

## HOUSE SUMMARY OF SENATE AMENDMENTS

**HB 137**

**2021 Regular Session**

**Duplessis**

GAMING/CASINO: Provides relative to non-gaming economic development activities by the casino gaming operator

### Synopsis of Senate Amendments

1. Makes technical changes.
2. Adds provisions relative to hotel room taxes.
3. Adds provisions relative to taxation of food, beverage, entertainment, and parking.
4. Rewords proposed law provisions relative to the memorandum of understanding between the casino gaming operator and the La. Stadium and Exposition District and the Ernest N. Morial-New Orleans Exhibition Hall Authority.
5. Specifies that any action related to the enforcement of the memorandum of understanding shall be instituted in the Civil District Court for the parish of Orleans.
6. Adds an effective date of July 1, 2021, and provides for effectiveness contingent upon the enactment of House Bill No. 365 and Senate Bill Nos. 204 and 209 of the 2021 Regular Session of the Legislature.

### Digest of Bill as Finally Passed by Senate

Present law (R.S. 27:240 et seq.) provides for the Land-Based Casino Operating Contract and provides for the operations for the land-based casino.

Present law (R.S. 27:243) provides that as of Aug. 1, 2019, the casino operator is authorized to conduct certain non-casino related activities at the official gaming establishment on or at another location subject to requirements set forth in present law.

Present law provides for terms of the memorandum of understanding and agreement with the Greater New Orleans Hotel and Lodging Association date April 2019.

Present law provides that room taxes shall be paid by the casino gaming operator on all discounted and complimentary rooms to be paid at applicable tax rates.

Proposed law retains present law and specifies that room taxes levied and collected by the city of New Orleans shall be paid by the casino gaming operator.

Proposed law removes discounted rooms from those by which the room taxes levied and collected by the city of New Orleans shall be paid by the casino gaming operator.

Proposed law provides that complimentary rooms provided by the casino gaming operator shall not be subject to the state sales and use tax, the occupancy taxes levied by the La. Stadium and Exposition District, or the occupancy taxes levied by the Ernest N. Morial-New Orleans Exhibition Hall Authority.

Proposed law also provides that room taxes levied and collected by the city of New Orleans, sales and use taxes levied by the state, and sales and use or occupancy taxes levied by any other political subdivision on rooms provided at a discount by the casino gaming operator

shall be paid at the applicable rates based on the amount actually paid or charged for the room.

Proposed law further provides that in order to establish and stabilize the amount of occupancy taxes to be paid by the casino gaming operator to the La. Stadium and Exposition District and the Ernest N. Morial-New Orleans Exhibition Hall Authority for complimentary rooms provide by the casino gaming operator, which amount is otherwise uncertain, the casino gaming operator shall enter into a binding memorandum of understanding with the La. Stadium and Exposition District and the Ernest N. Morial-New Orleans Exhibition Hall Authority to provide for cumulative annual payments for the occupancy taxes of not less than \$1,300,000 per year, with the first payment beginning on July 1, 2022, and continuing through July 31, 2054, and to provide that payments are to be made on a quarterly basis as may be set forth in the binding memorandum of understanding.

Proposed law provides that any action related to the enforcement of or any related agreements to the binding memorandum of understanding shall be instituted in the Civil District Court for the parish of Orleans.

Proposed law requires the casino gaming operator to remit state and local sales and use taxes on all complimentary and discounted food, beverage, or entertainment offerings based on the actual value of food, beverage, or entertainment provided.

Proposed law further requires the casino gaming operator to remit state and local sales and use taxes on all parking provided at a charge to the customer or the general public.

Present law (R.S. 27:248) provides relative to the promotion of non-gaming economic development by the casino gaming operator or an affiliate company through the development of businesses, including restaurants, entertainment outlets, and retail outlets leased or subleased to third-party tenants or subtenants within, adjacent to, and around the official gaming establishment.

Present law requires the casino gaming operator to report quarterly the total operating force or personnel level of the third-party tenants to the board of directors of the La. Economic Development and Gaming Corporation.

Present law provides that the reported operating force or personnel level for the prior quarter shall be determined by taking into account the greater of either the three-month average for the applicable reporting quarter or the highest monthly total during the applicable reporting quarter. Further provides that the reported operating force or personnel level for the prior quarter shall be credited to the casino gaming operator for purposes of meeting certain present law obligations, provided that such credit is limited to 400 employment positions toward the total operating force or personnel level.

Present law provides that prior to July 15, 2024, the casino operator shall make a capital investment on or around the official gaming establishment of \$325,000,000 subject to an extension for any force majeure event.

Proposed law amends present law to remove the 400 employment positions credited toward the total operating force or personnel level.

Present law defines "operating force or personnel level" as the number of people employed by the casino and any related non-gaming entity, including hotel operations, third-party tenants, and corporate employees.

Present law provides that the casino gaming operator shall not reduce its total operating force or personnel level below 90% of the force or level as such existed on March 8, 2001.

Present law provides that to meet those goals the credit is limited to 400 employment positions.

Proposed law changes present law from 400 positions to not more than half of the total operating force or personnel level to meet those goals.

Proposed law adds hospitality outlet employees to the definition of "operating force or personnel level" and also adds third-party contractor employees provided, however, that the employees of third-party contractors shall be included only until the \$325,000,000 capital investment requirement has been fulfilled.

Proposed law removes third-party tenants from the total operating force or personnel level that is reported to the gaming control board.

Proposed law amends the present law definition to also include employees of any third-party contractors.

Present law provides that the casino gaming operator shall be credited an amount equal to the pro rata share of compensation to employees of the third-party tenants.

Proposed law amends present law to provide that the amount credited to the casino gaming operator is equal to the compensation to employees of the third-party tenants.

Effective July 1, 2021, if and when the Acts which originated as House Bill No. 365 and Senate Bill Nos. 204 and 209 of the 2021 Regular Session of the Legislature are enacted and become effective.

(Amends R.S. 27:243(C)(intro. para.), (4)(b) and (5), 248(C)(2)(intro. para.), (3), (4), and (5); Adds R.S. 27:243(C)(6))