

RÉSUMÉ DIGEST

ACT 408 (HB 137)

2021 Regular Session

Duplessis

Existing law (R.S. 27:240 et seq.) provides for the Land-Based Casino Operating Contract and provides for the operations for the land-based casino.

Existing law (R.S. 27:243) provides that the casino operator is authorized to conduct non-casino related activities at the official gaming establishment in accordance with certain agreements. Provides that the memorandum of understanding and agreement between the casino gaming operator and the Greater New Orleans Hotel and Lodging Association dated April 2019 shall provide that:

- (1) For 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 (CBD), French Quarter, and Warehouse District of the City of New Orleans, as compiled by a nationally recognized firm.
- (2) For rooms existing prior to August 1, 2018, room taxes shall be paid by the casino gaming operator on all discounted and complimentary rooms to be paid at the applicable tax rates based upon average seasonal rates for the preceding year of hotels in the CBD and French Quarter of the City of New Orleans, as compiled by a nationally recognized firm. For those hotel rooms added after 2019 and authorized by the memorandum of understanding dated April 2019, room taxes shall be paid by the casino operator on all discounted and complimentary rooms to be paid at the applicable tax rates based upon average seasonal rates for the preceding year of luxury hotels in the CBD, French Quarter, and Warehouse District of the City of New Orleans, as compiled by a nationally recognized firm.

New law specifies that complimentary rooms provided by the casino gaming operator shall not be subject to the state sales and use tax.

New law provides that room taxes levied and collected by the City of New Orleans, sales and use taxes levied by the state of La., 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.

New law also specifies that the casino gaming operator shall enter into a memorandum of understanding and agreement with the La. Stadium and Exposition District and the Ernest N. Morial-New Orleans Exhibition Hall Authority to provide for annual payments of \$1,300,000, to be divided into quarterly payments, with the first payment beginning on July 1, 2022, and continuing through July 31, 2054.

New law requires the casino gaming operator to remit state and local sales and use taxes at the applicable tax rates on all complimentary and discounted food, beverage, or entertainment offerings based on the actual value of food, beverage, or entertainment provided and to remit state and local sales and use taxes at the applicable tax rates on all parking provided at a charge to the customer or the general public.

Existing law (R.S. 27:248) provides relative to the promotion of non-gaming economic development by the casino gaming operator or an affiliate company through the development of businesses, including restaurants, entertainment outlets, and retail outlets leased or subleased to third-party tenants or subtenants within, adjacent to, and around the official gaming establishment.

Existing law requires the casino gaming operator to report quarterly the total operating force or personnel level of the third-party tenants to the board of directors of the La. Economic Development and Gaming Corporation.

Prior law provided that the reported operating force or personnel level for the prior quarter be determined by taking into account the greater of either the three-month average for the applicable reporting quarter or the highest monthly total during the applicable reporting quarter. Further provided that the reported operating force or personnel level for the prior

quarter be credited to the casino gaming operator for purposes of meeting certain existing law obligations, provided that such credit was limited to 400 employment positions toward the total operating force or personnel level.

Existing law provided that prior to July 15, 2024, the casino operator shall make a capital investment on or around the official gaming establishment of \$325,000,000 subject to an extension for any force majeure event.

New law removes the 400 employment positions credited toward the total operating force or personnel level.

Prior law defined "operating force or personnel level" as the number of people employed by the casino and any related non-gaming entity, including hotel operations, third-party tenants, and corporate employees.

Existing law provides that the casino gaming operator shall not reduce its total operating force or personnel level below 90% of the force or level as such existed on March 8, 2001.

Prior law provided that to meet those goals the credit was limited to 400 employment positions.

New law provides that to meet those goals the credit is limited to not more than half of the total operating force or personnel level.

New law adds hospitality outlet employees to the definition of "operating force or personnel level" and also adds that third-party contractor employees provided that the employees of third-party contractors shall be included only until the \$325,000,000 capital investment requirement has been fulfilled.

New law removes third-party tenants from the total operating force or personnel level that is reported to the gaming control board.

Prior law required that the casino gaming operator be credited an amount equal to the pro rata share of compensation to employees of the third-party tenants.

New law provides that the amount credited to the casino gaming operator is equal to the compensation to employees of the third-party tenants.

Effective July 1, 2021.

(Amends R.S. 27:243(C)(intro. para.), (4)(b), and (5) and 248(C)(2)(intro. para.), (3), (4), and (5); Adds R.S. 27:243(C)(6))