



**OFFICE OF LEGISLATIVE AUDITOR  
Fiscal Note**

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

<b>Date:</b> April 18, 2018	1:37 PM	<b>Author:</b> MILLS
<b>Dept./Agy.:</b> Iberia Parish Tourist Commission/Iberia Economic Development Authority		<b>Analyst:</b> Jamie Mergist
<b>Subject:</b> Taxes/Hotel Occupancy and Overnight Campsite Parking		

LOCAL FINANCE EG INCREASE LF RV See Note Page 1 of 1

Authorizes certain parish tourism commissions to levy a hotel occupancy tax and overnight campsite parking tax to be distributed pursuant a cooperative endeavor agreement with the economic development authority. (7/1/18)

**Purpose of the Bill:** This bill allows the parish tourist commission 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 commission and the paid overnight parking at campsites located within the boundaries of the commission (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 commission shall retain a percentage of the proceeds of the taxes and shall transfer the remainder of the proceeds of the taxes to the economic development authority (percentages shall be pursuant to an intergovernmental agreement between the commission and the authority). The commission and the authority shall use the proceeds of the taxes for any lawful purpose for which funds may be expended.

This measure provides that the tax be imposed by resolution or ordinance adopted by the parish tourist commission's board of commissioners or after a proposition authorizing the levy of the tax has been 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 tourist commission'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	\$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	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	\$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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

**This bill may increase local governmental expenditures as the Iberia Parish Convention & Visitors Bureau (Bureau/Commission) and the Iberia Economic Development Authority (IEDA) use the proceeds of the taxes for any lawful purpose for which funds may be expended.**

An official representing the Bureau/Commission stated they do not currently have any planned expenditures. Their expenditures would depend on future projects and the Bureau/Commission's expenses associated with those projects. Expenditures may include tax collector fees, marketing fees, or project fees.

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.

If an election is held, officials from the Secretary of State's Office stated that there would be no additional costs to the state for this election. The Bureau/Commission 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 Bureau/Commission 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 \$1.2 M annually.**

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

**Hotel Occupancy Tax** – Assuming the full fee is imposed, the potential revenue would be approximately \$865,433 annually (958 hotel rooms x 365 days/year x 50% occupancy rate x \$4.95 per night).

**Overnight Campsite Parking Tax** – Assuming the full fee is imposed, the potential revenue would be approximately \$292,912 annually (642 campsites x 365 days/year x 50% occupancy rate x \$2.50 per night).

According to officials with the Bureau/Commission, funds will be distributed as per an intergovernmental agreement with IEDA. Allocation amounts have not been determined at this time.

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**  
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