

2024 Regular Session

HOUSE BILL NO. 518

BY REPRESENTATIVE KNOX

COMMERCE: Provides for civil penalties against an interactive computer service that books short-term rentals of property that is not in compliance with local ordinances

1 AN ACT

2 To amend and reenact the title of Chapter 2-A of Title 21 of the Louisiana Revised Statutes
3 of 1950 and to enact R.S. 21:62, relative to short-term rentals; to prohibit certain
4 short-term rental bookings; to provide for civil penalties for violations; to provide
5 for enforcement; to provide for a special fund in the state treasury; to require the
6 deposit of civil penalties into the fund and provide for the use of money in the fund
7 by the Department of Culture, Recreation and Tourism; and to provide for related
8 matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. The title of Chapter 2-A of Title 21 of the Louisiana Revised Statutes of
11 1950 is hereby amended and reenacted and R.S. 21:62 is hereby enacted to read as follows:

12 CHAPTER 2-A. OFFENSES BY OWNERS AND BOOKING AGENTS

13 * * *

14 §62. Short-term rentals; property out of compliance with local regulations; bookings
15 prohibited; civil penalties

16 A. No booking agent shall book a short-term rental at a property that is not
17 in compliance with a municipal or parish ordinance that establishes restrictions on
18 or regulations of short-term rentals.

1 B. A booking agent who violates Subsection A of this Section is subject to
2 a civil penalty in an amount not to exceed fifteen hundred dollars per booking
3 transaction that constitutes a violation.

4 C.(1) The attorney general or the district attorney for the parish in which the
5 property is located may conduct an investigation of an alleged violation and initiate
6 a civil action in a court of competent jurisdiction to assess civil penalties. Prior to
7 asserting a cause of action, the attorney general or district attorney, as applicable,
8 shall provide the booking agent with a period of time of not less than thirty days to
9 cease booking short-term rentals in violation of Subsection A of this Section.

10 (2) Each violation may be treated as a separate violation or may be combined
11 into one violation at the option of the attorney general or district attorney, as
12 applicable.

13 (3) A booking agent who violates Subsection A of this Section may be liable
14 to the attorney general or district attorney, as applicable, for all costs, expenses, and
15 fees related to investigations and proceedings associated with the violation, including
16 attorney fees.

17 (4) If a court assesses a civil penalty pursuant to this Section, the Department
18 of Justice or judicial district court, as applicable, is entitled to legal interest as
19 provided in R.S. 9:3500 from the date of imposition of the penalty until paid in full.

20 (5) No internet service provider, or its affiliates or subsidiaries, search
21 engine, or cloud service provider shall be held to have violated the provisions of this
22 Section solely for providing access or connection to or from a website or other
23 information or content on the internet or a facility, system, or network not under the
24 control of that provider, including transmission, downloading, intermediate storage,
25 access software, or other related capabilities, to the extent such provider is not
26 responsible for the violation of Subsection A of this Section.

27 D.(1) The Short-term Rentals Violations Fund, referred to in this Section as
28 the "fund", is hereby created within the state treasury for the purpose of providing
29 funding for the Main Street Program.

1 (2) Monies in the fund are subject to appropriation by the legislature and
2 available exclusively for use by the Department of Culture, Recreation and Tourism
3 for purposes of the Main Street Program.

4 (3) All penalties collected pursuant to Subsection B of this Section shall be
5 deposited in the fund.

6 (4) All unexpended and unencumbered monies in the fund at the end of the
7 fiscal year shall remain in the fund and be available for appropriation the next fiscal
8 year. The monies shall be invested by the treasurer in the same manner as monies
9 in the state general fund, and all interest earned shall be credited to the fund
10 following compliance with the requirements of Article VII, Section 9(B) of the
11 Constitution of Louisiana relative to the Bond Security and Redemption Fund.

12 E. For purposes of this Section:

13 (1) "Booking agent" means a person who uses an interactive computer
14 service to promote or facilitate or both short-term rental agreements between a
15 property owner and a renter.

16 (2) "Interactive computer service" means any information service, system,
17 or access software provider that provides or enables computer access by multiple
18 users to a computer server.

19 (3) "Short-term rental" means the rental of residential property for overnight
20 accommodations for transient guests for a period of less than twenty-nine days.

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 518 Original

2024 Regular Session

Knox

Abstract: Prohibits booking agents from booking short-term rentals at property that is not in compliance with local ordinances regulating short-term rentals; provides for civil penalties for violations.

Proposed law prohibits a booking agent from booking a short-term rental at a property that is not in compliance with a municipal or parish ordinance that establishes restrictions on or regulations of short-term rentals. Provides that a booking agent who violates proposed law is subject to a civil penalty of up to \$1,500 per transaction.

Proposed law authorizes the attorney general or the local district attorney to conduct an investigation of an alleged violation and initiate a civil action to assess civil penalties. Requires the attorney general or district attorney, as applicable, to provide the booking agent with at least 30 days to cease booking short-term rentals in violation of proposed law. Provides that the booking agent may be liable for all costs, expenses, fees related to investigations and proceedings associated with the violation, including attorney fees, and legal interest.

Proposed law creates the Short-term Rentals Violations Fund for the purpose of providing funding for the Main Street Program. Civil penalties collected pursuant to proposed law are to be deposited into the fund and available exclusively for use by the Dept. of Culture, Recreation and Tourism for purposes of the Main Street Program.

(Amends the title of Chapter 2-A of Title 21 of L.R.S.; Adds R.S. 21:62)