

2019 Regular Session

SENATE BILL NO. 226

BY SENATOR BARROW

TAX EXEMPTIONS. Provides for tax exemptions for special districts created to finance capital improvements. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 33:2740.9, relative to tax exemptions for certain special districts

3 created to finance capital improvements; to provide for the creation of such districts;

4 to authorize the levy of sales and use taxes and ad valorem taxes by the districts; to

5 clarify the exemptions that will be in effect in such districts; to provide for public

6 hearings and elections; to provide for retroactive and prospective application; to

7 provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 33:2740.9 is hereby amended and reenacted to read as follows:

10 §2740.9. ~~East Baton Rouge Parish~~ **Certain parishes**; special taxing districts;

11 additional sales and use tax; ad valorem tax

12 A. The governing authority of ~~East Baton Rouge Parish~~ **a parish with a**

13 **population of more than four hundred and forty thousand persons as**

14 **established by the most recent federal decennial census** is hereby authorized to

15 create within the parish one or more capital improvement districts which may

16 contain all or any portion of the territory contained within the present boundaries of

17 the parish. Each district created under the authority of this Section shall be created

1 by ordinance of the governing authority of ~~East Baton Rouge Parish~~ **the parish**  
2 setting forth the area or areas of the parish to be included in the district. The  
3 governing authority of the parish shall be the governing authority for any district so  
4 created.

5 B.(1) In order to fund projects of capital improvement within any district  
6 created pursuant to the provisions of this Section, including but not limited to  
7 improvements to public roads, streets, and gravity drainage works, the governing  
8 authority of ~~East Baton Rouge Parish~~ **the parish**, as the governing authority of the  
9 district, is hereby authorized to levy a sales and use tax not exceeding one percent  
10 within the district, **subject to an exemption for food for home consumption and**  
11 **prescription drugs, and** subject to the approval of a majority of the electors voting  
12 in the election who reside in the district.

13 (2) The tax shall be imposed by ordinance and shall be levied upon the sale  
14 at retail, the use, the lease or rental, the consumption, the distribution, and storage  
15 for consumption, of tangible personal property, and upon the sales of services within  
16 the district, all as presently or hereafter defined in R.S. 47:301 through 317, **both**  
17 **inclusive, except that the sale at retail, the use, the consumption, the**  
18 **distribution, and the storage for use or consumption, in the parish of food for**  
19 **home consumption, as defined in R.S. 47:305(D)(1)(n) through (r), and**  
20 **prescription drugs, as defined in R.S. 47:305(D)(1)(j), is hereby specifically**  
21 **exempted from the tax authorized by this Section.**

22 (3) This tax shall be in addition to all other taxes currently levied in ~~East~~  
23 ~~Baton Rouge Parish~~ **the parish**, and, except where inapplicable, the procedure  
24 established by R.S. 47:301 through 317 shall be followed in the imposition,  
25 collection, and enforcement of the tax and procedural details necessary to be  
26 established to supplement the provisions of those Sections and to make said  
27 provisions applicable to the tax herein authorized shall be fixed in the ordinance  
28 imposing the tax.

29 C. In order to fund projects of capital improvement within any district

1 created pursuant to the provisions of this Section, including but not limited to  
2 improvements to public roads, streets, and gravity drainage works, the governing  
3 authority of ~~East Baton Rouge Parish~~ **the parish**, is hereby authorized to levy an ad  
4 valorem tax on property located within the boundaries of the district, subject to the  
5 approval of a majority of the electors voting in the election who reside in the district.

6 D.(1) Prior to adoption of any ordinance levying a tax under the provisions  
7 of this Section, the governing authority of ~~East Baton Rouge Parish~~ **the parish** shall  
8 hold at least one public meeting to consider the proposed capital improvements and  
9 the tax or taxes to be levied to fund the improvements. Notice of the time and place  
10 of the meeting shall be published once a week in three different weeks in the official  
11 journal of the parish. At least fifteen days shall elapse between the first publication  
12 and the date of the meeting.

13 (2) At any time after the meeting the governing authority may call an  
14 election at which there shall be submitted to the qualified electors of the area within  
15 the district a proposition to authorize the imposition of the sales tax or the ad  
16 valorem tax, or both, including the capital improvements to be funded and the rate  
17 and duration of the tax, and a majority of those voting in the election shall have  
18 voted in favor of the proposition.

19 (3) The proposition may also include provisions authorizing the funding of  
20 the additional sales tax or the ad valorem tax into negotiable bonds or certificates of  
21 indebtedness payable solely from an irrevocable pledge and dedication of all or a  
22 portion of the proceeds of the tax or taxes, subject to the prior payment of the costs  
23 and expenses of administration and collection of the tax.

24 E. The proceeds of any tax authorized by and levied in accordance with the  
25 provisions of this Section shall be used exclusively for capital improvements within  
26 the district.

27 Section 2. The provisions of this Act relative to the sales and use tax exemptions for  
28 food and prescription drugs are intended to clarify that these items were always intended and  
29 believed to be exempt from taxation and therefore these provisions shall be applied

1 retroactively as well as prospectively.

2 Section 3. This Act shall become effective upon signature by the governor or, if not  
3 signed by the governor, upon expiration of the time for bills to become law without signature  
4 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
5 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
6 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Martha S. Hess.

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DIGEST

SB 226 Engrossed

2019 Regular Session

Barrow

Present law authorizes the governing authority of East Baton Rouge Parish to create, by ordinance, one or more capital improvement districts within the parish.

Proposed law changes present law to provide that any parish with a population of more than 440,000 persons as established by the most recent federal decennial census is authorized to create, by ordinance, one or more capital improvement districts within the parish.

Present law authorizes the governing authority of East Baton Rouge Parish, as the governing authority of the district, in order to fund projects of capital improvement within any district, to levy a sales and use tax, in addition to all other taxes currently levied in East Baton Rouge Parish. Present law does not include an exemption for food and prescription drugs.

Proposed law authorizes the governing authority of the parish, as the governing authority of the district, in order to fund projects of capital improvement within any district, to levy a sales and use tax, in addition to all other taxes currently levied in the parish. Proposed law contains an exemption from the tax for the sale at retail, the use, the consumption, the distribution, and the storage for use or consumption, in the parish of food for home consumption and prescription drugs in accordance with the definitions of food for home consumption and drugs provided in R.S. 47:305.

Present law provides that the tax shall be in addition to all other taxes currently levied in East Baton Rouge Parish, and the procedure established by R.S. 47:301 through 317 shall be followed in the imposition, collection, and enforcement of the tax.

Proposed law provides that the tax shall be in addition to all other taxes currently levied in the parish, and the procedure established by R.S. 47:301 through 317 shall be followed in the imposition, collection, and enforcement of the tax.

Present law authorizes the governing authority of East Baton Rouge Parish to levy ad valorem taxes on property located within the district, to be used exclusively for capital improvements within the district.

Proposed law authorizes the governing authority of the parish to levy ad valorem taxes on property located within the district, to be used exclusively for capital improvements within the district.

Present law and proposed law require the approval of a majority of the electors voting in the election who reside in the district prior to the imposition of the sales tax or the ad valorem tax.

Present law and proposed law provide for public hearings prior to the elections.

Present law and proposed law authorize the election proposition to include the funding of the additional sales tax or the ad valorem tax into bonds.

Proposed law provides that the provisions of proposed law relative to the sales and use tax exemptions for food and prescription drugs are intended to clarify that such exemptions were always intended and believed to be exempt from taxation and therefore these provisions shall be applied retroactively, as well as prospectively.

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

(Amends R.S. 33:2740.9)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Make technical changes.