
The original instrument was prepared by Michael Bell. The following digest, which does not constitute a part of the legislative instrument, was prepared by James Benton.

SB 423 Engrossed

DIGEST
2020 Regular Session

White

Proposed law, relative to the city of St. George in East Baton Rouge Parish, provides for transition following incorporation, as follows:

- (1) Provides legislative findings and determinations that in the event the suit challenging incorporation of the city of St. George is unsuccessful, a state of emergency will exist until cash flow can be developed through the levy and collection of municipal sales and use taxes to fund the expenses of municipal government and that it is essential and necessary to authorize the continuation of current sales and use taxes levied by the parish and the provision of services by the parish within the incorporated area and to create a financial assistance district and provide a source of revenue for it so it may engage in cooperative endeavors, contract for the provision of essential public services, and raise revenue to assist the municipality in funding essential public services and preventing cash flow difficulties.
- (2) Defines terms for purposes of proposed law:
 - (a) Board - the board of directors of the district or any successor thereto.
 - (b) District - the city of St. George Transition District or any successor thereto.
 - (c) Mayor-president - the mayor-president of the city of Baton Rouge and parish of East Baton Rouge.
 - (d) Municipality - city of St. George in East Baton Rouge Parish.
 - (e) Municipal tax - the 2% sales and use tax levied by the city of St. George.
 - (f) Parish - East Baton Rouge Parish.
 - (g) Parish tax - the 2% sales and use tax levied by the city of St. George.
- (3) Provides that in the event the city of St. George is declared incorporated, the parish may continue to levy and collect the parish tax within the corporate limits of the municipality pursuant to an intergovernmental agreement between the parish and municipality. The continuation shall be for the purpose of providing essential public services to, or funding essential public services for, the citizens within St. George. The collection shall continue until such time as any one of the following occurs: the St. George Transition District levies and collects a two percent sale and use tax; the municipality levies and collects a two percent

sales and use tax; the end of the quarter following the election to impose the municipal tax if the proposition is not approved by the electorate; or twelve months after the incorporation becomes final.

- (4) Creates the city of St. George Transition District as a special taxing district with boundaries coterminous with the municipality. Provides that the district is a body politic and corporate and a political subdivision of the state with all of the powers of a political subdivision. Provides that the legislature determines that the creation of the district and the carrying out of its public purpose is a public and governmental purpose for the improvement of the health, safety, welfare, comfort, and security of the people of the municipality, that such purposes are public purposes, and that the district will be performing an essential governmental function and meeting a public obligation in the exercise of the powers conferred upon it by proposed law.

Provides that the district shall be administered and governed by a five-member board of directors:

- (a) The mayor-president or his designee who shall be a registered voter and living in the district.
- (b) One member, who shall be a registered voter and living in the district, appointed by the senator representing Senate District No. 6.
- (c) One member, who shall be a registered voter and living in the district, appointed by the House member representing House District No. 66.
- (d) The chairman and vice-chairman for the incorporation petition for the city of St. George or their designees.

Requires that the appointed members be selected on the basis of experience in management, knowledge, and ability to act effectively for the best interests of the municipality.

Requires the board to elect one member as chairman and another as treasurer and to appoint a secretary and such other officers as it deems necessary who need not be board members.

Provides that a majority of the members constitutes a quorum and requires a majority vote of the quorum to take action. Provides that a vacancy shall not impair the right of a quorum to exercise all of the rights and perform all of the duties of the district. Requires that the district's domicile be in the parish.

Provides that members serve without salary or per diem.

Provides that if the appointing authority fails to make an appointment within 20 days of the date of vacancy, the remaining appointed members may appoint an individual who signed the petition to incorporate the city of St. George for the remainder of the unexpired term.

- (5) Grants the district all of the rights and powers necessary to carry out and effectuate the purposes and provisions of proposed law. Provides that the district is subject to the laws pertaining to open meetings, public records, official journals, dual office holding and employment, and the Code of Governmental Ethics.

Specifically grants the district certain rights and powers, including:

- (a) To receive, administer, and comply with the conditions and requirements respecting any gift, grant, or donation of any property or money.
 - (b) To apply and contract for assistance from public or private sources.
 - (c) To make and execute contracts, intergovernmental agreements, and other instruments necessary in the exercise of its powers and functions.
 - (d) To pledge or assign any contracts or rights of the district.
 - (e) To employ personnel the board deems to be required and to fix and pay their compensation from funds available therefor.
 - (f) To transfer, grant, or donate all or any portion of its revenues to the municipality to assist in funding essential public services, reducing or eliminating its cash flow deficits or remedying cash flow shortfalls, paying obligations in connection therewith, or any combination of these.
 - (g) To accept the mortgage, pledge, hypothecation, assignment, grant, or donation of any properties of the municipality.
 - (h) To invest its monies in accordance with present law (R.S. 33:2955) relative to investments by political subdivisions.
 - (i) To enter into cooperative endeavor agreements or contracts for the provision of staff and meeting facilities and for the provision of such assistance and such essential public services as the district may require in carrying out the intents and purposes of proposed law.
 - (j) To incur debt.
 - (k) To exercise any and all other powers necessary to accomplish the purposes of proposed law.
- (6) Authorizes the district to levy and collect a 2% sales tax to provide funds to assist the municipality to fund essential public services, reduce or eliminate its cash flow deficit or remedy cash flow shortfalls, pay obligations in connection therewith, or any combination of these. Prohibits such levy if the rate of such tax, when combined with the rate of the

municipal sales and use taxes collected within the municipality, exceeds 2%.

Provides for levy of the tax by district ordinance without the need for an election, in accordance with present law relative to sales taxes. Provides that the tax levy shall be effective and the tax shall be payable beginning on such date as provided by the district.

Requires that tax proceeds are irrevocably pledged and dedicated and shall be transferred in such amounts as may be determined by the district to assist the municipality in funding essential public services, reducing or eliminating its cash flow deficit, remedying cash flow shortfalls, paying obligations in connection therewith, or any combination of these. Requires the district to contract with the parish for tax collection under such terms and conditions applicable to other entities within the parish and authorizes board rules regarding enforcement and collection of the tax.

Provides that proposed law relative to the city of St. George Transition District and its powers and duties shall be void, that the district shall cease existence, and that any sales tax levied by the district shall expire when the earliest of the following occurs:

- (a) The municipality levies and collects a 2% sales tax;
 - (b) The end of the quarter following the election to impose the municipal tax, if the proposition is not approved by the electorate; or
 - (c) 12 months after the incorporation becomes final.
- (7) Provides that proposed law is to be construed to provide a complete method for the doing of the things it authorizes and that its provisions shall be liberally construed for the accomplishment of its purposes.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 33:3121-3125)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Local and Municipal Affairs to the original bill

1. Changes the triggering mechanism of the bill from the incorporation of the city of St. George to a determination that the suit challenging that incorporation is unsuccessful and the city of St. George is declared incorporated.
2. The district may enter into an intergovernmental agreement between the parish and municipality for the providing of essential public services to, or funding essential public services.

3. Changes the appointing authorities for the board of directors from the senator representing District No. 16 to the senator representing District No. 6 and from the chairpersons to the chairman and vice chairman.
4. Changes the time frame for which the appointed authority must make an appointment in the event of a vacancy from 60 days to 20 days.
5. Removes provisions that held district liable for the parish's outstanding debt secured by the parish taxes incurred before the date of incorporation and unfunded liabilities of the parish.
6. Makes technical changes.