



OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **HB 617** HLS 19RS 2071
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.: **HB 589**

Date: June 4, 2019 12:08 PM	Author: LEGER
Dept./Agy.: Morial Exhibition Hall Authority; City of New Orleans	Analyst: Steven Kraemer
Subject: Codification of Existing Law; Hotel Project; Taxation	

DISTRICTS/SPECIAL EN INCREASE LF EX See Note Page 1 of 1
Provides relative to the Ernest N. Morial-New Orleans Exhibition Hall Authority

Purpose of Bill: This measure authorizes the Ernest N. Morial-New Orleans Exhibition Hall Authority (Authority) to use its revenue for the Convention Center Headquarters Hotel Project. In addition, the measure provides for the lessee of the hotel and private entities involved in joint projects (other than the hotel) with the Authority to make certain payments to the City of New Orleans.

This measure also provides for time limitations related to the terms of bonds and issuance of bonds; requires the Authority to report on its financial condition to the City annually; and codifies and clarifies existing acts related to the Authority.

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 a 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, which is expected to be paid in 2021. 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. The hotel is expected to open in 2023.

REVENUE EXPLANATION

Local Fund Revenues may increase as a result of this bill.

An official with the Ernest N. Morial-New Orleans Exhibition Hall Authority indicated that once the hotel is built and leased in 2023, the hotel's lessee will make payments to the City of New Orleans. This official estimated these payments would total \$1.1 million in the first year of the lease and increase to \$2.4 million annually by the fourth year (this official stressed that these are estimates and could change).

In addition, this official indicated private entities involved in joint projects (other than the hotel) with the Authority would make payments to the City of New Orleans, but the amount of these payments are currently unknown.

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}

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