



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 622** HLS 17RS 703
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 5, 2017 7:26 PM	Author: HILFERTY
Dept./Agy.: Ernest N. Morial-New Orleans Exhibition Hall Authority	Analyst: Staci Cefalu
Subject: Hotel Occupancy & Food and Beverage Taxes	

CONVENTION FACILITIES OR DECREASE LF RV See Note Page 1 of 1
 Provides relative to the taxing authority and bonding capacity of the Ernest N. Morial-New Orleans Exhibition Hall Authority

Purpose of Bill: This measure removes the ability of the Ernest N. Morial New Orleans Exhibition Hall Authority (Authority) to impose an additional hotel occupancy tax of 1% and a food and beverage tax of 0.25%, within Orleans Parish.

EXPENDITURES	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total		\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

This bill may increase expenditures of the Louisiana Department of Revenue (LDR) by \$50,000 annually. Based on information provided by the Department, this increase would result from programming, testing, and system development related to the revision of affected tax returns.

REVENUE EXPLANATION

This bill may decrease local government revenue for the Ernest N. Morial New Orleans Exhibition Hall Authority (Authority) by approximately \$8 Million in FY 2018 and by \$23 Million in FY 2022. In addition, this bill may decrease agency self-generated revenue of the Louisiana Department of Revenue (LDR) by approximately \$211,000 annually.

Based on information from the Authority, this bill may decrease local government revenues as follows (assuming an annual growth rate of approximately 9%):

- FY 2018 = (\$8,125,000) [half year of collections]
- FY 2019 = (\$17,720,000)
- FY 2020 = (\$19,320,000)
- FY 2021 = (\$21,100,000)
- FY 2022 = (\$23,000,000)

Also, LDR estimates a \$106,000 reduction in self-generated funds for FY 2018 and \$211,000 in subsequent years. This decrease in funds is a result of the reduction in collection fees paid by the Authority to LDR for the collection of the hotel occupancy tax and food/beverage tax.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


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