for such purposes, to include the following:

- A. Listing of all properties adjudicated to the Parish with links to the Parish Assessor's online database, if possible.

- B. Notice to Buyers, which shall contain instructions, disclosure of rights, and contact information.
- C. Persons questioning the status of their property taxes shall be instructed to contact the Parish Tax Collector's office.
- D. Copy of Parish Ordinance regulating policies and procedures for sale of adjudicated properties.
- E. Definitions and citation to Louisiana Revised Statutes.
- F. Offer to Purchase Form with instructions for completion and assistance.

III. PRE-BIDDING PROCESS

A. Initiation of Sale

The Parish Assessor shall make best efforts to annually compile a list of names and addresses of adjudicated properties from the tax roll records and make such list available to the public. The Parish Assessor shall also forward such list to the Management Company.

Pursuant to La. R.S 2203, the sale of such adjudicated property may be prompted by individual interest (whether it be a natural person or juridical person) or at the request of the Parish or Police Jury, at any time.

An individual submitting a request for the sale of specific property shall submit an application with a certified check or money order in the amount of \$1,000.00 for each piece of property, payable to *E&P Consulting Services, LLC*. This fee is an administrative fee for the work performed by the Management Company to prepare and sell the identified adjudicated property. It shall be fully refundable to the interested purchaser until a Written Offer to Bid has been signed.

Upon receipt of application and fee, the Management Company shall conduct a preliminary investigation to confirm that the property has been adjudicated, has not been redeemed and has not been determined as needed for a public purpose. The Management Company shall communicate as necessary with the office of the tax collector and tax assessor for the purpose of calculating the Minimum Bid (set forth in (3) below) and shall prepare and provide the interested purchaser with a written Offer to Bid containing the minimum bid figure. In the event that the interested Purchaser rejects the minimum bid offer, he/she shall receive a full refund of the administrative fee.

If the written minimum bid offer is accepted, the Management Company shall:

1. Conduct Title Research - Title research shall include copies of all documents from the public record. If necessary, surrounding properties may be researched to ascertain the physical location and boundaries of subject properties. Management Company shall utilize abstracting services of insured abstractors at its discretion. Said title search shall include tax certificates obtained from the Claiborne Parish Tax Collector, mortgage certificates obtained from Claiborne Clerk of Court, and any records obtained from

Parish Assessor's office. Copies of surveys and maps of record may also be provided.

2. Effect Public Notice - The public sale by auction shall be advertised at least twice in the official journal for the Parish of Claiborne once at least thirty days prior to the date of the public sale, and once no more than seven days prior to the date of the public sale. The notice shall provide for the minimum bid, the latest date written bids will be accepted, the time and date of in-person bidding, if any, and any other terms of sale.
3. Other Administration and Determination of Minimum Bid Amount – The Management Company shall prepare reports, send statutory notices to all interested parties, and confirm the minimum bid price, based upon total amount of liens and taxes due, and acquisition costs. Pursuant La. R.S. 47:2202, Claiborne Parish hereby establishes that there is no minimum bid at the public sale of an adjudicated property; however, unless circumstances demand otherwise, recommended bidding to ensure equivalent value shall not be less than the lesser of:
 - a) The total amount for which the property was adjudicated, including all interest, costs, penalties, and the amount of any state, parish, city, levee district charges and all subsequent taxes and other local improvement or code enforcement charges or
 - b) Two-third the assessed value.

IV. BIDDING AND PUBLIC SALE

Except as otherwise provided in this ordinance, or by La. R.S. 47:2121 *et seq.*, the auction shall be governed by R.S. 9:3151 *et seq.* Following notice of sale being published in the official journal of the Parish of Claiborne, the following shall occur:

A. Public Auction

Public auction of adjudicated property shall be held at the Claiborne Parish Police Jury office located at 507 West Main Street, Homer, LA 71040 and shall be handled by the office of Parish Secretary/Treasurer. All bid amounts are subject to final approval by the Parish. The Parish is hereby authorized to accept and/or reject any or all bids, and to execute any and all documents necessary to finalize the sale of properties sold pursuant to these procedures. If in any event a property is not sold at such public auction, the property shall remain adjudicated to the Parish.

B. Terms for Sale of Adjudicated Property

All Acts of Sale of adjudicated property shall contain provisions, acceptable in form and substance to the Parish, which provide that all such sales shall be for cash and shall be without warranty of title and without any warranty of merchantability or fitness; shall be "as is, where is"; that it shall be the obligation of the purchaser to obtain title insurance, if it is desired; that all such sales shall be subject to such encumbrances, liens, mortgages, real charges or other burdens reflected in the public records; and that the Act of Sale for such

adjudicated property shall contain a condition which shall require the purchaser of such property to improve/renovate/make use of the tract, to the satisfaction of the administration, within 365 days of the passage of the Act of Sale and that, if the purchaser fails to timely comply with this provision, the Parish Jury shall have the right to rescind, dissolve or cancel the sale.

C. Notice to Tax Debtor and Tax Parties

(a) The Management Company, on behalf of the Parish for the benefit of the potential purchaser, shall give notice to any tax sale party whose interest that a prudent purchaser would intend to terminate, as determined by the Management Company, in its discretion, that he has until the later of the following to redeem the property or otherwise challenge in a court of competent jurisdiction the potential sale: (i) depending on the date of adjudication, either six months or the sixty days from the date of the notice provided in this Subsection; or (ii) the filing of the act of sale transferring the property.

(b) The Management Company, on behalf of the Parish for the benefit of the potential purchaser, shall cause to be published in the official journal of Claiborne Parish a notice that any tax sale party whose interest that a prudent purchaser would intend to terminate has until the later of the following to redeem the property or otherwise challenge in a court of competent jurisdiction, the potential sale of the property: (i) Sixty (60) days or six (6) months from the first publication of the notice provided for in this Subsection; or (ii) The filing of the sale or donation transferring the property.

(c) The Management Company shall make available during business hours to any potential bidder, upon reasonable request, the notices, the publication and the results of such notification and publication.

(d) The Management Company on behalf of the Parish for the benefit of the potential purchaser or the successful bidder may file with the recorder of mortgages of Claiborne Parish a copy of one of the notices that was sent to the tax debtor or the current owner. A transfer, mortgage, lien, privilege, or other encumbrance filed after the filing of the notice shall not affect the property. Pursuant to the provisions of La. R.S. 47:2206(C), the recorder of mortgages or recorder of conveyances shall cancel, erase, terminate, or release the acts upon the request of the Management Company or the successful bidder.

D. Closing Transaction

Within 10 business days of the six (6) month or the sixty (60) day period set forth in the notices provided above, closing of the transactions should occur. Such date may be extended by mutual agreement of the Management Company, acting on behalf of the Parish, and the potential purchaser or based on the Management Company determination that the closing should occur at a later date in the best interest of the Police Jury. On the day of closing, and immediately prior to closing, Management Company will confirm that the property to be purchased has not been redeemed.

Closings shall be conducted or overseen or arranged by the Management Company to be held at the offices of Management Company or at the Claiborne Parish Police Jury Office. However, purchaser may execute the documents at a more agreeable location, at purchaser's expense.

At closing, the purchaser shall pay the net purchase price for the property as well as all fees to be charged by the Clerk of Court.

All sales are made without warranties whatsoever, except for warranty against eviction based on prior alienation by the political subdivision. Purchaser has the right to obtain title insurance, if available, at its sole cost and expense. All minerals and mineral rights shall be reserved by the Parish, if allowed by law. Cash Sales may contain additional reservations, requirements, restrictions, rights of way, and servitudes imposed by the Parish.

Upon recordation of the sale, disbursement of funds shall occur by Management Company to the Parish Tax Collector with instructions from the Parish Tax Collector. All proceeds after the deduction of costs shall be paid pro rata to holders of statutory impositions and governmental liens, unless otherwise agreed. Any excess amount shall be paid to the Parish or shall be dispersed as determined appropriate by the mutual agreement of the governmental entities.

E. Purchaser's Affidavit

1) Contemporaneously with or subsequent to the filing of the sale or donation of adjudicated property, the acquiring person, his successors, or assigns, at his own additional expense may file with the recorder of mortgages of Claiborne Parish indicating how the tax sale parties whose interest the acquiring person, his successors, or assigns, intends to be terminated were identified, how the address of each tax sale party was obtained, how the written notice was sent, the results of sending the written notice, and the dates of publication. The affidavit may also contain a statement of the interest to which the purchaser or done takes subject. The recorder of mortgages shall index the affidavit only under the names of the owner filing the affidavit and the tax debtor, as mortgagors. The affidavit shall conform to La. R.S. 47:2208(A).

2) With respect to a sale, the filing of the affidavit provided in Subsection (1) of this Section shall operate as a cancellation, termination, release, or erasure of record of all statutory impositions of all political subdivisions then due and owing, of all governmental liens, and of all interests, liens, mortgages, privileges, and other encumbrances recorded against the property sold and listed in the affidavit.

3) Upon filing of the affidavit, the recorder of mortgages or the recorder of conveyances shall treat as canceled, terminated, released, or erased, all those liens, privileges, mortgages or other encumbrances canceled, terminated, released or erased under Subsection (2) of this Section, only insofar as they affect the property.

4) Purchaser shall be responsible for recording and paying any other recording fees, including, without limitation, fees for recording any affidavits.

V. LOT NEXT DOOR PROGRAM

Claiborne Parish Police Jury hereby further authorizes the Parish to sell any eligible adjudicated property to any adjoining landowner for any price set by the Parish without public bidding. In the event that there is more than one adjoining landowner interested in purchasing the property, preference will be given to the landowner that establishes that he or she has maintained the adjudicated property for a period of one year prior to the sale. In the event that more than one adjoining land owner has maintained the property for a period of more than one year, the landowner whose adjoining property has homestead exemption status shall be given the first opportunity to acquire the eligible adjudicated property. Such a sale shall be deemed a public sale, pursuant to La R.S. 47:2202(B). Additionally, in situations involving a property with percentages of the tax bill being taxed to different individual(s)/entity(ies) because of a past tax sale can be considered a Lot Next Door Owner if the adjudication sale will result in a larger percentage of the property being taxed to one owner for the future.

VII. DONATION OF PROPERTY

The Claiborne Parish Police Jury hereby further authorizes the Parish, to the extent allowed by the Louisiana Constitution, to donate any eligible adjudicated property to be used only for purposes allowed by the Louisiana Constitution.

VIII. SEVERABILITY

If any provision contained in this ordinance is held invalid, such invalidity shall not affect other provisions which can be given effect without the invalid provision, and to this end, the provisions established herein are declared severable.

This ordinance becomes effective in accordance with dates set forth herein and five (5) days after publication in the Official Journal.

The above ordinance was introduced on the 10th of May, 2023

The ordinance was submitted to a roll call vote, and the vote thereon was as follows:

YEAS: (0)
NAYS: (0)
ABSTAIN: (0)
ABSENT: (0)

The ordinance was adopted this _____ day of _____, 2023.

* * *

DRAFT

CERTIFICATION

I hereby certify that the foregoing is a true and correct copy of Ordinance _____ adopted at a Regular Meeting of the Claiborne Parish Police Jury held on _____, in which a quorum was present and voting and that the ordinance adopted is still in effect and has not been rescinded or revoked.

Signed at Belle Chasse , Louisiana on the _____

_____, Recording Secretary

DRAFT