

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. 21:204(A) and to enact R.S. 47:338.220, relative to New  
3 Orleans; to provide relative to hotel assessments levied by certain tourism  
4 organizations; to provide for the amount of the hotel assessment; to authorize the  
5 governing authority of the city to levy an additional hotel occupancy tax subject to  
6 voter approval; to provide for the use of tax proceeds; and to provide for related  
7 matters.

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

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 21:204(A) is hereby amended and reenacted to read as follows:

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

14 A.(1) A Except as provided for in Paragraph (2) of this Subsection, a tourism  
15 organization, under authority of its articles or bylaws, may levy a hotel assessment  
16 of up to one and ~~three quarters~~ one-half percent of on the daily room charge upon its  
17 hotel members in Orleans Parish under this Chapter for destination marketing, sales,  
18 public relations and for other matters deemed by the tourism organization to benefit  
19 directly or indirectly economic development, the traveler economy, and tourism  
20 growth, as shall be approved by resolution of the board of directors of the tourism

1 organization and ratified by a vote of the assessed hotels in a referendum conducted  
2 in accordance with R.S. 21:206.

3 (2) Beginning January 1, 2021, the maximum amount of the hotel assessment  
4 authorized pursuant to the provisions of Paragraph (1) of this Subsection shall not  
5 exceed one and twenty-five hundredths of one percent on the daily room charge.

6 \* \* \*

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

8 §338.220. Orleans Parish; additional hotel occupancy tax; authorization

9 A.(1) Notwithstanding any other provision of law to the contrary, the  
10 governing authority of Orleans Parish may levy and collect an additional tax upon  
11 the paid occupancy of hotel rooms located within Orleans Parish. Until December  
12 31, 2020, the rate of the tax authorized by this Section shall not exceed twenty-five  
13 hundredths of one percent of the rent or fee charged for occupancy. Beginning  
14 January 1, 2021, the rate of the tax authorized by this Section shall not exceed one-  
15 half of one percent of the rent or fee charged for occupancy.

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

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

27 B. The governing authority of Orleans Parish shall impose the hotel  
28 occupancy tax by ordinance or resolution. The governing authority may adopt such  
29 ordinance or resolution only after a proposition authorizing the levy of the tax has



tourism organization and ratified by a vote of the assessed hotels in a referendum conducted in accordance with present law.

Proposed law retains present law but decreases the maximum amount of the hotel assessment on its hotel members from 1.75% of the daily room charge to 1.5% of the daily room charge until Dec. 31, 2020. Proposed law, beginning Jan. 1, 2021, further reduces the maximum amount of the hotel assessment from 1.5% of the daily room charge upon its hotel members to 1.25% of the daily room charge.

Proposed law authorizes the governing authority of Orleans Parish, subject to voter approval, to levy and collect an additional hotel occupancy tax. Until Dec. 31, 2020, the rate of the tax shall not exceed .25% of the rent or fee charged for occupancy. Proposed law increases the maximum rate amount beginning Jan. 1, 2021, from .25% of the rent or fee charged for occupancy to .5% of the rent or fee charged for occupancy.

Proposed law requires that the proceeds of the tax be deposited into the parish's infrastructure fund.

Effective July 1, 2019.

(Amends R.S. 21:204(A); Adds R.S. 47:338.220)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the hotel assessment tourism organizations are authorized to levy on their members from a *mandatory* charge to a *permissive* charge as provided for in present law and adds back requirement that the assessment be ratified by a vote of the assessed hotels.
2. Decrease the maximum amount of the optional hotel assessment tourism organizations are authorized to levy on their members from the maximum combined rate of 2.5% when added to the Orleans Parish hotel occupancy tax to 1.5% of the daily room charge until Dec. 31, 2020.
3. Further decrease the maximum amount of the hotel assessment beginning Jan. 1, 2021, from 1.5% of the daily room charge to 1.25% of the daily room charge.
4. Decrease the amount of the additional hotel occupancy tax Orleans Parish may levy from a combined rate of 2.5% when added to the tourism organization assessment to .25% of the rent or fee charged for occupancy until Dec. 31, 2020.
5. Increase the maximum hotel occupancy tax rate beginning Jan. 1, 2021, from .25% of the rent or fee charged for occupancy to .5% of the rent or fee charged for occupancy.