
DIGEST

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HB 810 Original

2015 Regular Session

Billiot

Abstract: Authorizes tourism organizations in Jefferson Parish to levy hotel assessments on its members that are operators of hotels or motels located in the parish.

Proposed law provides that proposed law is enacted for the purpose of facilitating the collection and use of private sector originated supplementary funds to market and promote Jefferson Parish as a traveler destination and to provide for increased economic activity within its traveler economy, including increased number of conventions, meetings, visitors, hotel occupancy, food, beverage and other retail sales, tourism, including cultural and family tourism, new job creation and other economic development and related purposes through an optional, self-generated, private-sector hotel self-assessment program.

Proposed law provides that for the purposes of proposed law, the following terms shall have the following meanings unless the context clearly indicates otherwise:

- (1) "Assessed hotel" means a person operating a hotel and required to pay a hotel assessment pursuant to proposed law and, until the hotel assessment is first levied, any person operating a hotel authorized to vote for in referendum.
- (2) "Hotel" means any establishment engaged in the business of furnishing or providing rooms intended or designed for dwelling, lodging, or sleeping purposes to transient guests where such establishment consists of ten or more guest rooms but does not include any hospital, convalescent or nursing home or sanitarium, or any hotel-like facility operated by or in connection with a hospital or medical clinic providing rooms exclusively for patients and their families.
- (3) "Hotel assessment" means any hotel assessment that is: (a) levied under proposed law by a tourism organization on its members that are operators of hotels located in Jefferson Parish; (b) calculated by reference either to room occupancy or room sales; and (c) for the general purposes of the organization, or otherwise for the direct or indirect benefit of the tourism industry and economic development, for sales, marketing and promotion, and for driving and hosting tourism growth and visitors.
- (4) "Operator of a hotel" means the person in whose name the occupational license for the hotel is issued by the parish.
- (5) "Person" means an individual, public entity, firm, corporation, partnership, limited liability

company, trust, association, or any other business entity or juridical person, whether operating on a for-profit or nonprofit basis.

- (6) "Referendum" means any vote by assessed hotels by mail ballot on measures proposed by the tourism organization in accordance with the provisions of proposed law.
- (7) "Surcharge" means any charge in addition to the daily room charge for services to a hotel guest that is required to be paid in order to occupy a room and any hotel assessment that is passed through to hotel guests as a charge on the guest folio. Surcharge does not include charges for food and beverages, Internet access, spa access or other goods or services sold at the hotel unless the payment for the goods or services is required in connection with the use of the hotel room.
- (8) "Tourism organization" means any private nonprofit corporation domiciled in Jefferson Parish that is a nationally accredited, comprehensive, membership based organization engaged in destination sales and marketing, visitor support and other tourism related activities including the Jefferson Convention and Visitors Bureau, Inc.

Proposed law provides that a tourism organization, under authority of its articles or bylaws, may levy hotel assessments upon its hotel members in Jefferson Parish pursuant to proposed law for destination marketing, sales, public relations and for other matters deemed by the tourism organization to benefit economic development, the traveler economy, and tourism growth, which shall 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 proposed law.

Proposed law provides that a hotel assessment proposed to be levied pursuant to proposed law by a tourism organization: (1) shall be authorized by its board of directors or other governing body by resolution that describes in general terms the hotel assessment to be levied and includes a statement that the hotel assessment is to be levied pursuant to proposed law and (2) shall be approved in a referendum of the assessed hotels as provided in proposed law.

Proposed law provides that a hotel operator is not liable for payment of a hotel assessment under proposed law for any time period in which it is not a member of the tourism organization.

Proposed law provides that an assessed hotel shall place the hotel assessment as a mandatory surcharge on the folio and in so doing shall comply with proposed law.

Proposed law provides that receipts from any hotel assessments levied pursuant to proposed law are not part of gross receipts or gross revenue for any purpose, including the calculation of hotel sales or occupancy taxes, or state income taxes, and are not part of income pursuant to any lease or operator agreement.

Proposed law provides that payment of the assessment to the tourism organization shall not be taken as a deduction from income for state income tax purposes.

Proposed law provides that any hotel assessment levied and passed through to a guest as a surcharge in accordance with proposed law is an enforceable obligation of the guest as and to the same extent as are daily room charges and other lawful surcharges.

Proposed law provides that procedures for collection of hotel assessments, interest charges, and penalties for delinquent remittance of hotel assessments to the tourism organization or other matters incident to the hotel assessment shall be as provided by resolution or in the bylaws of the tourism organization.

Proposed law provides that the state, the parish, and any and all of their agencies and political subdivisions may, upon the request of a tourism organization, enter into a cooperative endeavor agreement with the tourism organization for the collection of hotel assessments on behalf of the tourism organization.

Proposed law requires that rate schedules setting forth room charges and any surcharges as required by proposed law for hotels be posted or disclosed in all hotels as required by applicable local ordinances.

Proposed law requires each operator of a hotel to comply with applicable local ordinances relating to furnishing a schedule of charges for the rental or use of hotel rooms and to include therein surcharges in effect for the following year, a schedule of binding rates, applicable surcharges, and length-of-stay requirements.

Proposed law requires an operator of a hotel to place line itemization of any hotel assessment for which the operator is responsible on the guest folio as a charge to the guest immediately after, or included in, the itemization of hotel tax and occupancy tax.

Proposed law provides that all hotel assessments to be passed through to guests as surcharges must be disclosed on all information or communication platforms of the hotel in the same manner as are other surcharges and hotel and occupancy taxes as required by applicable laws and regulations.

Proposed law provides that the provisions of proposed law shall not supersede or limit the authority of a tourism organization to levy assessments on its members under the nonprofit corporation law or other applicable law and apply only to assessments that are declared by resolution of the board of directors or other governing body of the tourism organization to be made under proposed law.

Proposed law requires that any hotel assessment to be levied pursuant to proposed law be approved by a vote of the assessed hotels in a referendum conducted in accordance with proposed law.

Proposed law provides that a referendum of all assessed hotels shall be called by the president of the Greater New Orleans Hotel and Lodging Association (association), by written notice mailed to all hotel operators identified by the tourism organization as its members in accordance with such procedures as the tourism organization may establish in its discretion.

Proposed law provides that in any referendum, each assessed hotel shall have a number of votes

equal to the number of its hotel rooms as shown on its occupational license. In any referendum, 2/3 of the votes cast shall be required to approve or ratify any hotel assessment.

Proposed law provides that the written notice of the referendum must include a description of any hotel assessment, including the effective date thereof, a ballot, and a statement of the referendum period, which shall be not less than 30 days from the date of the mailing of the notice and a ballot.

Proposed law provides that ballots may be delivered to the association, or any other person designated for the purpose of receiving, tabulating, and counting ballots at any time during the referendum period. Provides that the association may, in its discretion, extend the referendum period not more than 15 additional days.

Proposed law provides that at the close of the referendum period, the association, or other person designated for the purpose of receiving, tabulating, and counting ballots shall count and tabulate the ballots received during the referendum period. All ballots shall be presumed to be valid.

Proposed law requires that a notice of the results of the referendum be mailed by the association, or any other person designated for the purpose of receiving, tabulating, and counting ballots to the tourism organization and the assessed hotels.

Proposed law provides that the costs of the referendum, in the first instance, shall be paid by the tourism organization and shall be reimbursed from hotel assessments as received.

Proposed law provides that proposed law shall be liberally construed to effect the purposes of proposed law.

Proposed law provides that the provisions of proposed law are severable.

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

(Adds R.S. 21:301-308)