HLS 19RS-178 ENGROSSED

2019 Regular Session

HOUSE BILL NO. 521

1

BY REPRESENTATIVE ABRAMSON AND SENATOR MORRELL

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

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 voter approval; to provide for the use of tax proceeds; and to provide for related 6 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 growth, as shall be approved by resolution of the board of directors of the tourism 20

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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

1 been approved by a majority of the electors of Orleans Parish voting at an election 2 held for that purpose in accordance with the Louisiana Election Code. The 3 governing authority may provide in the ordinance or resolution necessary and 4 appropriate rules and regulations for the imposition, collection, and enforcement of 5 the hotel occupancy tax. 6 C. The governing authority may enter into a contract with any public entity 7 authorized to collect sales or use taxes, under such terms and conditions as it may 8 deem appropriate, including payment of a reasonable collection fee, for the 9 collection of the hotel occupancy tax authorized by this Section. The hotel 10 occupancy tax shall be in addition to all taxes levied upon the occupancy of hotel 11 rooms located within Orleans Parish. 12 D. Except as provided in Subsection C of this Section, the proceeds of the 13 tax shall be deposited into the infrastructure fund of the parish. 14 Section 3. This Act shall become effective on July 1, 2019; if vetoed by the governor 15 and subsequently approved by the legislature, this Act shall become effective on July 1, 16 2019, or on the day following such approval by the legislature, whichever is later.

## 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)]

HB 521 Engrossed

2019 Regular Session

Abramson

**Abstract:** Relative to Orleans Parish, decreases the amount of the optional hotel assessment tourism organizations are authorized to levy on their members and authorizes the governing authority of the Orleans parish to levy and collect a hotel occupancy tax.

<u>Present law</u> 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.

<u>Present law</u> 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

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

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

<u>Proposed law</u> 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. <u>Proposed law</u> increases the maximum rate amount beginning Jan. 1, 2021, <u>from</u> .25% of the rent or fee charged for occupancy to .5% of the rent or fee charged for occupancy.

<u>Proposed law</u> 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 <u>House Committee on Ways and Means</u> to the original bill:

- 1. Change the hotel assessment tourism organizations are authorized to levy on their members <u>from</u> a *mandatory* charge <u>to</u> a *permissive* charge as provided for in <u>present law</u> 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 <u>from</u> the maximum combined rate of 2.5% when added to the Orleans Parish hotel occupancy tax <u>to</u> 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 <u>from</u> 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, <u>from</u> .25% of the rent or fee charged for occupancy <u>to</u> .5% of the rent or fee charged for occupancy.