



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 588 HLS 19RS 833
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 26, 2019 3:38 PM Author: HILFERTY
Dept./Agy.: City of New Orleans; Morial Exhibition Hall Authority Analyst: Steven Kraemer
Subject: Taxation

CONVENTION FACILITIES OR SEE FISC NOTE LF RV Page 1 of 1
Provides relative to taxes levied by the Ernest N. Morial-New Orleans Exhibition Hall Authority and by the city of New Orleans

Purpose of Bill: The bill authorizes the City of New Orleans to impose a hotel occupancy tax of 1% (subject to voter approval). In addition, this measure repeals the authority of the Ernest N. Morial New Orleans Exhibition Hall Authority (Authority) to impose a hotel occupancy tax of 1% and a food and beverage tax of 0.25%. However, the bill authorizes the Authority to continue imposing these taxes to meet current contractual obligations, until the obligations expire. At no time shall the combined hotel occupancy tax imposed by the City and the Authority exceed 1%.

Table with 7 columns: EXPENDITURES, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

There may be no overall direct material effect on governmental revenues as a result of this measure, over the next five fiscal years. Assuming the City and Authority collect hotel occupancy taxes, not to exceed 1%, and the Authority continues to collect the 0.25% food and beverage tax (until 2027 which is when bonds are set to retire), revenues will remain constant at the local government level. While revenues may remain constant at the overall local government level, the Authority will incur reductions in revenue to the extent the City imposes the additional hotel tax provided for in this bill. An official with the Authority informed us that the 1% Hotel Tax generates approximately \$12 Million per year; and the 0.25% Food and Beverage Tax generates approximately \$5 Million per year.

Senate Dual Referral Rules
13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Michael G. Battle
Michael G. Battle
Manager, Advisory Services