

2019 Regular Session

HOUSE BILL NO. 521

BY REPRESENTATIVE ABRAMSON AND SENATOR MORRELL

TAX/LOCAL: Provides relative to the levy of hotel occupancy taxes and tourism assessments in Orleans Parish

1 AN ACT  
2 To amend and reenact R.S. 21:202 and 204(A), (B), and (D), to enact R.S. 47:338.220, and  
3 to repeal R.S. 21:203(1) and (7) and 206; relative to Orleans Parish, to provide  
4 relative to hotel assessments levied by certain tourism organizations; to provide  
5 relative to proceeds collected from such assessments; to authorize the governing  
6 authority of the city to levy an additional hotel occupancy tax subject to voter  
7 approval; to provide for the use of tax proceeds; to remove provisions for a  
8 referendum of assessed hotels; and to provide for related matters.

9 Notice of intention to introduce this Act has been published  
10 as provided by Article III, Section 13 of the Constitution of  
11 Louisiana.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 21:202 and 204(A), (B), and (D) are hereby amended and reenacted  
14 to read as follows:

15 §202. Purpose

16 This Chapter is enacted for the purpose of facilitating the collection and use  
17 of private-sector-originated supplementary funds to market and promote greater New  
18 Orleans as a traveler destination and to provide for increased economic activity  
19 within its traveler economy, including an increased number of conventions,  
20 meetings, visitors, hotel occupancy, food, beverage and other retail sales, tourism,

1 including cultural and family tourism, job creation and other economic development  
2 and related purposes ~~through an optional, self-generated, private-sector hotel self-~~  
3 ~~assessment program.~~

4 \* \* \*

5 §204. Levy of hotel assessments; use of proceeds

6 A.(1) A tourism organization, under authority of its articles or bylaws, may  
7 levy a hotel assessment ~~of up to one and three quarters percent of~~ on the daily room  
8 charge upon its hotel members in Orleans Parish under this Chapter for destination  
9 marketing, sales, public relations and for other matters deemed by the tourism  
10 organization to benefit directly or indirectly economic development, the traveler  
11 economy, and tourism growth, as shall be approved by resolution of the board of  
12 directors of the tourism organization ~~and ratified by a vote of the assessed hotels in~~  
13 ~~a referendum conducted in accordance with R.S. 21:206.~~

14 (2) The combined tax rate of the assessment authorized by this Subsection  
15 and the hotel occupancy tax authorized by R.S. 47:338.220 shall not exceed two and  
16 one-half percent of the rent or fee charged for occupancy.

17 B. A hotel assessment proposed to be levied under this Chapter by a tourism  
18 organization shall be authorized by its board of directors or other governing body by  
19 resolution that describes in general terms the hotel assessment to be levied and  
20 includes a statement that the hotel assessment is to be levied under this Chapter ~~and~~  
21 ~~shall be approved in a referendum of the assessed hotels as provided in R.S. 21:206.~~  
22 Such assessment may be levied only after a proposition authorizing the levy of the  
23 assessment has been approved by a majority of the electors of Orleans Parish voting  
24 at an election held for that purpose in accordance with the Louisiana Election Code

25 \* \* \*

26 D. Notwithstanding any other provision of law, an ~~assessed hotel~~ operator  
27 of a hotel shall place the hotel assessment as a mandatory surcharge on the folio and  
28 in so doing shall comply with R.S. 21:205(C). Receipts from any ~~such~~ surcharge for  
29 hotel assessments levied pursuant to this Chapter are not part of gross receipt or

1 gross revenue for any purpose, including the calculation of hotel sales or occupancy  
2 taxes or state income taxes and are not part of income pursuant to any lease or  
3 operator agreement. Payment of the assessment to the tourism organization shall not  
4 be taken as a deduction from income for state income tax purposes.

5 \* \* \*

6 Section 2. R.S. 47:338.220 is hereby enacted to read as follows:

7 §338.220. Orleans Parish; additional hotel occupancy tax; authorization

8 A.(1) Notwithstanding any other provision of law to the contrary, the  
9 governing authority of Orleans Parish may levy and collect an additional tax upon  
10 the paid occupancy of hotel rooms located within Orleans Parish.

11 (2) The word "hotel" as used in this Section shall mean and include any  
12 establishment, public or private, engaged in the business of furnishing or providing  
13 rooms or overnight camping facilities intended or designed for dwelling, lodging, or  
14 sleeping purposes to transient guests where such establishment consists of two or  
15 more guest rooms and does not encompass any hospital, convalescent or nursing  
16 home or sanitarium, or any hotel-like facility operated by or in connection with a  
17 hospital or medical clinic providing rooms exclusively for patients and their families.

18 (3) The person who exercises or is entitled to occupancy of the hotel room  
19 shall pay the hotel occupancy tax at the time the rent or fee for occupancy is paid.  
20 "Person" as used in this Paragraph shall have the same definition as that contained  
21 in R.S. 47:301(8).

22 B. The combined tax rate of the tax authorized by this Section and the hotel  
23 assessment authorized by R.S. 21:204 shall not exceed two and one-half percent of  
24 the rent or fee charged for occupancy.

25 C. The governing authority of Orleans Parish shall impose the hotel  
26 occupancy tax by ordinance or resolution. The governing authority may adopt such  
27 ordinance or resolution only after a proposition authorizing the levy of the tax has  
28 been approved by a majority of the electors of Orleans Parish voting at an election  
29 held for that purpose in accordance with the Louisiana Election Code. The

1 governing authority may provide in the ordinance or resolution necessary and  
2 appropriate rules and regulations for the imposition, collection, and enforcement of  
3 the hotel occupancy tax.

4 D. The governing authority may enter into a contract with any public entity  
5 authorized to collect sales or use taxes, under such terms and conditions as it may  
6 deem appropriate, including payment of a reasonable collection fee, for the  
7 collection of the hotel occupancy tax authorized by this Section. The hotel  
8 occupancy tax shall be in addition to all taxes levied upon the occupancy of hotel  
9 rooms located within Orleans Parish.

10 E. Except as provided in Subsection D of this Section, the proceeds of the  
11 tax shall be deposited into the infrastructure fund of the parish.

12 Section 3. R.S. 21:203(1) and (7) and 206 are hereby repealed in their entirety.

13 Section 4. This Act shall become effective on July 1, 2019; if vetoed by the governor  
14 and subsequently approved by the legislature, this Act shall become effective on July 1,  
15 2019, or on the day following such approval by the legislature, whichever is later.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

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HB 521 Original

2019 Regular Session

Abramson

**Abstract:** Relative to Orleans Parish, requires, rather than authorizes, tourism organizations to levy hotel assessments on their members, subject to voter approval; authorizes the governing authority of the parish to levy and collect a hotel tax, subject to voter approval; limits the combined rate of the assessment and the tax to 2.5%.

Present law provides that it is in the state's public interest and vital to the welfare of the state's economy to facilitate and encourage cooperating public-private partnerships for the enhancement and expansion of the traveler economy and to provide for increased hotel occupancy, tourism, economic development and job creation in Orleans Parish.

Proposed law retains present law.

Present law authorizes a tourism organization to levy a hotel assessment of up to 1.75% of the daily room charge upon its hotel members in Orleans Parish for destination marketing, sales, public relations and for other matters deemed by the tourism organization to benefit directly or indirectly economic development, the traveler economy and tourism growth. Requires that the assessment be approved by resolution of the board of directors of the tourism organization and ratified by a vote of the assessed hotels in a referendum conducted in accordance with present law.

Proposed law instead requires a tourism organization to levy a hotel assessment, subject to voter approval. Removes requirement that the assessment be ratified by a vote of the assessed hotels.

Proposed law authorizes the governing authority of Orleans Parish, subject to voter approval, to levy and collect an additional hotel occupancy tax. Requires that the proceeds of the tax be deposited into the parish's infrastructure fund.

Proposed law provides that the combined rate of the tourism organization assessment and the hotel occupancy tax shall not exceed 2.5% of the rent or fee charged for such occupancy.

Effective July 1, 2019.

(Amends R.S. 21:202 and 204(A), (B), and (D); Adds R.S. 21:204(G) and R.S. 47:338.220; Repeals R.S. 21:203(1) and (7) and 206)