

ADJUDICATED SURPLUS PROPERTIES PROGRAM

TO: Prospective Purchaser

FROM: Kevin C. Davis, Parish President
Kelly M. Rabalais, Executive Counsel to the Parish President

RE: **Sale of Surplus Adjudicated Property**

In response to your request for information regarding the purchase of surplus property adjudicated to the Parish for the non-payment of property taxes, the Parish has adopted the following procedure, in accordance with Louisiana Revised Statutes 33:4720.11 through 33:4720.19. **It is strongly recommended that you consult with your private attorney before proceeding with this acquisition process. This memorandum is intended to set out the procedures to be followed for the Surplus Adjudicated Property Program but is not intended as a complete review of the law of tax sales and surplus adjudicated property acquisitions. There are many legal issues that may effect the title to property you are attempting to acquire and consultation with your attorney is recommended.**

To participate in this program, the Parish asks that you acknowledge that you have received and reviewed this informational memorandum. Your signature below confirms that you have read and understand the procedures and requirements for participation in the sale of adjudicated surplus properties.

1. IDENTIFYING QUALIFYING PROPERTY

You must first determine that the property in which you are interested in acquiring has been adjudicated to the Parish of St. Tammany for past due property taxes and has not been redeemed by the tax debtor. The St. Tammany Parish Assessor, Sheriff's Office and the Clerk of Court maintain records of the adjudicated properties. The indices maintained by these offices can aid you in locating properties by subdivision, by annual tax adjudications and by street addresses. Those indices will also allow you to verify that the property has not been redeemed. A listing of some of the adjudicated properties can be found on the website for the Parish of St. Tammany which can be found at www.stpgov.org

A tax debtor has an absolute right to redeem his property for a period of three years from the date of the tax sale, and in the case of adjudications to the Parish, the tax debtor is customarily allowed to redeem his property at any time up to the point when the Parish executes the act of sale of the property. You should consider this in your decision to pursue the purchase of surplus adjudicated property. Except as hereafter provided, all fees paid in connection with your application to purchase abandoned and surplus property are non-refundable in the event of a redemption of the tax adjudication. It is strongly recommended that all prospective purchasers consult their private attorney regarding the laws and procedures for tax sales, adjudications and redemptions.

YOU ARE HEREBY NOTIFIED THAT THE SALE OF ANY PROPERTY UNDER THIS PROGRAM IS AT YOUR OWN LEGAL AND FINANCIAL RISK. THE PARISH OF ST. TAMMANY WILL BE SELLING THE PROPERTY BY A NON-WARRANTY DEED. THERE IS NO GUARANTEE OF TITLE TO THE PROPERTY. THERE IS NO GUARANTEE THAT YOU WILL BE THE SUCCESSFUL BIDDER. A COPY OF A SAMPLE DEED TO BE USED AT THE TIME OF TRANSFER OF THE PROPERTY IS AVAILABLE UPON REQUEST FOR YOUR REFERENCE.

PLEASE CONSULT WITH YOUR OWN ATTORNEY. THIS OFFICE CANNOT AND WILL NOT PROVIDE LEGAL ADVICE. PLEASE DON'T ASK.

The Louisiana Revised Statutes authorizes the Parish to sell adjudicated abandoned property that is "vacant or not lawfully occupied". Louisiana Revised Statute 33:4720.12 defines, "Abandoned property" as immovable property that has been adjudicated to a political subdivision for nonpayment

of taxes, and which property is vacant or not lawfully occupied. The term "vacant or not lawfully occupied" shall include but not be limited to any premises which is not actually occupied by its owner, lessee, or other invitee, and has been left unsecured or inadequately secured from unauthorized entry to the extent that the premises may be entered and utilized by vagrants or other uninvited persons as a place of harborage or any premises which by reason of dilapidation, deterioration, state of disrepair, or other such status is otherwise detrimental to or endangers public safety, health, or welfare." Because this definition of "vacant or not lawfully occupied" is not exclusive, you must decide if the property in which you are interested is "abandoned" and eligible to be sold by the Parish under this program.

Please Note: St. Tammany Parish reserves the exclusive and unilateral right to remove any property from the adjudicated surplus property program in the event the Parish determines that the property shall remain available for public use of any kind.

2. INITIAL REQUEST TO THE PARISH

Once you have located property eligible for sale under this program, you can make a written request to the Office of the Parish President on the attached form. Your request should contain **all of the following information**:

- 1) The legal description of the property you wish to purchase (usually the lot, square, and subdivision name).
- 2) The municipal address of the property, if applicable.
- 3) The name of the owner in whose name the property was sold (adjudicated) and the year of the tax sale. A copy of the tax sale must be attached.
- 4) Tax Assessment Number.
- 5) Directions for locating the actual, physical location of the property including a map or drawing if available. A survey of the property, if available, will aid this office in processing your request.

A certified check or money order in the amount of \$750.00, payable to the Parish of St. Tammany, must be included with each request for each piece of property. In the event that several parcels or lots are included in one adjudication, additional fees may be required. This fee is to cover the costs of processing your request.

The Parish of St. Tammany will not make any determination as to whether the property is "vacant or not lawfully occupied" and the Parish President's Office will not advise you as to this status. It will be your responsibility to confirm this status.

Once your application has been received and it is determined that the property has been adjudicated and not redeemed, the Parish will perform a preliminary investigation through its various departments to determine if the property is surplus, that is, not needed for a public purposes. Please note that only the Parish Council can make a final determination and actually declare the property surplus.

In the event that the preliminary investigation reveals that the property is not deemed to be surplus then you will be notified that the Parish will deny your request to purchase. **Please note that if the property is determined not to be surplus at this preliminary stage you will be entitled to a refund of the deposit paid, less an administrative fee of \$200. This fee is used for the investigation, verification and substantiation of the adjudication to the Parish.**

Even though this Administration may make a preliminary determination that the property is surplus, we again remind you that the Parish Council is vested with the final exclusive authority to declare property as "surplus."

3. APPRAISAL AND OFFER TO PURCHASE

Once a preliminary surplus determination is made, you will be then asked if you wish to proceed with obtaining an appraisal of the property. If you wish to proceed, arrangements will be made for obtaining an appraisal of the property. The cost of the appraisal is **in addition to** the initial deposit and must be advanced by you at this time. We anticipate the cost of an appraisal to be \$150.00 for a vacant subdivision lot, \$250.00 for a subdivision lot with improvements, and \$350.00 for acreage not contained in a established subdivision. This fee is paid to an outside appraisal company certified by the State of Louisiana as a general appraiser and is therefore non-refundable. All appraisals must include a certification that the appraisal has been performed by a Louisiana Certified General Appraiser. You will be allowed to obtain and supply an appraisal of the property. The appraisal must meet the requirements outlined herein.

Upon receipt of the appraisal, you will be informed of the appraised value and given an opportunity to make an offer to purchase the property. An Offer to Purchase form will be supplied for your convenience. **All offers must meet the minimum bid requirement of two thirds (2/3) of the appraised value.**

If an Offer to Purchase is received that involves multiple lots within a subdivision, the Parish reserves the right to sell the lots either as one parcel or as individual lots.

4. ORDINANCE REQUESTING SURPLUS DETERMINATION AND AUCTION

Once a qualifying offer, and required deposits, are received, an Ordinance will be introduced to the Parish Council requesting that the property be determined as surplus and sold in accordance with law. Ordinances become effective with the final introduction of such Ordinance which normally occurs at the next regularly scheduled meeting of the Parish Council following the initial introduction. In other words, an ordinance for surplus determination will be introduced at one meeting but will not be considered for adoption until the next monthly meeting. It will be at this second meeting, if the Parish Council makes a final surplus determination, when the highest offer/bid will be considered. During this period between initial introduction and final approval, a notice of the request to have the property declared surplus and the minimum bid requirement will be published in official parish newspaper. A sign will also be posted on the property indicating that a request has been made to declare the property surplus and an offer to purchase the property has been received. All notices will also state that anyone having an objection to the sale or wishing to make a counter offer to purchase the property must submit objections or offers to the Parish President's office within a certain period of time.

THERE WILL BE NO NOTICES GIVEN TO YOU BY THE PARISH AS TO THE DATE OF ANY PARISH COUNCIL MEETINGS WHEREIN ANY ORDINANCE OR PROPOSED SALE OF THE PROPERTY IN QUESTION WILL BE CONSIDERED. ALL NOTICES CONCERNING THE SALE OF ADJUDICATED PROPERTY WILL BE POSTED ON THE PROPERTY, PUBLISHED IN THE OFFICIAL JOURNAL OR NEWSPAPER OF THE PARISH, AND AS ESTABLISHED ON THE AGENDA OF THE PARISH COUNCIL. IT MUST BE SPECIFICALLY UNDERSTOOD AND AGREED THAT YOU ARE RESPONSIBLE TO MONITOR THIS PROCESS.

PARISH COUNCIL MEETINGS ARE GENERALLY HELD ON THE FIRST THURSDAY OF EACH MONTH. Anyone wishing to oppose the sale or make an higher offer, on any of the property being offered, is required to file a written offer or opposition with the Office of the Parish President no later than 4:30 p.m. on the Monday prior to the scheduled Parish Council hearing on the final adoption of the introduced Ordinance. In the event that a Parish Council meeting is held on any other day than the first Thursday, then all oppositions and/or offers must be submitted to this Office at least 72 hours before the scheduled Parish Council meeting. Failure to timely submit any opposition and/or offer shall be grounds to exclude such submission.

Counter-offers made by third parties also interested in purchasing the property must be made on the form provided by this Office and must have a cashier's check or money order in the amount of \$750.00 plus appraisal fees, if applicable, payable to the Parish of St. Tammany attached to the offer as a deposit to reimburse you all costs advanced by you to the Parish if you are not the high bidder. Only those parties who have submitted a higher offer, with the required deposit, will be allowed to participate in the auction on the property to be held at the

Parish Council meeting. The highest offer at this auction will then be submitted to the full Parish Council for final consideration.

If there is no opposition to the ordinance and no counter-offer by a third party timely filed, then there will be no need for an auction and your offer will be submitted to the full Parish Council for final consideration.

In the event that the Parish Council accepts the final bid, an ordinance will be introduced at that time authorizing the Parish President to enter into an Act of Sale to sell the property for the accepted high bid. This ordinance must then lay-over until the next scheduled Parish Council meeting wherein it will become final.

IF YOU SUBMIT AN OFFER ON ANY PROPERTY, YOU ARE RESPONSIBLE TO DETERMINE THE DATE AND TIME OF THE PARISH COUNCIL HEARING. IT IS YOUR RESPONSIBILITY TO ATTEND THE PUBLIC HEARING. IN THE EVENT THAT ADDITIONAL OFFERS ARE RECEIVED SO AS TO REQUIRE AN AUCTION, YOU WILL NEED TO BE PRESENT IN ORDER TO PARTICIPATE. IN THE EVENT THAT OPPOSITION TO THE SALE IS RECEIVED, THEN YOU WILL NEED TO BE PRESENT TO RESPOND TO ANY QUESTIONS ASKED BY THE PARISH COUNCIL.

5. REQUIREMENTS FOR ACT OF SALE

Once the final Ordinance authorizing the sale of the property by the Parish President is adopted, it will be necessary for you, with the help of your own attorney or closing notary, to meet the following requirements prior to going to an act of sale:

- A.) You must certify, in writing, to this Office within thirty (30) days of the effective date of the Ordinance, that you, your attorney, notary or agent has examined the mortgage records, conveyance records, probate and civil suit records of St. Tammany Parish to ascertain the names of all parties with an interest, vested or contingent, in the subject property. Attached to this certificate shall be a written list of names and last known addresses of all owners, mortgagees, judgment creditors and any other persons or entities who may have a vested or contingent interest in the subject property, or who has filed a request for notice as provided in Louisiana Revised Statutes 47:2261, as indicated in those records. **Said written certification shall include a statement by the purchaser in favor of the Parish of St. Tammany, its officers, agents, attorneys, consultants and employees, agreeing that in the event the purchaser failed to request notification to an interested party or incorrectly identified or located any interested party, the purchaser will hold the Parish harmless and indemnify the Parish for any loss, including attorney's fees, that the Parish may sustain as a result of this lack of proper notification. (A form for this certification will be supplied to you.)**
- B.) You must then make a written request to this Office to notify those parties of interest identified by you, all as required by Louisiana Revised Statutes 33:4720.17 and 47:2261. This Office will then notify the identified parties of the pending sale. Where an address is available, the notice will be given by certified mail, return receipt requested. Where no address is available, notice will be given by advertisement in the official Parish journal. In order to cover the noticing costs, **additional funds shall be due by you.** Specifically, **you owe and shall deposit** the sum of \$5.00 (five dollars) per notice by certified mail return receipt requested and the sum of \$ 50.00 (fifty dollars) per notice by publication. These sums shall accompany the written request to defray the cost for providing the notice.
- C.) Once notice is given, a Proof of Notice will be recorded in the conveyance records of St. Tammany Parish. The Clerk of Court will charge to record the Proof of Notice and this fee is included in your initial deposit. Once notice is given Louisiana Revised Statutes 33:4720.17 requires a waiting period to allow the interested parties an opportunity to redeem the property.

- D.) At the time of closing, you will be required to certify, in writing, to this Office that the delays mandated by Louisiana Revised Statutes 33:4720.17 has elapsed and that the property has not been redeemed by the payment of the taxes owed. (A suggested form for this certification will be supplied.)
- E.) Once this certification of notice and required time delay is supplied, the Parish President is then authorized to execute an act of sale of the property.
- F.) The Act of Sale must be on a form approved by this Office. The sales price shall be paid by certified funds, payable to the Parish of St. Tammany, at the time of the sale. **In addition to the sales price, the purchaser will be required to pay all taxes, interest, penalties and costs due on the subject property, all as determined by the St. Tammany Parish Sheriff's Office.**

IT IS IMPORTANT TO NOTE THAT ALL TAXES, INTEREST, PENALTIES AND COSTS ARE TO BE PAID BY YOU IN ADDITION TO THE PURCHASE PRICE FOR THE NON-WARRANTY DEED FROM THE PARISH. The closing notary shall supply and attach to the Act of Sale proof of payment of all taxes, interest, penalties and costs as to the property.

- G.) The sale by the Parish shall be subject to all servitudes, rights of way, easements and other encroachment or rights of public record.
- H.) The sale by the Parish shall include a reservation of all mineral rights to the Parish, but shall convey all surface rights.
- I.) **The sale will be without any warranty whatsoever, even as to the return of the purchase price.**
- J.) All fees related to the preparation, execution and recordation of the Act of Sale will be at the purchaser's expense.

It will be your responsibility to fulfill the requirements as outlined in Items A through J above within the time specified.

Once a bid has been accepted by the Parish Council and the sale is not completed, no new bid of a lesser amount will be accepted from the same individual.

THE INITIAL DEPOSIT FEE OF \$750.00 AND THE COST OF THE APPRAISAL AND ALL OTHER COSTS PAID UNDER THIS PROGRAM SHALL NOT BE REFUNDABLE.

SPECIFICALLY, THE FEES AND COSTS PAID ARE NOT REFUNDABLE:

- A.) IF THE PROPERTY IS NOT DEEMED SURPLUS BY THE PARISH COUNCIL AT FINAL HEARING, OR**
- B.) IF THE PARISH COUNCIL REJECTS THE OFFER TO PURCHASE, OR**
- C.) IF YOU ELECT NOT TO COMPLETE THE SALE FOR WHATEVER REASON, OR**
- D.) IF THE TAX DEBTOR REDEEMS THE PROPERTY BEFORE THE ACT OF SALE FROM THE PARISH. (Pursuant to Louisiana Revised Statutes 33:4720.17 D, notice will be given to the St. Tammany Parish Sheriff's office to include costs expended in connection with the adjudicated surplus property program with any redemption requests. The **Office of the Parish President** is not responsible for nor does it guarantee the collection and reimbursement **by the Parish Sheriff's Office** of fees and costs in the event of redemption.)**

THIS MEMORANDUM IS PRESENTED AND IS TO BE USED FOR

INFORMATIONAL PURPOSES ONLY. THE PARISH OF ST. TAMMANY, ITS EMPLOYEES, ATTORNEYS AND CONSULTANTS ARE NOT EXTENDING ANY LEGAL ADVICE AND IT IS STRONGLY RECOMMENDED THAT ALL PROSPECTIVE PARTICIPANTS CONSULT A PRIVATE ATTORNEY REGARDING THE METHOD AND PROCEDURES OUTLINED HEREIN AND THE RELEVANT STATUTES.

PLEASE REMEMBER THAT ADDITIONAL TITLE CURATIVE WORK MAY BE REQUIRED.

THE FOLLOWING COST ESTIMATES ARE ONLY ILLUSTRATIVE AND ARE NOT INTENDED TO BE ALL INCLUSIVE. THE FIGURES GIVEN ARE SUBJECT TO CHANGE WITHOUT FURTHER NOTICE. REQUIREMENTS AND COSTS MAY VARY FROM PROPERTY TO PROPERTY:

Sample Cost of Process and Procedure:

Initial legal abstract search *	\$200
Initial Notice published *	\$175
Ordinance advertisement at Council introduction *	\$175
Appraisal fee (residential, vacant)	\$150
Publication at 2 nd Council Meeting *	\$50
Publication of Introduction of New Ordinance of Accepted Offer *	\$50
Publication of Accepted Offer *	\$50
Publication of Final, Adopted Ordinance *	\$50
Issuance of Certified Letters	\$10
Notice of Advertisement as to Absentee	\$50
Filing/Recordation of Proof of Notice	\$50

* INCLUDED IN THE INITIAL DEPOSIT OF \$750.00

I ACKNOWLEDGE THAT I HAVE RECEIVED A COPY OF THIS DOCUMENT. I HAVE READ AND UNDERSTAND THE PROCEDURES AND REQUIREMENTS FOR PARTICIPATION IN THE ADJUDICATED SURPLUS PROPERTIES PROGRAM.

I AGREE TO ABIDE TO THE TERMS AND CONDITIONS OF THIS PROGRAM.

Date: _____

Revised 7/16/03