

2026 Regular Session

SENATE BILL NO. 485

BY SENATOR EDMONDS

TAX/LOCAL. Provides for the levy of premium tax in the city of St. George. (7/1/26)

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AN ACT

To amend and reenact R.S. 33:3076 and 3078 and to enact R.S. 33:3077(8) and 3080.1, relative to the city of St. George; to provide for municipal fiscal authority; to provide relative to powers of certain municipalities in certain circumstances; to provide relative to new development; to provide relative to the sharing of the cost of certain public facilities; to provide for certain charges to be adopted by ordinance; to provide relative to the allocation and exercise of certain municipal taxing authority within the corporate limits of the city of St. George; to provide for exclusive municipal administration of insurance premium taxes; to provide for the levy of insurance premium tax; to provide for definitions; to provide for legislative findings and purpose; to provide relative to procedures, limitations, termination, applicability, and severability; to provide relative to accounting and credits; to provide relative to review of public facility charges; to provide for prospective application; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 33:3076 and 3078 are hereby amended and reenacted and R.S. 33:3077(8) and 3080.1 are hereby enacted to read as follows:

1 §3076. Legislative findings; purpose

2 A. The legislature hereby finds and determines that in the event the lawsuit
3 challenging the incorporation of the city of St. George within East Baton Rouge
4 Parish is unsuccessful, a state of emergency will exist in the municipality until cash
5 flow can be developed through the levy and collection of municipal sales and use
6 taxes to fund the expenses of municipal government. As a result of the foregoing, the
7 legislature determines it essential and necessary to authorize the continuation of the
8 parish tax within the area incorporated, to authorize the continuation of the provision
9 of services by the parish within the area incorporated, and to create a financial
10 assistance district and provide for it a source of revenue in order that it may engage
11 in cooperative endeavors, enter into contracts for the provision of essential public
12 services, and raise revenue to assist the municipality in funding the delivery of
13 essential public services to its citizens and to assist the municipality in preventing
14 cash flow difficulties.

15 **B. The legislature further finds and declares that:**

16 **(1) A municipality governed by the applicable laws of the state of**
17 **Louisiana and located within a larger parish may experience immediate**
18 **development related demands on roads, drainage, water, and wastewater**
19 **facilities following incorporation.**

20 **(2) Local governments in the state of Louisiana currently administer**
21 **development related charges associated with traffic, sewer, drainage, and utility**
22 **capacity.**

23 **(3) Uniform standards and clarification are necessary to ensure that the**
24 **charges are administered fairly, predictably, and in reasonable proportion to**
25 **the impacts of development.**

26 **(4) Development related public facilities charges are a component of**
27 **municipal fiscal authority for providing public services and infrastructure.**

28 §3077. Definitions

29 Whenever used in this Part, unless a different meaning clearly appears in the

1 context, the following terms, whether used in the singular or plural, shall be given
2 the following interpretations:

3 * * *

4 **(8) "Insurance premium tax" means a license tax imposed on insurers**
5 **pursuant to R.S. 22:833 or any other applicable provision of law, based upon**
6 **premiums written on risks located within the taxing jurisdiction.**

7 §3078. Continued levy of tax by East Baton Rouge Parish **Insurance premium tax;**
8 **transition; authority to levy**

9 **A.(1)** Notwithstanding any law to the contrary, ~~in the event the city of St.~~
10 ~~George, as approved by the voters on October 12, 2019, is incorporated, the parish~~
11 ~~may continue to levy and collect the parish tax within the corporate limits of the~~
12 ~~municipality pursuant to an intergovernmental agreement between the parish and~~
13 ~~municipality for the purpose of providing essential public services to, or funding~~
14 ~~essential public services for, the citizens within St. George until the St. George~~
15 ~~Transition District levies and collects a two percent sales and use tax, the~~
16 ~~municipality levies and collects a two percent sales and use tax, the end of the~~
17 ~~quarter following the election to impose the municipal tax if the proposition is not~~
18 ~~approved by the electorate, or twelve months after the incorporation becomes final,~~
19 ~~whichever occurs first.~~ **the city of St. George shall exclusively exercise all**
20 **municipal authority to levy, collect, administer, and enforce any insurance**
21 **premium tax, as defined in R.S. 33:3077, on risks located within the corporate**
22 **limits of the city of St. George.**

23 **(2) Beginning on January 1, 2027, the city of Baton Rouge and the parish**
24 **of East Baton Rouge, including any component of the consolidated government,**
25 **shall not levy, collect, administer, or receive any insurance premium tax on**
26 **risks located within the corporate limits of the city of St. George.**

27 **(3) Nothing in this Section shall be construed to authorize duplicative**
28 **taxation. An insurer shall be subject to only one local insurance premium tax**
29 **for a given period for risks located within the corporate limits of the city of St.**

1 George.

2 (4) The governing authority of the city of St. George and governing
3 authority of the city of Baton Rouge and parish of East Baton Rouge may enter
4 into an intergovernmental agreement solely for the purposes of records
5 transfer, closeout of prior records, and administrative cooperation, but not for
6 the continued collection of the insurance premium tax described in this Section
7 by the city of Baton Rouge or parish of East Baton Rouge.

8 * * *

9 §3080.1. Development related public facilities charge

10 A.(1) Notwithstanding any provision of law to the contrary, a
11 municipality meeting the criteria provided in Subsection B of this Section may,
12 by ordinance, require new development to bear a proportionate share of the
13 cost of public facilities necessary by the development, including through
14 methodologies or schedules derived from a capital improvement plan or
15 professional study and applied as a condition of subdivision approval, building
16 permit issuance, utility connection, certificate of occupancy, or other
17 development approval.

18 (2) A charge imposed pursuant to this Section shall be limited to the
19 allocation of costs attributable to new development and imposed only in
20 accordance with this Section.

21 B. This Section shall apply only to a municipality that meets all of the
22 following criteria:

23 (1) Incorporated on or after January 1, 2010.

24 (2) Governed by applicable state law and not operating under a home
25 rule charter.

26 (3) Located wholly or partially within a parish having a population in
27 excess of three hundred thousand according to the most recent federal decennial
28 census.

29 C. For purposes of this Section, the following terms have the following

1 meanings:

2 (1) "Development" means the construction, reconstruction,
3 redevelopment, conversion, structural alteration, relocation, or enlargement of
4 any structure or use of land which increases the demand for public facilities.

5 "Development" shall not include ordinary maintenance, repair, or
6 reconstruction of a structure destroyed by casualty, provided that the
7 maintenance, repair, or reconstruction of a structure does not increase demand
8 for public facilities beyond the demand in existence immediately prior to the
9 casualty.

10 (2) "Public facilities" means capital improvements for roads, bridges,
11 intersections, traffic control systems, drainage, storm water and flood control
12 systems, water supply and distribution systems, and wastewater collection,
13 treatment, pumping, and disposal systems, including associated land,
14 rights-of-way, design, engineering, and infrastructure directly related to
15 capacity expansion.

16 (3) "Public facilities charge" means a monetary condition imposed
17 pursuant to this Section to fund or recoup the costs of capacity expanding public
18 facilities.

19 (4) "Qualified professional" means a professional engineer licensed in
20 the state of Louisiana or another person with demonstrable expertise in
21 infrastructure planning, finance, or impact analysis relevant to public facilities
22 charges.

23 (5) "Service area" means a geographic area within which the benefits of
24 a public facility are reasonably expected to be available to a development paying
25 the charge.

26 D.(1) Prior to adopting or amending any ordinance imposing a public
27 facilities charge, the municipality shall adopt a capital improvement plan or
28 professional study prepared or approved by a qualified professional.

29 (2) The plan or study pursuant to this Subsection shall:

1 (a) Identify existing capacity and projected demand attributable to the
2 development.

3 (b) Identify capital improvements required to accommodate the
4 development.

5 (c) Establish service areas, if applicable.

6 (d) Establish a reasonable methodology for determining the
7 proportionate share of costs attributable to the development.

8 (3) Prior to adopting or amending an ordinance imposing a public
9 facilities charge, the municipality shall hold at least one public hearing. Notice
10 of the hearing shall be published in the official journal of the municipality at
11 least fifteen days prior to the hearing, and the capital improvement plan or
12 professional study shall be made available for public inspection before the
13 hearing.

14 (4) A public facilities charge shall apply only to a development
15 application that is submitted after the effective date of the ordinance.

16 E.(1) A public facilities charge shall bear a reasonable relationship to the
17 need for public facilities created by the development.

18 (2) A public facilities charge shall not exceed the proportionate share of
19 the costs of public facilities attributable to the development.

20 (3) A charge imposed pursuant to this Section shall not be used to fund
21 operations or maintenance.

22 (4) A charge imposed pursuant to this Section shall not be used to
23 remedy an existing deficiency except to the extent attributable to new
24 development.

25 (5) A charge imposed pursuant to this Section shall be reduced as
26 necessary to avoid duplicating recovery for the same public facility cost from
27 the same development. The charge may be reduced to account for fees imposed
28 by other governmental entities for the same public facility capacity.

29 (6) A public facilities charge may include automatic intermittent

1 adjustments based on a recognized construction cost index.

2 F. The ordinance shall provide for credits or offsets for the value of any
3 land, construction, or improvements provided or funded by a developer that
4 serve the same public facilities or service area for which the charge is imposed.

5 G.(1) Revenue collected pursuant to this Section shall be deposited in a
6 separate interest bearing account by facility category and, if applicable, by
7 service area.

8 (2) Revenue and interest earned shall be used only for the public facilities
9 and service area for which it is collected.

10 (3) Revenue shall be expended or encumbered within eight years of
11 collection or within a shorter period established by ordinance. The revenue, if
12 not expended or encumbered within the applicable period, shall be subject to
13 refund pursuant to procedures established by ordinance, including refund
14 application procedures, methodology for any pro rata calculations, and
15 deadlines for refund transfers.

16 H. The municipality shall establish procedures for administrative review
17 of a public facilities charge and has the right of judicial review in accordance
18 with applicable law.

19 I. Notwithstanding any provision of law to the contrary, a municipality,
20 upon meeting the requirements provided in this Section, may prepare or
21 commission the capital improvement plan or professional study, hold the
22 hearing, and adopt an implementing ordinance in accordance with this Section
23 to become effective on January 1, 2027. No public facilities charge shall be
24 assessed prior to January 1, 2027.

25 J. The authority granted by this Section shall terminate on January 1,
26 2029.

27 Section 2. The provisions of this Act shall become effective on January 1, 2027.

28 Section 3. The provisions of this Act shall apply prospectively only to premiums

29 attributable to periods beginning on and after January 1, 2027.

1 Section 4. The provisions of this Act are severable. If any provision or item of
 2 this Act, or the application thereof, is held invalid, such invalidity shall not affect the
 3 other provisions, items, or applications of this Act and the Act shall be given effect
 4 without the invalid provision, item, or application pursuant to R.S. 24:175.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 485 Reengrossed

2026 Regular Session

Edmonds

Present law provides for transition following the incorporation of the city of St. George.

Proposed law retains present law.

Present law provides for legislative intent that finds and determines that in the event the lawsuit challenging the incorporation of the city of St. George within East Baton Rouge Parish is unsuccessful, 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. Provides that the legislature determines it essential and necessary to authorize the continuation of the parish tax within the area incorporated, to authorize the continuation of the provision of services by the parish within the area incorporated, and to create a financial assistance district and provide for it a source of revenue in order that it may engage in cooperative endeavors, enter into contracts for the provision of essential public services, and raise revenue to assist the municipality in funding the delivery of essential public services to its citizens and to assist the municipality in preventing cash flow difficulties.

Proposed law retains present law and provides that the legislature further finds and declares that:

- (1) A municipality governed by the applicable laws of this state and located within a larger parish may experience immediate development related demands on roads, drainage, water, and wastewater facilities following incorporation.
- (2) Local governments in this state currently administer development related charges associated with traffic, sewer, drainage, and utility capacity.
- (3) Uniform standards and clarification are necessary to ensure that the charges are administered fairly, predictably, and in reasonable proportion to the impacts of development.
- (4) Development related public facilities charges are a component of municipal fiscal authority for providing public services and infrastructure.

Present law defines the following terms:

- (1) "Board" means the board of directors of the district or any successor thereto.
- (2) "District" means the St. George Transition District or any successor thereto.
- (3) "Mayor-president" means the mayor-president of the city of Baton Rouge and

parish of East Baton Rouge.

- (4) "Municipality" means the city of St. George in East Baton Rouge Parish.
- (5) "Municipal tax" means the two percent sales and use tax levied by the city of St. George as provided in present law (R.S. 33:3079(D)(5)).
- (6) "Parish" means East Baton Rouge Parish.
- (7) "Parish tax" means the two percent sales and use tax levied in the unincorporated areas of the parish.

Proposed law retains present law and adds that "insurance premium tax" means a license tax imposed on insurers pursuant to present law or any other applicable law, based upon premiums written on risks located within the taxing jurisdiction.

Present law provides that in the event the city of St. George, as approved by the voters on October 12, 2019, is 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 for the purpose of providing essential public services to, or funding essential public services for, the citizens within St. George until the St. George Transition District levies and collects a two percent sales 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 12 months after the incorporation becomes final, whichever occurs first.

Proposed law changes present law so that, beginning on January 1, 2027, the city of St. George shall succeed to and exclusively exercise all municipal authority to levy, collect, administer, and enforce any insurance premium tax on risks located within the corporate limits of the city of St. George.

Proposed law provides that beginning January 1, 2027, the city of Baton Rouge and the parish of East Baton Rouge, including any component of the consolidated government, shall not levy, collect, administer, or receive any insurance premium tax on risks located within the corporate limits of the city of St. George.

Proposed law provides that nothing in proposed law shall be construed to authorize duplicative taxation. Further provides that an insurer shall be subject to only one local insurance premium tax for a given period for risks located within the corporate limits of the city of St. George.

Proposed law provides that the governing authorities of the city of St. George and the city of Baton Rouge and the parish of East Baton Rouge may enter into an intergovernmental agreement solely for purposes of records transfer, closeout of prior records, and administrative cooperation, but not for the continued collection of the tax described in proposed law by the city of Baton Rouge or parish of East Baton Rouge.

Proposed law provides that notwithstanding any provision of law to the contrary, a municipality meeting the criteria provided in proposed law may, by ordinance, require new development to bear a proportionate share of the cost of public facilities necessary by the development, including through methodologies or schedules derived from a capital improvement plan or professional study and applied as a condition of subdivision approval, building permit issuance, utility connection, certificate of occupancy, or other development approval.

Proposed law provides that a charge imposed pursuant to proposed law shall be limited to the allocation of costs attributable to new development and imposed only in accordance with proposed law.

Proposed law provides that proposed law shall apply only to a municipality that meets all of the following criteria:

- (1) Incorporated on or after January 1, 2010.
- (2) Governed by applicable state law and not operating under a home rule charter.
- (3) Located wholly or partially within a parish having a population in excess of three hundred thousand according to the most recent federal decennial census.

Proposed law defines "development", "public facilities", "public facilities charge", "qualified professional", and "service area".

Proposed law provides that prior to adopting or amending any ordinance imposing a public facilities charge, the municipality shall adopt a capital improvement plan or professional study prepared or approved by a qualified professional.

Proposed law provides that the plan or study pursuant to proposed law shall:

- (1) Identify existing capacity and projected demand attributable to the development.
- (2) Identify capital improvements required to accommodate the development.
- (3) Establish service areas, if applicable.
- (4) Establish a reasonable methodology for determining the proportionate share of costs attributable to the development.

Proposed law provides that a public hearing be held prior to adopting or amending an ordinance imposing a public facilities charge and provides for public notice.

Proposed law provides that a public facilities charge shall apply only to a development application that is submitted after the effective date of the ordinance.

Proposed law provides that a public facilities charge shall:

- (1) Bear a reasonable relationship to the need for public facilities created by the development.
- (2) Not exceed the proportionate share of the costs of public facilities attributable to the development.
- (3) Not be used to fund operations or maintenance.
- (4) Not be used to remedy an existing deficiency except to the extent attributable to new development.
- (5) Be reduced as necessary to avoid duplicating recovery for the same public facility cost from the same development.

Proposed law provides a public facilities charge may include automatic intermittent adjustments based on a recognized construction cost index.

Proposed law provides that the ordinance shall provide for credits or offsets for the value of any land, construction, or improvements provided or funded by a developer that serve the same public facilities or service area for which the charge is imposed.

Proposed law provides that revenue collected pursuant to proposed law shall be deposited

in a separate interest bearing account by facility category and, if applicable, by service area.

Proposed law provides that revenue and interest earned shall be used only for the public facilities and service area for which it is collected.

Proposed law provides that revenue shall be expended or encumbered within eight years of collection or within a shorter period established by ordinance. Provides that the revenue, if not expended or encumbered within the applicable period, shall be subject to refund pursuant to procedures established by ordinance, including refund application procedures, methodology for any pro rata calculations, and deadlines for refund transfers.

Proposed law provides that the municipality shall establish procedures for administrative review of a public facilities charge and has the right of judicial review in accordance with applicable law.

Proposed law provides that notwithstanding any provision of law to the contrary, a municipality, upon meeting the requirements provided in proposed law, may prepare or commission the capital improvement plan or professional study, hold the hearing, and adopt an implementing ordinance in accordance with proposed law to become effective on January 1, 2027. Further provides that no public facilities charge shall be assessed prior to January 1, 2027.

Proposed law terminates on January 1, 2029.

Proposed law has prospective application relative to premiums attributable to periods beginning on and after January 1, 2027.

Effective January 1, 2027.

(Amends R.S. 33:3076 and 3078; adds R.S. 33:3077(8) and 3080.1)

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Adds to the legislative intent.
2. Clarifies the definition for "insurance premium tax".
3. Provides for January 1, 2027, as the succession date for control by the city of St. George of insurance premium taxes.
4. Provides for an intergovernmental agreement between the city of St. George and the city of Baton Rouge and the parish of East Baton Rouge solely for the purposes of transferring control of the collection of insurance premium taxes.
5. Provides relative to public facility charges and provides for definitions.
6. Provides relative to a capital improvement plan or professional study prepared by a qualified professional.
7. Provides for deposit of revenue collected pursuant to proposed law.
8. Mandates the establishment of procedures by the city of St. George for administrative review of public facility charges.

9. Terminates provisions relative to public facilities charge on January 1, 2029.