Research Update:

Plaquemine, LA Series 2026 Sales Tax Bonds Rated 'A+; Outlook Stable

November 13, 2026

Overview

- S&P Global Ratings assigned its 'A+' long-term rating to Plaquemine, Louisiana's proposed $10 million series 2026 sales tax bonds.
- At the same time, we affirmed our 'A+' long-term rating on the city's sales tax revenue bonds outstanding.
- The outlook is stable.

Primary Contact

Lauren Levy
Englewood
1303-721-4956
lauren.levy
@spglobal.com

Secondary Contact

Joshua Travis
Dallas
+ 1 (972) 367 3340
joshua.travis
@spglobal.com

Rationale

Security

The bonds are secured by approximately 23% of the net (of collection costs) revenue of three separate sales and use taxes authorized by elections in 1996, 2005, and 2006 and totaling 2.67% levied throughout Iberville Parish, including within Plaquemine. Plaquemine's share of the proceeds of each tax is about 23%, based on proportional population. The allocation of the sales tax is subject to change after each U.S. Census based on the population of the incorporated municipalities within the parish, but the parish allocation will never be reduced to less than 50% of total tax proceeds. This structural floor on the parish allocation provides a degree of protection against potential shifts in municipal population distributions that could otherwise dilute the city's revenue share.

We understand that bond proceeds will finance various sewer and gas infrastructure projects, as well as downtown revitalization.

Credit highlights

The rating is supported by the city's ability to maintain robust debt service coverage despite inherent revenue volatility stemming from the concentrated industrial base. Pledged revenues have exhibited higher than average volatility compared to sales and use taxes nationally due to the city's concentration in the petrochemical sector, which contributes to swings in economic activity as the prices of oil and natural gas fluctuate. These factors are offset by robust coverage above the 1.35x additional bonds test (ABT). We expect coverage to remain strong in the near

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term, given the lack of plans to issue additional parity debt, which we view as realistic, as excess pledged revenues are utilized to support operations after meeting debt service requirements.

Plaquemine is the primary commercial hub of Iberville Parish, and benefits from inclusion in the Baton Rouge metropolitan statistical area. The local economy is heavily concentrated in petrochemical manufacturing. Dow Chemical Co., one of the region's largest employers, is one of 17 multinational petrochemical companies operating in the parish. Shintech Chemical, another top employer in the parish, is undergoing a $3.8 billion expansion of its existing facility, which we expect to contribute to a temporary uptick in sales tax collections.

The rating also reflects our view of the city's general creditworthiness. Ultimately, our view of the city's general creditworthiness does not limit the rating on the sales and use tax bonds. Taxes are collected by the parish, with payments due from retailers by the 20th of the month following sales. Tax receipts are then remitted to the city on or before the first day of the calendar month following collections. The city then makes required deposits to the sinking fund to replenish any reserve fund draws prior to funds being released for any legally available purpose. Under our criteria, we view pledged revenues as being exposed to operating risk based on the flow of funds. In our view, this increases the linkage between the priority lien pledge and obligor's creditworthiness, indicating the degree of pledged revenue exposure to operating risk of the obligor's creditworthiness. While this linkage necessitates consideration of the city's operational strength, the city's historically strong liquidity and disciplined budgetary management mitigate the risk that operational needs would impede debt service.

The rating further reflects our view of the city’s:

- Weak economic base with notable concentration in the petrochemical sector.
- Strong det service coverage consistently maintained above 4x maximum annual debt service (MADS), and lack of parity debt issuance plans.
- Low to moderate revenue volatility.
- The city’s significant exposure to hurricanes and flooding could negatively impact its economic and revenue base. In our view, the risk is partially mitigated by city’s somewhat higher elevation relative to surrounding areas, and management’s efforts to improve drainage in low-lying areas of the city. As a result, we consider physical climate risk a moderately negative factor in our credit rating analysis.
- We assess the city's general operations because we view overall creditworthiness as a key determinant of an obligor's ability to pay all its obligations, including special-tax-secured bonds. Plaquemine has maintained, in our opinion, very strong liquidity and budgetary flexibility over the years. Reserves are maintained at consistently robust levels relative to the operating budget. While we note that the city's debt profile is elevated overall, we view this as manageable. However, given that resident incomes are below those of comparable peers, combined with the concentration in the oil and gas industry, we consider the local economy a constraining rating factor. We view the city’s cyber risk mitigation measures as consistent with our view of its credit fundamentals. Ultimately, we do not view the city's creditworthiness as a limiting factor on the sales tax rating.

Outlook

The stable outlook reflects our expectation that pledged revenues will continue to provide strong coverage above the ABT during the outlook period, supported by ongoing industrial expansions and lack of additional parity debt issuance plans.

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Downside scenario

We could lower the rating if coverage deteriorates materially and is sustained at significantly weaker levels, whether due to revenue disruption or issuance of additional parity debt.

Upside scenario

All other rating factors equal, we could raise the rating if the local economy expands and diversifies resulting in sustained improvement in per capita income metrics and moderation in petrochemical sector concentration.

Plaquemine (1st Lien), Louisiana--key credit metrics	
Economic data	
Economy	Weak
Pledged revenue taxing base	Plaquemine
EBI level per capita % of U.S. (taxing base)	87
Population (taxing base)	6,206
Broad and diverse MSA	Yes
Financial data	
Revenue volatility	Moderate-low
Coverage and liquidity	Strong
Baseline coverage assessment	ABT
MADS coverage (x)	4.51
MADS year	2028
Annual debt service coverage (x)	6.56
Pledged revenue 2-year CAGR (%)	(2.89)
Bond provisions	
ABT (x)	1.35
ABT type	MADS
ABT period	Historical
DSRF type	Lesser of 3-prong
Obligor relationship	
Obligor linkage	Close
PL rating limit (number of notches above OC)	1

Data points and ratios may reflect analytical adjustments. EBI--Effective buying income. MSA--Metropolitan statistical area. MADS-Maximum annual debt service. 2-year CAGR--2 periods of compound annual growth rate change over 3 years. ABT--Additional bonds test. DSRF--Debt service reserve fund. PL--Priority lien. OC--Obligor creditworthiness. 3-pronged test--MADS, 10% of principal, or 125% of average annual debt service.

Ratings List	
New Issue Ratings	
US$10.000 mil sales tax bnds ser 2026 due 12/1/2046	
Long Term Rating	A+/Stable
Ratings Affirmed	
Local Government	
Plaquemine, LA 1991, 2005, and 2006 Parish Shared Sales Taxes	A+/Stable

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