

SENATE BILL NO. 229

**VETOED**  
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BY SENATOR CLAITOR AND REPRESENTATIVE EDMONDS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To enact Part IX-A of Chapter 6 of Title 33 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 33:3121 through 3125, relative to government within East Baton Rouge Parish; to provide for the continued collection of tax revenue to fund essential public services within the city of St. George; to authorize the parish to continue collection of a previously approved two percent sales and use tax and to continue providing essential public services within the corporate limits of the city of St. George pursuant to intergovernmental agreement; to create a St. George Transition District as a taxing district to provide monies for essential public services within the municipality; to provide for the board of directors of the district; to provide for the duties, powers, and responsibilities of the district; to authorize the district to levy and collect a sales and use tax not to exceed two percent; to provide time limits for the continuation of such taxes; to authorize contracts, intergovernmental agreements, and cooperative endeavors; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. Part IX-A of Chapter 6 of Title 33 of the Louisiana Revised Statutes of 1950, comprised of R.S. 33:3121 through 3125, is hereby enacted to read as follows:

**Part IX-A. St. George - Transition District**

**§3121. Legislative findings; purpose**

**The legislature hereby finds and determines that in the event of the incorporation of the city of St. George within East Baton Rouge Parish a state of emergency will exist in the municipality until cash flow can be developed through the levy and collection of municipal sales and use taxes to fund the expenses of municipal government. As a result of the foregoing, the legislature**

1 determines it essential and necessary to authorize the continuation of the parish  
2 tax within the area incorporated, to authorize the continuation of the provision  
3 of services by the parish within the area incorporated, and to create a financial  
4 assistance district and provide for it a source of revenue in order that it may  
5 engage in cooperative endeavors, enter into contracts for the provision of  
6 essential public services, and raise revenue to assist the municipality in funding  
7 the delivery of essential public services to its citizens and to assist the  
8 municipality in preventing cash flow difficulties.

9 §3122. Definitions

10 Whenever used in this Act, unless a different meaning clearly appears  
11 in the context, the following terms, whether used in the singular or plural, shall  
12 be given the following interpretations:

13 (1) "Board" means the board of directors of the district or any successor  
14 thereto.

15 (2) "District" means the St. George Transition District or any successor  
16 thereto.

17 (3) "Mayor-president" means the mayor-president of the city of Baton  
18 Rouge and parish of East Baton Rouge.

19 (4) "Municipality" means the city of St. George in East Baton Rouge  
20 Parish.

21 (5) "Municipal tax" means the two percent sales and use tax levied by  
22 the city of St. George as provided in R.S. 33:3124(D)(5).

23 (6) "Parish" means East Baton Rouge Parish.

24 (7) "Parish tax" means the two percent sales and use tax levied in the  
25 unincorporated areas of the parish.

26 §3123. Continued levy of tax by East Baton Rouge Parish

27 Notwithstanding any law to the contrary, in the event a majority of  
28 voters vote in favor of incorporation of St. George, the parish may continue to  
29 levy and collect the parish tax within the corporate limits of the municipality,  
30 pursuant to an intergovernmental agreement between the parish and

1 municipality, for the purpose of providing essential public services to, or  
 2 funding essential public services for, the citizens within St. George until the St.  
 3 George Transition District levies and collects a two percent sales and use tax,  
 4 the municipality levies and collects a two percent sales and use tax, the end of  
 5 the quarter following the election to impose the municipal tax if the proposition  
 6 is not approved by the electorate, or twelve months after the incorporation  
 7 becomes final, whichever occurs first.

8 §3124. St. George Transition District; sales tax

9 A. In furtherance of the purposes of this Part, the St. George Transition  
 10 District is hereby created as a special taxing district whose boundaries are  
 11 coterminous with the municipality, and it shall be a body politic and corporate  
 12 and a political subdivision of the state with all of the powers of a political  
 13 subdivision and with such further powers and functions as are set forth in this  
 14 Section. It is hereby determined that the creation of the district and the carrying  
 15 out of its public purpose is in all respects a public and governmental purpose for  
 16 the improvement of the health, safety, welfare, comfort, and security of the  
 17 people of the municipality, and that such purposes are public purposes, and that  
 18 the district will be performing an essential governmental function and meeting  
 19 a public obligation in the exercise of the powers conferred upon it by this  
 20 Section.

21 B.(1) The district shall be administered and governed by a board of  
 22 directors of five persons composed of:

23 (a) The mayor-president or his designee who shall be a registered voter  
 24 and living in the district.

25 (b) One member, who shall be a registered voter and living in the  
 26 district, appointed by the senator representing Senate District No. 16.

27 (c) One member, who shall be a registered voter and living in the  
 28 district, appointed by the member of the House of Representatives representing  
 29 House District No. 66.

30 (d) The chairpersons for the petition for incorporation of St. George or

1           their designees.

2                   (2) The appointed members shall be selected on the basis of their  
3                   experience in management and relevant knowledge and ability to act effectively  
4                   for the best interests of the municipality.

5                   (3) The board shall elect one of its members as chairman and another  
6                   as treasurer. The board shall appoint a secretary and such other officers as are  
7                   deemed necessary who need not be directors of the district.

8                   (4)(a) A majority of the directors shall constitute a quorum, and a  
9                   majority vote of the directors constituting the quorum shall be necessary for  
10                  any action taken by the district. No vacancy on the board shall impair the right  
11                  of a quorum to exercise all of the rights and perform all of the duties of the  
12                  district.

13                  (b) Any vacancy which occurs prior to expiration of the term for which  
14                  a member of the board has been appointed shall be filled for the remainder of  
15                  the unexpired term in the same manner as the original appointment. Board  
16                  members shall be eligible for reappointment.

17                  (c) Notwithstanding the provision of Subparagraph (b) of this Paragraph  
18                  to the contrary, if the appointing authority fails to make an appointment within  
19                  sixty days of the date of a vacancy, the remaining appointed members may  
20                  appoint an individual who signed the petition to incorporate the city of St.  
21                  George for the remainder of the unexpired term.

22                  (5) The board shall fix the place or places at which meetings shall be  
23                  held. The domicile of the district shall be within the parish.

24                  (6) The members of the board shall serve without salary or per diem  
25                  allowance.

26                  C. The district shall have all of the rights and powers necessary to carry  
27                  out and effectuate the purposes and provisions of this Part. The district shall be  
28                  subject to the laws pertaining to open meetings, public records, official journals,  
29                  dual office holding and employment, and the Code of Governmental Ethics.  
30                  Without limiting the generality of the foregoing, the district shall have the

1 following rights and powers:

2 (1) To adopt bylaws and prescribe rules for the regulation of its affairs  
3 and the conduct of its business.

4 (2) To adopt an official seal and alter the same at its pleasure.

5 (3) To maintain an office within the parish at such place as it may  
6 designate.

7 (4) To sue and be sued.

8 (5) To receive, administer, and comply with the conditions and  
9 requirements respecting any gift, grant, or donation of any property or money.

10 (6) To apply and contract for assistance from the United States or other  
11 public or private sources, whether in the form of a grant or loan or otherwise.

12 (7) To make and execute contracts, intergovernmental agreements, and  
13 other instruments necessary in the exercise of the powers and functions of the  
14 district under this Part, including contracts with persons, firms, corporations,  
15 and others.

16 (8) To pledge or assign any contracts or rights of the district.

17 (9) To employ such personnel as may be required in the judgment of the  
18 board and to fix and pay their compensation from funds available to the district  
19 therefor.

20 (10) To transfer, grant, or donate all or any portion of its revenues to the  
21 municipality in order to assist the municipality in funding the delivery of  
22 essential public services to its citizens, reducing or eliminating its cash flow  
23 deficits or remedying cash flow shortfalls, paying obligations in connection  
24 therewith, or any combination of these.

25 (11) To accept the mortgage, pledge, hypothecation, assignment, grant,  
26 or donation of any properties of the municipality.

27 (12) To invest its monies in accordance with R.S. 33:2955.

28 (13) To enter into cooperative endeavor agreements or contracts for the  
29 provision of staff and meeting facilities and for the provision of such assistance  
30 and such essential public services as the district may require in carrying out the

1 intents and purposes of this Part.

2 (14) To incur debt.

3 (15) To exercise any and all other powers necessary to accomplish the  
4 purposes set forth in this Part.

5 D.(1) In order to provide funds for the purpose of assisting the  
6 municipality to fund the delivery of essential public services to its citizens,  
7 reduce or eliminate its cash flow deficit or remedy cash flow shortfalls, pay  
8 obligations in connection therewith, or any combination of these, the district is  
9 hereby authorized to levy and collect a sales and use tax not to exceed two  
10 percent. However, the district shall not levy or collect a tax if the rate thereof,  
11 when combined with the rate of the municipal sales and use taxes collected  
12 within the municipality, exceeds two percent.

13 (2) The tax shall be imposed by the district without the need of an  
14 election and shall be levied upon the sale at retail, the use, the lease or rental,  
15 the distribution, the consumption, and the storage for use or consumption of  
16 tangible personal property, and on sales of services in the state, as presently  
17 defined in and as provided by Chapter 2 of Subtitle II of Title 47 of the  
18 Louisiana Revised Statutes of 1950, subject to the tax exemptions provided in  
19 Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950.  
20 Notwithstanding any provision of law to the contrary, the levy of the tax shall  
21 be effective and the tax shall be payable beginning on such date as shall be  
22 provided by the district.

23 (3) The proceeds of the tax shall be irrevocably pledged and dedicated  
24 and shall be transferred in such amounts as may be determined by the district  
25 to assist the municipality in funding the delivery of essential public services to  
26 its citizens, reducing or eliminating its cash flow deficit, remedying cash flow  
27 shortfalls, paying obligations in connection therewith, or any combination of  
28 these.

29 (4) The district shall contract with the parish for the collection of the tax  
30 under such terms and conditions as the board may deem appropriate, and the

1 board may adopt such rules and regulations regarding the enforcement and  
2 collection of the tax authorized by this Section as it may deem appropriate.

3 (5) The provisions of this Section shall be void, the district shall cease  
4 existence, and any sales and use taxes levied by the district shall expire at such  
5 time as the municipality levies and collects a two percent sales and use tax, the  
6 end of the quarter following the election to impose the municipal tax if the  
7 proposition is not approved by the electorate, or twelve months after the  
8 incorporation becomes final, whichever occurs first.

9 E.(1) The district and the proposed municipality created shall be liable  
10 for its proportionate share of the parish's outstanding debt secured by the  
11 parish taxes incurred before the date of incorporation and its proportionate  
12 share of all unfunded liabilities of the parish, including pension plans and other  
13 post employment plans incurred before the date of incorporation.

14 (a) This Paragraph shall not apply to debt secured by parish taxes that  
15 relates to immovable property not located within the municipality or to debt  
16 secured by parish taxes that relates to movable property not transferred to the  
17 municipality.

18 (b) This Paragraph shall not apply to unfunded liabilities associated with  
19 employees and retirees who did not provide services to the area of the parish  
20 included in the municipality.

21 (c) Notwithstanding any other provision of law to the contrary, the  
22 municipality shall not pay more in any year than the percentage of the  
23 proportionate share of the unfunded liabilities paid by the parish in the same  
24 year.

25 (d) All funds remitted to the parish by the municipality pursuant to this  
26 Paragraph related to the municipality's proportionate share of bonded  
27 indebtedness shall be used by the parish for only the retirement of bonded  
28 indebtedness. All funds remitted to the parish by the municipality pursuant to  
29 this Paragraph related to the municipality's proportionate share of unfunded  
30 liabilities shall be used by the parish for only the retirement of the unfunded

1 liabilities. No funds remitted to the parish pursuant to this Paragraph shall be  
2 used for any other purpose.

3 (2) In addition, upon the incorporation, the parish shall no longer be  
4 responsible for providing any municipal services as provided by law, unless  
5 otherwise agreed to through a cooperative endeavor agreement or  
6 memorandum of understanding or other agreement.

7 (3) No payments to the parish pursuant to this Subsection shall be  
8 required until the final incorporation of the municipality, or if contested  
9 pursuant to R.S. 33:3(D), until the judgment is final.

10 §3125. Liberal construction

11 This Part does and shall be construed to provide a complete method for  
12 the doing of the things authorized by this Part. The provisions of this Part shall  
13 be liberally construed for the accomplishment of its purposes.

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

\_\_\_\_\_  
PRESIDENT OF THE SENATE

\_\_\_\_\_  
SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_

**VETO MESSAGE**

"Please be advised that I have vetoed Senate Bill 229 of the 2019 Regular Session. This bill, as originally drafted, created a transition structure should the voters approve of the incorporation of the City of St. George in the election that I called for October 12th. While it is arguable that this legislation is unnecessary at this point in time and presupposes a result



of an election that has yet to take place, the original bill was silent as it related to the future obligations of any new government in St. George for outstanding debt secured by parish taxes. Through a negotiated agreement, the bill was amended without objection in Senate committee to provide for payment of existing debt in proportionate share. However, the bill was amended on the Senate floor to limit the responsibility of St. George for liabilities and other bonded indebtedness for services that have been provided to the residents of the St. George area for decades.

Many in the Baton Rouge community have expressed grave concerns about the finally passed version of this bill, including Mayor Broome and Baton Rouge Area Chamber. They agree with me that if the voters do approve of a newly incorporated City of St. George, there should be a thoughtful, fair, and equitable transition process. This transition structure can be set up at that time through a cooperative endeavor agreement between the parish and the municipality. However, that structure should ensure, as proposed in the engrossed bill this year, that "the proposed municipality created shall be liable for its proportionate share of the parish's outstanding debt secured by parish taxes and its proportionate share of unfunded liabilities of the parish, including pension plans and other post-employment plans." This will ensure that, should the voters approve of the incorporation, St. George, like any other municipality in the state, pays the bill for the services its residents have received and does not leave those obligations with those outside of its boundaries."