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## DIGEST

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HB 298 Engrossed

2025 Regular Session

Knox

**Abstract:** Provides relative to the powers and duties of the Ernest N. Morial-New Orleans Exhibition Hall Authority.

Present law creates the Ernest N. Morial-New Orleans Exhibition Hall Authority as a political subdivision of the state. Provides that the purpose of the authority is to acquire, construct, reconstruct, extend, improve, maintain, and operate projects within the city of New Orleans in order to promote the economic growth and development of the city and its neighboring parishes. Provides for the boundaries of the authority.

Proposed law retains present law.

Present law defines "project" to mean one or more of any combination of convention, exhibition, and tourist facilities, including a convention center hotel with a multi-story parking garage and bridge connecting the hotel and the south end of the convention center and necessary land acquired by lease or purchase, site improvements, infrastructure, furnishings, machinery, equipment, and appurtenances. Defines "expansion project" to mean a project(s) for the acquisition, construction, installation, and equipping of additions or improvements to the Ernest N. Morial Convention Center-New Orleans. Also includes in the definition various specified phases and stages of expansion of the existing convention center.

Proposed law removes the reference to "expansion project" throughout present law and modifies the definition of "project(s)" to mean one or more of any combination of convention, exhibition, tourist, entertainment, lodging, retail, parking, and related facilities, together with the necessary land, acquired by lease or purchase, site improvements, infrastructure, furnishings, machinery, equipment, and appurtenances for any such facility. Provides that the Convention Center Headquarters Hotel Project means a convention center hotel with a multi-story garage and bridge connecting the hotel and the south end of the convention center.

Present law additionally provides that an expansion project includes Phase V Convention Center Expansion Project which includes the following:

- (1) Constructing, installing, equipping, renovating, and refurbishing the convention center and related infrastructure and the acquisition of land in the vicinity of the convention center to implement the authority's five-year capital plan as approved by the board as the same may be amended from time to time.

- (2) The public or private development of the Convention Center Headquarters Hotel Project.
- (3) Additional riverfront development adjacent to or in support of the convention center.

Proposed law removes reference to Phase V Convention Center Expansion Project and makes present law applicable to the definition of project(s) as provided in proposed law.

Present law provides that any lease with respect to the Convention Center Headquarters Hotel Project shall provide for a payment in lieu of ad valorem taxes by the lessee. Provides that in connection with any development, other than with respect to the hotel project, that includes a joint project involving a private entity, the authority shall require that the private entity pay ad valorem taxes on any improvements constructed in connection with the development. Further provides that in the absence of a provision for such payment, the agreement must provide for an annual payment in lieu of ad valorem taxes by the private entity. Provides for the calculation of payments.

Proposed law retains present law.

Present law provides for the powers and duties of the authority, including the power to acquire by sale, exchange, lease, or otherwise title to or rights and interests in immovable property within Orleans Parish. Provides that in connection with any exchange of property, the property acquired by the authority and the property given up by the authority shall each have a value to the authority that is approximately equal, with any difference paid in cash. Provides that the term "value to the authority" includes any and all factors reflecting a benefit to the authority and includes without limitation proximity of a property to another property owned by the authority, increased efficiency of operations of the authority afforded by the property, and a resolution of any claims against or potential liabilities of the authority achieved by any aspect of the exchange.

Proposed law retains present law and additionally provides that "value to the authority" includes the economic growth and development resulting from the exchange. Provides that any property that is acquired or owned by the authority is declared to be public property used for public purposes and shall be exempt from all ad valorem taxes.

Present law authorizes the authority to lease or sublease all or any part of any project upon such terms and conditions and for such term of years, not in excess of 60 years, as the board deems advisable.

Proposed law increases the term of the lease or sublease to not in excess of 99 years.

Present law authorizes the authority, subject to approval of the holders of any mortgage or other lien or encumbrance, to purchase from International River Center or its successor all of Rivercenter's rights, title, and interest in and to and assume all obligations of Rivercenter arising out of the lease covering and affecting certain areas of the public wharf known as the Poydras Street Wharf.

Proposed law repeals present law.

Present law authorizes the authority to levy and collect several taxes on the occupancy of hotel rooms located within the parish of Orleans, including the following:

- (1) A hotel occupancy tax at a rate of 1%.
- (2) A hotel occupancy tax at a rate of \$.50 at a hotel with 10 to 299 guest rooms; \$1 at a hotel with 300 to 999 guest rooms; \$2 at a hotel with 1,000 or more guest rooms.

Proposed law retains present law.

Present law provides that the authority to levy and collect some of the taxes shall terminate upon payment in full of all bonds or other similar debt obligations of the authority payable in whole or in part from or secured by such taxes. Provides that other taxes terminate upon payment in full of all bonds or other similar debt obligations of the authority payable in whole or in part from or secured by such taxes and issued before July 1, 2029.

Proposed law repeals present law.

Present law authorizes the authority to levy a food and beverage tax on food service establishments located within Orleans Parish or in any airport or air transportation facility owned and operated by the city of New Orleans not to exceed 1/2 of 1%. Authorizes the levy of an additional food and beverage tax not to exceed 1/2 of 1%. Excludes food service establishments owned by an individual or corporation who had gross annual receipts of less than \$200,000.

Proposed law retains present law.

Present law provides that the authority to levy one of the food and beverage taxes terminates upon payment in full of all bonds or similar debt obligations. Provides that the authority to levy the other food and beverage tax terminates upon payment in full of all bonds or other similar debt obligations of the authority payable in whole or in part from or secured by such tax and issued before July 1, 2029.

Proposed law repeals present law.

Present law provides that the authority may incur debt and issue bonds for the purpose of the authority in the manner provided by present law.

Proposed law retains present law and additionally authorizes the authority to incur debt and issue bonds as provided by other applicable law.

Present law provides that, prior to the issuance of bonds, any revenue of the authority derived from any source whatsoever may be used by the authority for the payment of the administrative and operating expenses of the board and for the payment of any expenses incurred in determining the feasibility of a project(s) and developing plans therefor. Any revenue of the authority remaining at the end of each fiscal year prior to the issuance of bonds and after the payment of such expenses shall

be considered surplus.

Proposed law modifies present law to provide that any revenue of the authority derived from any source whatsoever, after all payments required to be made in connection with any bonds of the authority have been made, may be used by the authority for the payment of the administrative and operating expenses of the authority and for the payment of any expenses incurred in connection with any project. Any revenue of the authority remaining at the end of each fiscal year after the payment of such expenses shall be considered surplus.

Present law authorizes the authority to issue bonds to provide for the acquisition, construction, reconstruction, extension, or improvement of one or more projects, including expansion projects. Provides that the annual payments due on bonds shall not exceed the estimated annual revenues, including revenues derived from one or more projects or expansion projects.

Proposed law retains present law but removes reference to expansion projects and makes present law applicable to projects as defined in proposed law.

Present law authorizes the authority to levy the following taxes:

- (1) A tax on contractor services provided to trade shows, conventions, exhibitions, and other events to fund expansion projects. Provides that the rate of the tax is 2% of the charges for the contract service.
- (2) A sight-seeing tour tax of \$1 per ticket to fund expansion projects.

Proposed law retains present law but removes reference to expansion projects and makes present law applicable to projects as defined in proposed law.

Present law provides that the authority to levy and collect the taxes terminates upon payment in full of all bonds or other similar debt obligations of the authority payable in whole or in part from or secured by such tax and issued before July 1, 2029.

Proposed law repeals present law.

Present law requires the authority to prescribe rules and regulations to provide for equal procurement, contractual, and employment participation of minority citizens in any expansion project.

Proposed law removes reference to expansion project and makes present law applicable to projects as defined in proposed law.

Present law requires the authority to present an annual written and oral report on its financial condition to the city council at a meeting of the council in Jan. each year.

Proposed law removes the requirement that the authority present an oral report and requires that the

report be submitted in the second fiscal quarter of each year.

Present law provides that the authority shall not issue bonds or incur debt in any form for a term of more than 40 years from the date of issuance. Prohibits the authority from issuing bonds or incurring debt in any form for the Phase V Convention Center Expansion Project after July 1, 2029.

Proposed law repeals present law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 33:4710.11(A) and (D), 4710.13(3), (7), (8), and (13), 4710.15.1(A), 4710.15.2(A), 4710.16, 4710.17(A), 4710.17.1(A) and (D), 4710.24(A), (B)(1), (C)(1), and (F), 4710.25(A), 4710.26(B), 4710.28(A)(intro para.), (1), and (2), and 4710.29; Repeals R.S. 33:4710.14, 4710.15(B)(5), 4710.15.1(B)(4), 4710.15.2(B)(5), 4710.23(A)(4), and (B)(4), 4710.24(E), 4710.25(D), 4710.26(C), and 4710.30)

#### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the original bill:

1. Restore present law requirement that any lease with respect to the Convention Center Headquarters Hotel Project provide for a payment in lieu of ad valorem taxes by the lessee.
2. Add a definition for the Convention Center Headquarters Hotel Project.
3. Restore present law provisions that require a private entity involved in a joint project to pay ad valorem taxes on any improvements constructed in connection with any development, other than with respect to the Convention Center Headquarters Hotel Project.
4. Remove proposed law provisions that authorize the authority to require a lessee or sublessee to annually pay a sum in lieu of ad valorem taxes to compensate taxing authorities for services rendered to any project.
5. Remove proposed law provisions that require a lessee or sublessee to pay the full amount of ad valorem taxes levied by the Orleans Parish School Board.