
DIGEST

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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.

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 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.