2021 Regular Session

HOUSE BILL NO. 137

BY REPRESENTATIVE DUPLESSIS

1 AN ACT 2 To amend and reenact R.S. 27:243(C)(introductory paragraph), (4)(b), and (5) and 3 248(C)(2)(introductory paragraph), (3), (4), and (5) and to enact R.S. 27:243(C)(6), 4 relative to non-gaming economic development by the casino gaming operator; to 5 provide relative to hotel room taxes; to provide relative to taxation of entertainment 6 and parking; to provide relative to the operating force or personnel level; to provide 7 relative to the employment positions toward the total operating force or personnel 8 level; to provide relative to the amount credited to the casino gaming operator; and 9 to provide for related matters. 10 Be it enacted by the Legislature of Louisiana: 11 Section 1. R.S. 27:243(C)(introductory paragraph), (4)(b), and (5) and 12 248(C)(2)(introductory paragraph), (3), (4), and (5) are hereby amended and reenacted and 13 R.S. 27:243(C)(6) is hereby enacted to read as follows: 14 §243. Requirements for casino operating contract 15 16 C. Beginning August 1, 2019, the casino operator is authorized to conduct 17 the following non-casino related activities at the official gaming establishment or at 18 another location subject to the requirements set forth in Paragraphs (1), (2), (3), and 19 (4), (5), and (6) of this Subsection: 20 21 (4) 22

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(b) Among other things, the memorandum of understanding and agreement with the Greater New Orleans Hotel and Lodging Association dated April 2019, shall provide for the following:

(i) Only for those additional rooms authorized by the memorandum of understanding and agreement dated April 2019, advertising of market rates shall be based on average seasonal rates for the preceding year of luxury hotels in the Central Business District, French Quarter, and Warehouse District of the City city of New Orleans, as compiled by a nationally recognized firm.

9 (ii) For rooms existing prior to August 1, 2018, room taxes levied and 10 collected by the city of New Orleans shall be paid by the casino gaming operator on 11 all discounted and complimentary rooms to be paid at the applicable tax rates based 12 upon average seasonal rates for the preceding year of hotels in the Central Business 13 District and French Quarter of the City city of New Orleans, as compiled by a 14 nationally recognized firm. For those hotel rooms added after 2019 and authorized 15 by the memorandum of understanding and agreement dated April 2019, room taxes 16 levied and collected by the city of New Orleans shall be paid by the casino operator 17 on all discounted and complimentary rooms to be paid at the applicable tax rates 18 based upon average seasonal rates for the preceding year of luxury hotels in the 19 Central Business District, French Quarter, and Warehouse District of the City of 20 New Orleans, as compiled by a nationally recognized firm.

(iii) Complimentary rooms provided by the casino gaming operator shall not
 be subject to the state sales and use tax. Room taxes levied and collected by the city
 of New Orleans, sales and use taxes levied by the state of Louisiana, and sales and
 use or occupancy taxes levied by any other political subdivision on rooms provided
 at a discount by the casino gaming operator shall be paid at the applicable rates
 based on the amount actually paid or charged for the room.

27 (iv) In order to establish and stabilize the amount of occupancy taxes to be
 28 paid by the casino gaming operator to the Louisiana Stadium and Exposition District
 29 and the Ernest N. Morial-New Orleans Exhibition Hall Authority for complimentary
 30 rooms provided by the casino gaming operator, which amount is otherwise uncertain,

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| 1 | the casino gaming operator shall enter into a binding memorandum of understanding |
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| 2 | with the Louisiana Stadium and Exposition District and the Ernest N. Morial-New |
| 3 | Orleans Exhibition Hall Authority to provide for cumulative annual payments for the |
| 4 | occupancy taxes of not less than one million three hundred thousand dollars per year, |
| 5 | with the first payment beginning on July 1, 2022, and continuing through July 31, |
| 6 | 2054, the payment to be made on a quarterly basis as may be set forth in the binding |
| 7 | memorandum of understanding. Any action related to the enforcement of the |
| 8 | binding memorandum of understanding set forth herein and any related agreements |
| 9 | shall be instituted in the Civil District Court for the parish of Orleans. |
| 10 | (5) The casino gaming operator shall remit state and local sales and use taxes |
| 11 | at the applicable tax rates on all complimentary and discounted food, beverage, or |
| 12 | entertainment offerings based on the actual value of food, beverage, or entertainment |
| 13 | provided. The casino gaming operator shall remit state and local sales and use taxes |
| 14 | at the applicable tax rates on all parking provided at a charge to the customer or the |
| 15 | general public. |
| 16 | (6) The casino gaming operator shall not engage in such activities as are |
| 17 | prohibited by the casino operating contract. |
| 18 | * * * |
| 19 | §248. Non-gaming economic development by casino gaming operator |
| 20 | * * * |
| 21 | C. As to non-gaming economic development activities: |
| 22 | * * * |
| 23 | (2) The total operating force or personnel level of the third-party tenants |
| 24 | shall be reported to the board quarterly on the following dates every year: |
| 25 | * * * |
| 26 | (3) The reported operating force or personnel level for the prior quarter shall |
| 27 | be determined by taking into account the greater of either the three-month average |
| 28 | for the applicable reporting quarter or the highest monthly total during the applicable |
| 29 | reporting quarter. The reported operating force or personnel level for the prior |
| 30 | quarter shall be credited to the casino gaming operator for purposes of meeting its |
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obligations under R.S. 27:244(A)(11), provided that such credit shall be limited to
 four hundred employment positions toward no more than half of the total operating
 force or personnel level required by R.S. 27:244(A)(11).

4 (4) For purposes of this Section, "operating force or personnel level" shall 5 mean the number of people employed by the casino and any related non-gaming 6 entity, including hotel operations, hospitality outlets, third-party tenants, and 7 corporate employees, and any third-party contractors that work at the casino and any 8 related non-gaming venue, excluding any third-party contractors providing personal 9 or professional services; however, the employees of third-party contractors shall be 10 included only until the capital investment requirement set forth in R.S. 11 27:241(A)(2)(b) has been fulfilled.

(5) The casino gaming operator shall be credited an amount equal to the pro
rata share of compensation to employees of the third-party tenants. The credited
amount shall be applied to the total salary level or compensation reported under R.S.
27:244(A)(12) and shall be calculated based on the total operating force or personnel
level reported pursuant to R.S. 27:248(C)(2) Paragraph (2) of this Subsection.
Section 2. The provisions of this Act shall be effective on July 1, 2021.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

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