

GENERAL TERMS***What is an adjudicated property?***

Adjudicated property is a property whose owner(s) has failed to pay property tax. After the tax bill is due and the owner(s) don't pay their taxes the process begins to move the property to what is called a "tax sale". If no person or entity pays the taxes at the tax sale then the property becomes adjudicated to the taxing bodies.

What is a tax sale?

A tax sale means a person or entity other than the owner(s) has paid all the taxes outstanding. This results in giving them an interest in the property. An interest is not the same as ownership. If the taxes are not paid at the tax sale then the property is referred to as being "bid in" or "adjudicated" to (in our case) Lafayette Consolidated Government (LCG). Louisiana law allows local government to dispose of properties that are adjudicated for at least three years, pursuant to La. R.S. 47:2196.

What does disposition mean?

The term disposition is used to describe the sale of adjudicated property by local government. The word sale is misleading because an adjudicated property is not technically "owned" by local government. Disposition is where local government, through an agreement with the other taxing bodies, gives up all the tax interests of the taxing bodies in order to put the property back into commerce.

What is the difference between a tax sale and an adjudicated property?

In the transfer of property to an adjudicated status, while the property has gone through a tax sale, this is not a sale of the property. Purchasers of property "sold" at tax sale by the tax collector(s) – typically the parish Sheriff – for non-payment of taxes obtain what is called a "Tax Sale Title". This tax sale title is an interest in the property which is either to be repaid through the purchase price or upon redemption of the property or, if the property is not redeemed, to ownership of the property after a period of time.

Adjudicated property, by contrast, is property at tax sale that does not attract a buyer. These properties are "bid in" or "adjudicated" to the taxing bodies which levy taxes on them, with the tax debt effectively serving as the "sale price." Unlike tax sale title, this "adjudication" does not automatically ripen into ownership by taxing bodies. However, the government(s) to which this property is adjudicated can take possession of, or even sell or donate, this property within certain legal restrictions.

Who owns an adjudicated property?

Adjudication of property does not change its ownership.

What are the taxing bodies?

The city of Lafayette, the parish of Lafayette, the Lafayette Parish Law Enforcement District and the Lafayette Parish Sheriff, the Lafayette Parish School Board, the Lafayette Parish Library Board, the Lafayette Centre Development District, the Lafayette Economic Development Authority, the Bayou Vermilion Development District, the Lafayette Parish Tax Assessment District, the Lafayette Airport Commission, and the Teche-Vermilion Fresh Water District.

How are adjudicated properties disposed?

LCG's City-Parish Council passed a disposition ordinance on November 18 of 2015, Ordinance No. 246-2015. This enabling legislation allows disposition of property in the following ways:

1. By *Sale* through a public bid process initiated by an application approved by the Administrator followed by a council resolution directing the sale of one or more adjudicated properties.

2. By *Sale* to an adjoining property owner (there is no public bid involved with this course) initiated by an application approved by the Administrator followed by a council resolution.
3. By *Donation*, which can be only be made to a qualified non-profit, initiated by an application approved by the Administrator followed by a council ordinance.
4. By *Arm's length Transfer* which means the sale of adjudicated property, for a price below the property's appraised value, between one or more owners and one or more arm's length transferees, initiated by an application approved by the Administrator followed by a council resolution.

How do I find out if a property is adjudicated?

If you have a question whether a particular property is adjudicated, you can go to the Lafayette Parish Tax Assessor's website and you can look in two places:

1. Use the property search function at <http://www.lafayetteassessor.com/PropertySearch.cfm>. Simply enter a street number and a street name in the respective boxes, and you be directed to the property. In the legal description it will say whether a property is adjudicated.
2. You can use the map service at <http://lpa.lafayetteassessor.com/Ita/> to look at all properties. Simply accept the conditions and follow the parcel search instructions. When you find the property on the map you can hover over the parcel and click the arrow on the pop up box. If the property is adjudicated, it is indicated in both the legal description and in a red box.

You may also contact the Development and Planning, Zoning Department's Planning Division who will make available a list of adjudicated properties throughout Lafayette Parish. You may contact the Administrator's Office at:

Lafayette Consolidated Government
Development and Planning Department
Office of the Administrator
Lafayette, LA 70501
(337) 291-8007

What are "notice requirements"?

In all processes, except the Arm's Length Transfer, the acquiring person(s) will be required to notify tax sale parties whose interest the vendee or donee intends to terminate. If the property sold or donated has been adjudicated property for less than five (5) years at the time of the notice required by this Article, the notice shall indicate that tax sale parties have six (6) months from the date of the notice to preserve their rights; otherwise, the notice shall indicate that tax sale parties have 60 days.

The manners of outreach to accomplish this are as follows:

1. Notification by U.S. Mail, (72-15 a);
2. Publication of a legal notice in the official LCG daily record, (72-15 b); and,
3. Placement upon the target property no less than 60 days prior to the transfer of the property one or more signs on the street right-of-way nearest the property, no fewer than every 500 linear feet of property frontage, (72-15 C).

How long does a property have to be adjudicated before someone can make an application to acquire?

To be available through the LCG Disposition Process, the property must have been adjudicated for no less than two (2) years and six (6) months.

What is “redemption” and how does it affect an adjudicated property?

Redemption is payment of those past-due taxes, penalties, and interest for which a property was adjudicated. Redemption restores property to its pre-adjudication state and eliminates the possibility of adjudication to or disposition by the taxing bodies to which the property was adjudicated.

What is waived as a result of the disposition process?

Through an agreement with the taxing bodies the disposition process can provide for the waiver of taxes, penalties, interest, and other charges. Despite the waiver these of these fees there still may be costs incumbent on the applicant related to the disposition.

What is the provision for adjoining property owners?

State Law (La. R.S. 47:2202(B)) allows for sale, without a public bid, if an adjoining property owner has maintained adjudicated property for a period of one (1) year prior to the sale. LCG has incorporated this provision into its local process. By providing LCG with an affidavit confirming your maintenance of an adjudicated property adjoining your property, you can bypass the public bid requirement. Adjoining property is defined as a property which shares at least a portion of at least one boundary with an adjudicated parcel or parcels. A property across a public street is not considered an adjoining property.

What is the provision for donation?

If you are a *Qualified Non-Profit* (a non-profit organization recognized by the Internal Revenue Service as a 501(c)(3) or 504(c)(4) non-profit organization), you may apply for donation of an adjudicated property. Upon approval of a donation, there is a \$500 application fee and the applicant would be required to cover all the costs associated with the notification and property transfer. There is no public bid in this process.

What is the provision for arm’s length transfer?

The disposition process can assist a willing seller and willing buyer to transfer ownership of the adjudicated property. There is no public bid in this process.

What paperwork is needed to take ownership of an adjudicated property purchased at public bid?

Pursuant to La. R.S. 47:2207(B), LCG will provide the purchaser with a Non-Warranty Cash Sale Certificate to be filed with the Clerk of Court’s Office that serves to authenticate the sale of the adjudicated property to the purchaser.

Will I be able to purchase a property via phone or fax?

No. The public bid is conducted solely in person.

How do I purchase an adjudicated property through public sale?

For the sale process you must be the highest bidder on the property at the conclusion of the public bid.

Can I purchase more than one adjudicated property?

Yes.

Will properties that are in bankruptcy litigation be offered at the public bid process?

No. Properties stayed under federal bankruptcy law are not included in the public bid process.

How do I know if and when a property has been sold?

All adjudicated properties will be available for the public sale until the close of the bid. Each potential purchaser will be notified of the result of the sale. However, LCG reserves the right to withdraw from the public bid any property listed prior to the closing of the public bid. If a property is withdrawn from the public bid, each interested party will be notified.

Is the deposit included in the purchase price?

Yes, the deposit is included in the purchase price. If the depositor is the winning bidder, the pre-paid deposit is automatically applied at closing. If the depositor is not the winning bidder and the property did not sell, a refund is processed minus the payment of sale expenses. Any money remaining will be returned to the depositor.

When do I need to pay for the purchased property?

All payments will be due no later than 24 hours after the public bid closes. The money will be put into escrow and will be transferred at the closing. Failure to pay for the purchased property within the prescribed time will result in the property being resubmitted to the next highest bid.

Does payment have to be one installment?

Yes.

Are there any additional fees or costs I will have to pay in addition to my winning bid price?

Yes, but it will depend on the process you follow:

1. In the instance of a regular sale, the initial interested purchases will be required to deposit an amount the Administrator deems necessary to pay the expenses.
2. In the event of a donation to a qualified non-profit, the applicant is required to submit a \$500 fee to LCG.

The applicant will also be responsible for the notice process and its costs, legal fees, as well as the cost for any recordation fees at the Clerk of Court's Office.

Am I responsible for paying the future property taxes?

Yes. As the new owner of the property, future assessments will be made in your name.

When there is more than one applicant for the same property how is it determined who moves forward in the process?

There is a list of prioritization in the disposition ordinance, referenced under the section called Legal Provisions. The ordinance establishes a hierarchy of entities and property use for disposition of adjudicated properties. The prioritization is as follows:

1. The most desirable resolution of an adjudicated property is the redemption of the property by the actual owner.
2. The acquisition of the adjudicated property by LCG.
3. The sale or arm's length transfer of the adjudicated property to:
 - a. An adjoining property owner; then,
 - b. A community organization operating in the traditional or historic definition or the political boundary within which the property is located; then,
 - c. A person who acquires the property in their own name and will improve, maintain, and personally occupy the property as their primary residence for at least two years.
4. For donation to a certified non-profit who will improve, maintain, and then convey the property to a person who will live there at least two (2) years.
5. For sale or arm's length transfer to:
 - a. A person domiciled within the boundaries of the traditional, historic district; then,
 - b. Any person not listed above for a non-residential purpose.

In addition, the Administrator will also establish a system by which similar applications may be mediated to determine which competing application maybe awarded the property.

LEGAL PROVISIONS

The provisions of this process may be found in the LCG Code of Ordinances, Chapter 72 – Property Management, Article II – Management and Disposition of Adjudicated Properties.

https://www.municode.com/library/la/lafayette_city-

[parish_consolidated_government/codes/code_of_ordinances?nodeld=PTIICOOR_CH72PRMA_ARTIIMADIADPR_DIV1_PRCODIMODI](https://www.municode.com/library/la/lafayette_city-parish_consolidated_government/codes/code_of_ordinances?nodeld=PTIICOOR_CH72PRMA_ARTIIMADIADPR_DIV1_PRCODIMODI)

GETTING STARTED***Application and submission of Property Renovation Plan***

All applicants will be required to submit a completed application and a Property Renovation Plan. The Property Renovation Plan will be used to determine whether the applicant's intended use comports with the character of the surrounding area and contributes to neighborhood stabilization and/or revitalization (in addition LCG may seek input from neighborhood/community groups on the applicant's intentions).

DISCLAIMER***Statement***

The foregoing questions and answers are not intended as legal advice. While the information provided is believed to be accurate, public bid participants and all parties interested in adjudicated properties are advised to educate themselves and/or to obtain the advice of an attorney as to the law and their legal rights.

SALE PROCESS***How is a sale process initiated and conducted?***

When an applicant determines, through the Tax Assessor's office, that a property has been adjudicated no less than two (2) years and six (6) months they may apply for a specific property or properties. LCG will determine whether the applicant conforms to all terms and conditions outlined in the disposition ordinance and, if so, the administrator will issue a preliminary approval of the application.

Will there be a minimum bid and/or deposit?

Yes. Upon preliminary approval of the application, LCG will adopt a minimum bid price of 75% of the property's fair market value (as defined by La. R.S. 47-2321 as derived by the property's most current assessment in the tax assessor's files). LCG will then require the interested party to submit a deposit that LCG deems sufficient to pay the estimated costs of the sale. Upon the receipt of the required funds, LCG will then proceed with a resolution approving the sale of the property by public bid.

How will LCG initiate the public bid process?

LCG will use the deposited funds to publish a notice in the newspaper advertising the public sale of the subject property. The advertisement will list the minimum bid amount, the latest date written bids will be accepted, the location, time, and date of in-person bidding, and any terms and conditions to be imposed upon the sale.

What then?

LCG will conduct the public sale in the manner and on the date given in the advertisements.

What if nobody bids high enough to meet the minimum bid price?

Should a property which LCG has set the price at 75% the fair market value fail to sell, a second sale will be held, preceded by advertisements similar to the first sale. The minimum bid price of this second public sale will one third of the fair market value of the property. Finally, if a property for which LCG has set the minimum bid price at the amount of the total of statutory impositions, governmental liens, and costs fail to sell, no second public bid sale will be held.

What if I'm the applicant but I'm the low bidder?

Your deposit will be returned to you. However if nobody (including you) bids the minimum amount adopted by LCG, any deposit shall be retained by LCG for payment of sale expenses. Any money remaining will be returned to the depositor.

Will I have any expenses?

Yes. The administrator will determine the estimated cost of expenses of the sale of the property and require that the interested party pay a deposit in this amount to LCG. The applicant will be responsible for costs including, but not limited to, public bid and notifications processes, as well as any recordation fees at the Clerk of Court's Office. In addition, it is highly recommended an applicant obtain legal advice to complete this process, which would result in additional costs.

Do I own the property at this point?

No. You will still need to go through a notification process where effort is made to advise any tax sale party whose interest you intend to terminate. Depending on the length of adjudication, you will have different notification requirements.

What will be required then?

Upon completion of the notification period, the acquiring person(s) will file an "act of sale" which includes all terms and conditions set for by ordinance, the LCG City-Parish Council, and the Administrator as well as an affidavit regarding how the notification process was conducted.

ADJOINING PROPERTY PROCESS

LCG may sell an adjudicated property to an adjoining property owner who provides an affidavit attesting to their continuous maintenance of the adjudicated property for a period of at least one (1) year. Maintenance may include but not be limited to:

1. Regularly mowing of the property; and,
2. Should regularly be trimming/pruning bushes, plants/flowers, and trees; and,
3. Cleaning and appropriately disposal of any litter or debris; and,
4. Securing the property to the best of their ability. This may include contacting Law Enforcement to report any troublesome activities; and,
5. Maintaining any fencing around the perimeter of the property.

What constitutes an adjoining property?

An adjoining landowner is an owner of immovable property, not subject to any liens for non-payment of taxes or other statutory charges, which shares at least a portion of at least one boundary with an adjudicated parcel or parcels.

How do I initiate this process?

First, you need to have been maintaining the property for at least a year and can provide an affidavit attesting to this. You will then need to make application to LCG for the transfer of this property. As an adjoining property owner, you will not have to go through the public bid process.

What then?

A resolution will be submitted to the LCG Council adopting the anticipated costs of the sale as the sale price. Once this resolution is approved, LCG will proceed with the sale of the property to the adjoining landowner.

Is there a deposit or minimum bid for an adjoining property?

There is no minimum bid, but you will be required to pay a purchase price on the property. This amount will be based on the estimated costs of the sale which LCG Council will adopt by resolution as the sale price.

Will I have any expenses?

Yes. The applicant will be responsible for costs including, but not limited to, costs associated with the notification process and any recordation fees at the Clerk of Court's Office. In addition, it is highly recommended an applicant obtain legal advice to complete this process, which would result in additional costs.

Do I own the property at this point?

No. You will still need to go through a notification process making effort is to advise any tax sale party whose interest you intend to terminate. Depending on the length of adjudication, there will be different notification periods.

What will be required then?

Upon completion of the notification period, the acquiring person(s) will file an "act of sale" which includes all terms and conditions set for by ordinance, the LCG City-Parish Council, and the Administrator as well as an affidavit regarding how the notification process was conducted.

DONATION***How is a donation process initiated and conducted?***

A *Qualified Non-Profit* (a non-profit organization recognized by the Internal Revenue Service as a 501(c)(3) or 504(c)(4) non-profit organization), may apply for the donation of adjudicated property which has been adjudicated. The applicant will be required to submit a proposed “act of donation” which incorporates all terms and conditions as imposed by LCG.

LCG will review the application to determine if the applicant appears capable of complying with all terms and conditions imposed on the donation of the property. If preliminary approval of the application is granted, LCG will then recommend the donation to the LCG City-Parish Council, which then may approve the donation by ordinance and subsequent execution by the LCG Mayor-President.

What will be required then?

Upon completion of the notification period, the acquiring person(s) will file an “act of donation” which includes all terms and conditions set for by ordinance, the LCG City-Parish Council, and the Administrator as well as an affidavit regarding how the notification process was conducted.

Will I have any expenses?

Yes. There is a \$500 fee to make the application once the donation is approved. The applicant will also be responsible for costs including, but not limited to, costs associated with the notification process and any recordation fees at the Clerk of Court’s Office. In addition, it is highly recommended an applicant obtain legal advice to complete this process, which would result in additional costs.

Do I own the property at this point?

No. You will need to satisfy a notification process where effort is made to advise any tax sale party whose interest you intend to terminate. Depending on the length of adjudication, you will have different notification requirements.

ARM'S LENGTH TRANSFER***How is an arm's length process initiated and conducted?***

The third method by which an adjudicated property may be disposed is by "Arm's Length Transfer". An arm's length transfer is when the owner(s) has an agreed upon purchaser(s) to which the disposition process facilitates the sale of the adjudicated property between the parties. Transferees and owners may apply for waiver of taxes, penalties, interest and other charges against adjudicated property to facilitate a below-appraised-value transfer as contemplated by La. Const. Art. VII, Sec. 14(B)(7) and (8).

How do I start this process?

You will make application to LCG, but all involved parties, including all owners and at least one potential arm's length transferee, must join in the application. Any potential arm's length transferee shall verify his status as a non-owner or non-tax notice/tax sale party, as defined by the ordinance, by affidavit prior to submission of the application.

***Note that LCG will be not be required to contact involved parties or assist in the preparation of the application.**

Once my application has been reviewed, then what?

If LCG determines your application has complied with all of the terms and conditions of this process, including rules it administratively promulgates and verifying whether you are an Arm's Length Transferee. LCG may request additional information as may be necessary to reach a determination.

How and when will my application for waiver of taxes, penalties, interest and other charges be approved?

LCG will submit for adoption to the LCG City-Parish Council a resolution approving the waiver as well as certifying in writing the approval of the property renovation plan.

Do I own the property at this point?

No. You will still need to go through a notification process where effort is made to advise any tax sale party whose interest you intend to terminate. Depending on the length of adjudication, you will have different notification requirements.

What will be required then?

Upon completion of the notification period, the acquiring person(s) will file an "act of sale" which includes all terms and conditions set forth by ordinance, the LCG City-Parish Council, and the Administrator as well as an affidavit regarding how the notification process was conducted.

Will I have any expenses?

Not related to the process. It is highly recommended an applicant obtain legal advice to complete this process.