

---

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.