



# OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **HB 425** HLS 14RS 674

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 19, 2014 11:06 AM	<b>Author:</b> ANDERS
<b>Dept./Agy.:</b> Town of Vidalia	<b>Analyst:</b> David Helminiak
<b>Subject:</b> Creation of Vidalia Tourism Development District	

DISTRICTS/TAXING OR +\$82,500 LF RV See Note  
Creates the Vidalia Tourism Development District

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**Purpose of Bill:** This measure creates the Vidalia Tourism Development District which shall be conterminous with the boundaries of the town of Vidalia, excluding the Vidalia Riverfront tract. The primary purpose of the district shall be to promote and encourage tourism, recreation, economic development opportunities, and cultural events. The district shall be administered by a five member commission know as the Vidalia Tourism Authority. The measure further provides for the powers, rights, and duties of the district.

The measure also would authorize the district to levy and collect a tax upon the occupancy of hotel rooms, motel rooms, and overnight camping facilities within the district, not to exceed 6% of the rent or fee charged for such occupancy.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$15,000	\$15,000	\$72,500	\$82,500	\$82,500	\$267,500
<b>Annual Total</b>	<b>\$15,000</b>	<b>\$15,000</b>	<b>\$72,500</b>	<b>\$82,500</b>	<b>\$82,500</b>	<b>\$267,500</b>

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
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### EXPENDITURE EXPLANATION

**Local governmental expenditures may increase by \$15,000 in fiscal year 2014-15, increasing to \$82,500 in fiscal year 2018-19.**

According to an official with Concordia Economic Development, expenditures for advertising, promoting, sponsoring local recreational, cultural, and tourism events, and other administrative expense for the district will be based on the revenues generated by an occupancy tax of 6% as provided by this measure.

An official with Concordia Economic Development indicated that the Concordia Parish School System will likely collect this tax. An official with the School System indicated that the collection of this tax would not materially impact School System expenditures.

As stated above, an official with Concordia Economic Development indicated that the district is likely to contract Concordia Parish School System for the collection of this tax – this contract would result in additional tax collection fees to be paid by the district. According to an official with the Concordia Parish School System their standard collection fee is 5%, which would result in an expenditure increase of \$750 in fiscal year 2014-15 and approximately \$4,125 annually by fiscal year 2018-19.

### REVENUE EXPLANATION

**Local governmental revenues may increase by \$15,000 in fiscal year 2014-15, increasing to \$82,500 in fiscal year 2018-19.**

According to an official with Concordia Economic Development, the district estimates occupancy tax revenues to be approximately \$15,000 for the first two fiscal years. In fiscal year 2016-17, the city of Vidalia anticipates a new hotel within the district which will provide additional estimated revenues of \$57,500 in fiscal year 2016-17 and \$67,500 in fiscal years 2017-18 and 2018-19.

An official with Concordia Economic Development indicated that the Concordia Parish School System will likely collect this tax. Based on information obtained from the School System, we estimate that the School System may charge approximately \$750 in collection fees in fiscal year 2014-15, increasing to approximately \$4,125 in fiscal year 2018-19. These fee estimates were based on the district's estimate of new tax revenue and the School System's 5% collection fee. Assuming that the tax generates \$82,500 annually starting in fiscal year 2017-18, we estimate that the City may receive approximately \$78,375 annually from the proposed tax with the remaining \$4,125 going to the School System in collection fees.

Senate Dual Referral Rules House  6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}  6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Joy Irwin**  
**Director of Advisory Services**