



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 849 HLS 20RS 1329
Bill Text Version: ENROLLED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 29, 2020 1:46 PM Author: OWEN, CHARLES
Dept./Agy.: Beaugard Sheriff; Beaugard Tourist Commission Analyst: Steven Kraemer
Subject: Hotel Occupancy Tax

TOURISM/COMMISSION EN SEE FISC NOTE LF EX Page 1 of 1
Provides relative to the collection of hotel occupancy taxes levied by the Beaugard Tourist Commission

Purpose of Bill: This bill allows the Beaugard Tourist Commission (Commission) to contract with the Beaugard Parish Sheriff's Office (Sheriff) for the collection of hotel occupancy taxes.

An official with the Commission indicated that using the Sheriff to collect the hotel occupancy tax would be a more effective means of collection.

Table with 7 columns: EXPENDITURES/REVENUES, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

This bill may increase the Sheriff's expenditures by an indeterminable amount.

An official with the Sheriff's Office indicated that the cost to upgrade their software to handle the collections would be \$4,800 for the initial setup and \$1,000 annually for maintenance fees. This would be paid to their software vendor.

In addition, this official indicated that the Sheriff will likely mail out a monthly form to businesses for the hotel occupancy tax. He estimated that the monthly mailing would cost about \$0.80 per business, but he was not certain how many businesses the Sheriff would have to mail this form to each month.

REVENUE EXPLANATION

This bill may increase the Sheriff's revenue by an indeterminable amount, and decrease the Commission's revenue by the same amount.

An official with the Beaugard Parish Police Jury indicated the Commission's hotel occupancy tax generated approximately \$103,000 during calendar year 2019 (prior to COVID-19).

An official with the Sheriff's Office indicated that the Sheriff may charge a 1.87% collection fee to collect the hotel occupancy tax. However, this official indicated that the rate imposed may be subject to negotiation with the Commission in order to recoup the Sheriff's costs related to collecting these taxes.

Based on this information, this bill could increase Sheriff revenue by approximately \$1,900 annually (\$103,000 x 1.87%) assuming 1.87% fee is charged, but could also be higher to recoup the Sheriff's costs. This increase in revenue for the Sheriff will result in a decrease in revenue for the Commission by the same amount.

Senate Dual Referral Rules
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}

Signature of Michael G. Battle
Michael G. Battle
Manager, Advisory Services