



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 1191** HLS 14RS 1599
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 21, 2014	8:13 AM	Author: BURRELL
Dept./Agy.: Shreveport-Bossier Convention and Tourist Bureau		Analyst: Anthony Truong
Subject: Hotel Occupancy Tax		

TAX/HOTEL OCCUPANCY RE1 +\$2,380,700 LF RV See Note Page 1 of 2
 Authorizes the Shreveport-Bossier Convention and Tourist Bureau to levy and collect an additional hotel occupancy tax within the jurisdiction of the bureau

Purpose of Bill: This measure increases the maximum rate of the hotel occupancy tax that the Shreveport-Bossier Convention and Tourist Bureau (Bureau) may levy from 4.5% to 6.5%, subject to the approval of the voters of Caddo and Bossier parishes.

This measure adds additional uses for the tax revenue:

- (1) Operation and promotion of sporting activities related to sports tourism by the Shreveport-Bossier Commission
- (2) Promotion of sporting events by the Independence Bowl Foundation
- (3) Use by the Ark-La-Tex Regional Air Service Alliance to incentivize air flights, air carriers, and air fare within the jurisdiction of the bureau.

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	\$1,190,350	\$2,380,700	\$2,380,700	\$2,380,700	\$2,380,700	\$10,713,150
Annual Total	\$1,190,350	\$2,380,700	\$2,380,700	\$2,380,700	\$2,380,700	\$10,713,150

REVENUES	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	\$1,190,350	\$2,380,700	\$2,380,700	\$2,380,700	\$2,380,700	\$10,713,150
Annual Total	\$1,190,350	\$2,380,700	\$2,380,700	\$2,380,700	\$2,380,700	\$10,713,150

EXPENDITURE EXPLANATION

This bill may increase local governmental expenditures by approximately \$1,190,350 beginning in fiscal year 2015 and by approximately \$2,380,700 annually thereafter.

The proposed tax must be approved by the voters of Caddo and Bossier parishes on the November 4, 2014 election. An official with the Secretary of State indicated that the Bureau may incur approximately \$25,700 in election costs to place the tax on the ballot. However, the actual election cost may be lower, depending upon the number of items on the ballot.

According to an official with the Bossier City-Parish Sales & Use Tax Division, approximately \$4,950 in fiscal year 2015 and approximately \$9,900 annually thereafter will be assessed as collection fees.

According to an official with the Caddo-Shreveport Sales Tax Commission, approximately \$6,950 in fiscal year 2015 and approximately \$13,900 annually thereafter will be assessed as collection fees.

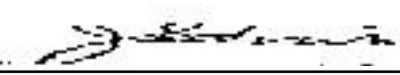
Expenditure explanation continued on Page 2.

REVENUE EXPLANATION

This bill may increase local governmental revenues by approximately \$1,190,350 beginning in fiscal year 2015 and by approximately \$2,380,700 annually thereafter.

Based on historical average collections, the Bossier City-Parish Sales & Use Tax Division estimates that increasing the hotel occupancy tax will increase collections by approximately \$495,900 in fiscal year 2015 and approximately \$991,800 annually thereafter.

Based on historical average collections, the Caddo-Shreveport Sales Tax Commission estimates that increasing the hotel occupancy tax will increase collections by approximately \$694,450 in fiscal year 2015 and approximately \$1,388,900 annually thereafter.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 Joy Irwin Director of Advisory Services
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}		
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		



OFFICE OF LEGISLATIVE AUDITOR Fiscal Note

Fiscal Note On: **HB 1191** HLS 14RS 1599
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action: **w/ SEN COMM AMD**
Proposed Amd.:
Sub. Bill For.:

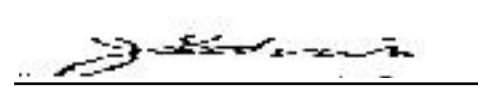
Date: May 21, 2014	8:13 AM	Author: BURRELL
Dept./Agy.: Shreveport-Bossier Convention and Tourist Bureau		Analyst: Anthony Truong
Subject: Hotel Occupancy Tax		

CONTINUED EXPLANATION from page one:
Expenditure Explanation Continued (from page 1)

The remaining funds generated by this measure will be expended as follows:

- (1) 25% of the remaining tax proceeds, or approximately \$288,190 in fiscal year 2015 and approximately \$589,200 annually thereafter, will be used in the operation and promotion of sporting activities related to sports tourism by the Shreveport-Bossier Sports Commission. These funds may be used for the operation and promotion of sporting goals and sporting activities, as it relates to sports tourism.
- (2) 37.5% of the remaining tax proceeds, or approximately \$432,280 in fiscal year 2015 and approximately \$883,850 annually thereafter, will be used for the promotion of sporting events by the Independence Bowl Foundation. These funds may be used to operate and promote Division 1 football events.
- (3) 37.5% of the remaining tax proceeds, or approximately \$432,280 and approximately \$883,850 annually thereafter in fiscal year 2015, will be used by the Ark-LA-Tex Regional Air Service Alliance to incentivize air flights, air carriers, and air fare within the jurisdiction of the bureau.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}			<input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}			<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



Joy Irwin
Director of Advisory Services