
DIGEST

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HB 589 Original

2019 Regular Session

Leger

Abstract: Provides relative to the taxing and bonding authority of the Ernest N. Morial-New Orleans Exhibition Hall Authority.

Present law creates the Ernest N. Morial-New Orleans Exhibition Hall Authority (convention center authority). The purpose of the convention center authority is to acquire, construct, reconstruct, extend, improve, maintain, and operate projects within the city of New Orleans in order to promote the economic growth and development of the city and its neighboring parishes.

Present law defines "project" to mean convention, exhibition, and tourist facilities and necessary site improvements, infrastructure, furnishings, machinery, equipment, and appurtenances. Proposed law adds acquisition of necessary land and a hotel with multi-story parking garage and bridge connecting the hotel and the south end of the convention center to the definition of project.

Present law defines "expansion project" to include various specified phases and stages of expansion of the existing convention center. Proposed law deletes present law.

Present law authorizes the convention center authority to levy the following taxes and pledge the proceeds thereof as security for bonds for purposes of projects:

- (1) A hotel occupancy tax at a rate of 1%.
- (2) A hotel occupancy tax at a rate of 1%.
- (3) A hotel occupancy tax at a rate of \$.50 at a hotel with 10 to 299 guest rooms; \$1 at a hotel with 300 to 999 guest rooms; \$2 at a hotel with 1,000 or more guest rooms.
- (4) A food and beverage tax at a rate of not more than 1/2%.

Proposed law retains present law.

Present law provides that taxes as described in (2), (3), and (4) expire when obligations secured thereby are paid. Proposed law deletes present law.

Present law provides that the levy of all of the above taxes is subject to approval of the governing authority of New Orleans and the voters of New Orleans.

Proposed law authorizes the convention center authority to levy taxes of the same type and at the same rates as described above. Such taxes are not subject to approval of the governing authority of New Orleans or of the voters of New Orleans. Provides that taxes authorized by proposed law are to be levied in lieu of the equivalent tax authorized by present law and that proceeds of taxes authorized by proposed law are subject to the same pledges as the equivalent tax authorized by present law.

Present law authorizes the convention center authority to levy an additional hotel occupancy tax at a rate of 1% and an additional food and beverage tax at a rate of 1/4% for purposes of funding certain phases of the convention center expansion project provided for by present law. Proposed law retains present law except to remove the requirement that tax proceeds be used for an expansion project.

Present law authorizes the convention center authority to levy the following taxes:

- (1) A tax on contractor services provided to trade shows, conventions, exhibitions, and other events. Provides that the rate of the tax is 2% of the charges for the contract service and that the tax may be charged to the person paying for the service.
- (2) A sight-seeing tour tax of \$1 per ticket.

Proposed law retains present law.

Present law provides relative to the payment of the contractor service tax and the sight-seeing tour tax and dedicates proceeds to specific purposes including one phase of the expansion project. Provides that these taxes expire when obligations secured thereby are paid. Proposed law deletes present law.

Present law authorizes the convention center authority to use revenue to pay administrative and operating expenses of the board and for the payment of any expenses incurred in determining the feasibility of a project and developing plans, including engineering, architectural, legal, and administrative costs and fees incidental thereto. Provides that any revenue remaining at the end of a fiscal year, prior to the issuance of bonds and after the payment of expenses, is considered surplus and may be distributed to the city of New Orleans or retained for future expenses, capital expenditures, or costs reasonably anticipated to be incurred. Proposed law repeals present law.

Present law requires that proceeds of certain taxes remaining after the payment of obligations secured by those taxes be deposited into a special escrow fund to be used solely to retire certain obligations in advance of their maturities at a price not greater than the applicable redemption price. Proposed law repeals present law.

Present law requires the convention center authority to prescribe rules to provide for protections for the rights of minority citizens. Proposed law retains present law.

Present law requires that such rules include, for any expansion project, the setting aside for minority businesses of not less than 30% of anticipated local procurement of goods and services other than

construction and not less than 20% of the construction contracts. Requires adoption of affirmative action plans.

Proposed law provides instead, relative to any project, that the rules may include setting aside for awards to minority businesses a fixed percentage of the total value of anticipated local procurement of goods and services, including construction, and may include provision for incorporating equal employment opportunity provisions into each agreement or contract.

Proposed law provides that nothing shall prohibit the authority from employing all lawful policies, procedures, and programs at its disposal in any and all of its contracting opportunities to promote contractor, subcontractor, vendor, and supplier opportunities for Hudson-certified firms and disadvantaged business enterprises.

(Amends §§2(A), 4(intro. para.) and (H), 6, 6.1, 8(unnumbered paragraphs 1, 5, and 8), 9, 10, 11, 18, 19, 20, 20.1, 20.2, 21(A), (D), (F), and (K), 22(B), and 24 of Act No. 305 of 1978 R.S., as amended; Repeals §§2(D), 7, and 23 of Act No. 305 of 1978 R.S., as amended)