



OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **HB 589** HLS 19RS 744

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 26, 2019 4:08 PM	Author: LEGER
Dept./Agy.: Morial Exhibition Hall Authority	Analyst: Barbara Lively
Subject: Hotel Project; Taxation	

DISTRICTS/SPECIAL

OR SEE FISC NOTE LF EX

Page 1 of 1

Provides relative to the Ernest N. Morial-New Orleans Exhibition Hall Authority

Purpose of this bill: This measure authorizes the Ernest N. Morial-New Orleans Exhibition Hall Authority (Authority) to utilize its revenue to design, develop, construct, furnish, and equip a new hotel as part of the Convention Center Headquarters Hotel Project. In addition, the measure authorizes the Authority to continue levying taxes at their current levels and pledging the taxes to bonds.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Local Fund Expenditures may increase as result of this bill. An official with the Ernest N. Morial-New Orleans Exhibition Hall Authority stated that the Authority will incur costs up to \$41 Million to assist with the construction of the Convention Center Headquarters Hotel Project. The remainder of necessary funding for the hotel will come from bonds entered into by a private entity. Total costs of the hotel project are estimated at approximately \$500 Million.

REVENUE EXPLANATION

Local Fund Revenues will remain the same, as this bill extends the collection of taxes at their current levels.

An official with the Authority informed us that the collected taxes will remain the same.

According to the 2018 audit, tax revenue was approximately \$60.5 million, after collection costs:

- 3% Hotel Occupancy tax = \$36.5 million
- Hotel Occupancy/Food and Beverage = \$21.5 million
- Service Contractors and Tour tax = \$2.5 million

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Michael G. Battle
Manager, Advisory Services