

2019 Regular Session

HOUSE BILL NO. 43

BY REPRESENTATIVE JIMMY HARRIS

TAX/HOTEL OCCUPANCY: Authorizes the governing authority of the city of New Orleans to levy a tax on short term rentals of overnight lodging

1 AN ACT

2 To enact R.S. 47:338.220, relative to the city of New Orleans; to authorize the governing
3 authority of the city to levy and collect an occupancy tax on short term rentals of
4 overnight lodging, subject to voter approval; to provide for the use of tax proceeds;
5 and to provide for related matters.

6 Notice of intention to introduce this Act has been published
7 as provided by Article III, Section 13 of the Constitution of
8 Louisiana.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:338.220 is hereby enacted to read as follows:

11 §338.220. City of New Orleans; short term rental occupancy tax

12 A.(1) In addition to any other tax levied and collected, the governing
13 authority of the city of New Orleans may levy and collect a tax upon the paid
14 occupancy of short term rentals located within the city. The occupancy tax shall not
15 exceed six and three-quarters percent of the rent or fee charged for such occupancy.

16 (2) The term "short term rentals" as used in this Section shall mean and
17 include the rental of all or any portion of a residential dwelling unit for dwelling,
18 lodging, or sleeping purposes to one party with a duration of occupancy of less than
19 thirty consecutive days. Hotels, motels, bed and breakfasts, and other land uses

1 explicitly defined and regulated separately from short term rentals are not considered
2 to be short term rentals.

3 (3) The person who exercises or is entitled to occupancy of the short term
4 rental shall pay the occupancy tax at the time the rent or fee for occupancy is paid.
5 "Person" as used in this Paragraph shall have the same definition as that contained
6 in R.S. 47:301(8).

7 B. The governing authority of the city of New Orleans may impose the
8 occupancy tax by ordinance. The governing authority may adopt such ordinance
9 only after a proposition authorizing the levy of the tax has been approved by a
10 majority of the electors of the city voting at an election held for that purpose in
11 accordance with the Louisiana Election Code. The governing authority may provide
12 in the ordinance necessary and appropriate rules and regulations for the imposition,
13 collection, and enforcement of the occupancy tax.

14 C. The governing authority may enter into a contract with any public entity
15 authorized to collect sales or use taxes, under such terms and conditions as it may
16 deem appropriate, including payment of a reasonable collection fee, for the
17 collection of the occupancy tax authorized by this Section. The occupancy tax shall
18 be in addition to all taxes levied upon the occupancy of short term rentals located
19 within the city.

20 D. Except as provided in Subsection C of this Section, the proceeds of the
21 tax shall be distributed as follows:

22 (1) An amount equal to twenty-five percent of the proceeds shall be
23 allocated, pursuant to a cooperative endeavor agreement, to New Orleans &
24 Company to be used to promote tourism in the city.

25 (2) An amount equal to seventy-five percent of the proceeds shall be
26 dedicated to the infrastructure fund of the city.

27 Section 2. This Act shall become effective on July 1, 2019; if vetoed by the governor
28 and subsequently approved by the legislature, this Act shall become effective on July 1,
29 2019, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 43 Reengrossed

2019 Regular Session

Jimmy Harris

Abstract: Authorizes the governing authority of the city of New Orleans to levy and collect an occupancy tax on short term rentals of overnight lodging at a rate not to exceed 6.75%, subject to voter approval.

Proposed law authorizes the governing authority of the city of New Orleans, subject to voter approval, to levy and collect an occupancy tax on short term rentals. Provides that such tax shall not exceed 6.75% of the rent or fee charged for such occupancy.

Proposed law defines short term rental to mean rental of all or a portion of a residential dwelling for lodging purposes for a period of less than 30 days.

Proposed law requires that the tax be paid by the person who exercises or is entitled to occupancy of the short term rental at the time the rent or fee for occupancy is paid. Authorizes the governing authority to contract with any public entity authorized to collect sales or use taxes for the collection of the short term rental tax. Requires that an amount equal to 25% of the tax proceeds be allocated, pursuant to a cooperative endeavor agreement, to New Orleans & Company to promote tourism and an amount equal to 75% of the tax proceeds be dedicated to the infrastructure fund of the city.

Effective July 1, 2019.

(Adds R.S. 47:338.220)

Summary of Amendments Adopted by House

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

1. Require that an amount equal to 25% of the tax proceeds be allocated to New Orleans and Company to market tourism.

The House Floor Amendments to the engrossed bill:

1. Authorize, rather than require, the city to impose the tax by ordinance.
2. Require that tax proceeds dedicated to New Orleans & Company be used to promote, rather than market, tourism.