



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

Fiscal Note On: **SB 544** SLS 18RS 1963  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.: **REVISED**

<b>Date:</b> April 11, 2018 1:02 PM	<b>Author:</b> MILLS
<b>Dept./Agy.:</b> Iberia Economic Development Authority	<b>Analyst:</b> Jamie Mergist
<b>Subject:</b> Taxes/Hotel Occupancy and Overnight Campsite Parking	

LOCAL FINANCE OR INCREASE LF RV See Note Page 1 of 1  
 Authorizes certain local entities to levy a hotel occupancy tax for purposes of economic development. (7/1/18)

**Purpose of the Bill:** This bill allows an economic development authority in a parish that has a population of not less than sixty-five thousand nor more than eighty thousand persons to levy and collect a tax upon the paid occupancy of hotel rooms located within the boundaries of the authority and the paid overnight parking at campsites located within the boundaries of the authority (based on population criteria, Iberia Parish is currently the only parish that will be impacted by this bill). The hotel occupancy tax shall not exceed four dollars and ninety-five cents per night per room and the overnight campsite parking tax shall not exceed two dollars and fifty cents per campsite per night. The authority shall use the proceeds of the taxes within the boundaries of the authority for any lawful purpose for which funds of the authority may be expended.

This measure also provides that the tax be approved by a majority of the voters in the parish. In addition, the resolution or ordinance levying the taxes shall be approved by a majority of the members of the economic development authority's board of commissioners.

EXPENDITURES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

  

REVENUES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

**This bill may increase local governmental expenditures as the authority uses the proceeds of the taxes for any lawful purpose for which funds of the authority may be expended.**

An official representing the Iberia Industrial Development Foundation (IDF) and the Iberia Economic Development Authority (IEDA) stated that the expenditures will be used to facilitate the economic development program for Iberia Parish, as well as to allow the continued development of Progress Point Business Park and Airport Gateway. The expenditures are expected to increase by the amount of revenues generated by the proposed taxes. See Revenue Explanation.

Officials from the Secretary of State's Office stated that there would be no additional costs to the state for this election. Iberia parish would be responsible for part (or all) of the costs so local costs will increase. The economic development authority would be responsible for paying no more than 25% of the total cost (\$76,800 x .25 = \$19,200) if the election is held on a statewide election date. If the election is held on a municipal election date, the economic development authority would be responsible for the entire cost because there would be no state share.

**REVENUE EXPLANATION**

**This bill may increase local governmental revenues by approximately \$1M annually.**

For illustrative purposes, using values obtained from the Iberia Parish Convention & Visitors Bureau, we have calculated a potential revenue impact.

**Hotel Occupancy Tax** – The bill would give IEDA the ability, subject to voter approval, the right to levy and collect a hotel occupancy tax not to exceed \$4.95 per night per room. Assuming the full fee is imposed beginning in fiscal year 2019-20, the potential revenue would be approximately \$807,184 annually (876 hotel rooms x 365 days/year x 51% occupancy rate x \$4.95 per night).

**Overnight Campsite Parking Tax** – The bill would give IEDA the ability, subject to voter approval, the right to levy and collect an overnight campsite parking tax not to exceed \$2.50 per campsite per night. Assuming the full fee is imposed beginning in fiscal year 2019-20, the potential revenue would be approximately \$266,194 annually (572 campsites x 365 days/year x 51% occupancy rate x \$2.50 per night).

Senate  
 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}

*Michael G. Battle*  
**Michael G. Battle**  
 Manager, Advisory Services