

- (b) The municipality levies and collects a 2% sales and use tax; or
 - (c) The end of the quarter following the election to impose the municipal tax, if the voters do not approve the proposition; or
 - (d) 12 months after the incorporation of the city of St. George 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. 16.
- (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 chairpersons 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.

- (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 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 for the district and the proposed municipality created to be liable for its proportionate share of the parish's outstanding debt secured by the parish taxes incurred before the date of incorporation and its proportionate share of all unfunded liabilities of the parish, including pension plans incurred before the date of incorporation and other post employment plans.
 - (a) Provides the proposed law will not apply to debt secured by parish taxes that relates to immovable property not located within the municipality or to debt secured by parish taxes that relates to moveable property not transferred to the municipality.
 - (b) Provides the proposed law will not apply to unfunded liabilities associated with employees and retirees who did not provide services to the area of the parish included in the municipality.
 - (c) Provides that, notwithstanding any other provision of law to the contrary, the municipality will not pay more in any year than the percentage of the proportionate share of the unfunded liabilities paid by the parish in the same year.
 - (d) provides that all funds remitted to the parish by the municipality pursuant to proposed law related to the municipality's proportionate share of bonded indebtedness will be used by the parish for only the retirement of bonded indebtedness. All funds remitted to the parish by the municipality pursuant to proposed law related to the municipality's proportionate share of unfunded liabilities will be used by the parish for only the retirement of the unfunded liabilities. No funds remitted to the parish pursuant to proposed law will be used for any other purpose.
- (8) Provides for an exception that the parish will no longer be responsible for providing any

municipal services as provided by law, unless agreed through a cooperative endeavor agreement or memorandum of understanding or other agreement.

- (9) Provides that no payments to the parish will be required until the final incorporation of the municipality, or if contested pursuant to R.S. 33:3(D), until the judgment is final.
- (10) 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 percentage of sales and use tax from three to two.
- 2. Provides for the district and the proposed municipality created to be liable for its proportionate share of the parish's outstanding debt secured by the parish taxes and of all unfunded liabilities of the parish, including pension plans and other post employment plans.
- 3. Provides for an exception that the parish shall no longer be responsible for providing any municipal services as provided by law, unless agreed through a cooperative endeavor agreement or memorandum of understanding or other agreement.

Senate Floor Amendments to engrossed bill

1. Makes technical change from null, void, and without effect to void.
2. Adds that the district and proposed municipality will be liable for its proportionate share of certain debt and unfunded liabilities that were incurred before the date of incorporation.
3. Specifies that this debt provision will not apply to debt secured by parish taxes that relate to immovable property not located within the municipality or to debt secured by parish taxes that relates to moveable property not transferred to the proposed new municipality.
4. Specifies that this unfunded liability provision will not apply to unfunded liabilities associated with employees and retirees who did not provide services to the area of the parish included in the proposed new municipality.
5. Specifies that the proposed new municipality will not pay more in any year than the percentage of the proportionate share of the unfunded liabilities paid by the parish in the same year.
6. Specifies that funds remitted to the parish related to the proposed new municipality's proportionate share of bonded indebtedness will be used by the parish for only the retirement of bonded indebtedness and all funds remitted to the parish related to the proposed new municipality's proportionate share of unfunded liabilities will be used by the parish for only the retirement of unfunded liabilities. Further provides that no funds remitted to the parish pursuant to the proposed new municipality will be used for any other purpose.
7. Specifies that no payments will be required to the parish until final incorporation of the proposed new municipality or if contested until a final judgement.