
DIGEST

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HB 573 Engrossed

2019 Regular Session

Abramson

Abstract: Codifies laws pertaining to the Ernest N. Morial-New Orleans Exhibition Hall Authority and provides relative to revenues and projects of the authority.

Present law creates the Ernest N. Morial-New Orleans Exhibition Hall Authority (convention center authority) to acquire, construct, reconstruct, extend, improve, maintain, and operate projects within the city of New Orleans in order to promote the economic growth and development of the city and its neighboring parishes.

Proposed law incorporates uncodified Acts of the legislature relating to the convention center authority into the La. Revised Statutes of 1950. The table at the end of this digest indicates the Sections of Act No. 305 of 1978 R.S., as amended, the most recent expression of the legislature on each of those Sections or portions thereof, and the placement of those provisions in the proposed codification scheme in Title 33 of the La. Revised Statutes of 1950.

Proposed law also makes changes to present law as follows:

Present law authorizes the convention center authority to levy hotel occupancy taxes and provides relative to the use of the proceeds of such taxes after provision is made for the payment of debt secured by such proceeds. Proposed law provides that such remaining revenue shall be that specified as such in audited financial statements for each fiscal year. Proposed law requires that payments required by present law and proposed law shall be made within 30 days of the acceptance of the audited statements.

Present law, modified by proposed law as indicated, requires use of such hotel occupancy tax proceeds remaining after payment of debt for the following purposes in the following order of priority:

- (1) Payment of rents due.
- (2) Payment of bond service charges.
- (3) Payment of administrative and operating expenses.
- (4) Payment of the cost of maintaining, improving and operating exhibition or convention facilities.

- (5) To establish a reserve fund for replacement and for future needs. Proposed law requires that such future needs be described with reasonable particularity and prohibits the aggregate amount held in such reserve funds from exceeding \$100 million.
- (6) Payments to the city of New Orleans. Present law provides that revenues remaining at the end of each fiscal year, prior to the issuance of bonds and after the payment of specified expenses, is considered surplus and may be paid to the city of New Orleans. Proposed law requires remaining funds in excess of \$100 million, at the end of each fiscal year, to be paid to the city of New Orleans unless the voters of New Orleans authorize the convention center authority to retain such funds.

Present law authorizes the convention center authority to levy a tax on food and beverages sold by any food service establishment located within Orleans Parish or in any airport or air transportation facility owned and operated by the city of New Orleans at a rate not to exceed 1/2%.

Present law authorizes the convention center authority to undertake specified "expansion projects", one of which is designated Phase IV, which includes construction of a free-standing building across Henderson Street from the existing convention center, on a site owned by the convention center authority, containing approximately 1,500,000 square feet under roof, including approximately 500,000 square feet of exhibit space, with accompanying meeting rooms, food service areas, building service areas, and other facilities functionally related thereto.

Present law authorizes the convention center authority, for the purpose of funding Phase IV, to impose an additional 1% hotel occupancy tax and a 1/4% tax on food and beverages sold by any food service establishment located within Orleans Parish or in any airport or air transportation facility owned and operated by the city of New Orleans.

Present law provides for termination of both food and beverage taxes and the 1% hotel occupancy tax upon payment in full of obligations secured in whole or in part by proceeds of such taxes. Proposed law prohibits the convention center authority from refinancing bonds secured by such taxes or taking any other action that would delay the retirement of such bonds that are outstanding on May 1, 2019. However, proposed law authorizes the convention center authority to levy such taxes and pledge the avails thereof if such actions are reauthorized by the voters of New Orleans.

Present law requires the convention center authority to prescribe rules to provide for protections for the rights of minority citizens. Present law requires that such rules include, for any expansion project ("expansion project" is described above in this digest), the setting aside for minority businesses of not less than 30% of anticipated local procurement of goods and services other than construction and not less than 20% of the construction contracts. Requires adoption of affirmative action plans.

Proposed law retains present law but makes it applicable to any project undertaken by the convention center authority.

Present law defines "project" to mean convention, exhibition, and tourist facilities, other than lodging facilities, and necessary site improvements, infrastructure, furnishings, machinery,

equipment, and appurtenances. Proposed law adds acquisition of land and a hotel with multi-story parking garage and bridge connecting the hotel and the south end of the convention center to the definition of project. Proposed law becomes effective on July 1, 2020, but only if the convention center authority enters a cooperative endeavor agreement with the city of New Orleans regarding certain taxes and other matters.

Effective July 1, 2019, except as otherwise provided by the Act.

Section of Act No. 305	Source	Disposition in Title 33
1- Creation	Act 43 of 1992 RS	4710.11(A)
2- Bd of commissioners		
(A)	Act 1174 of 1997 RS	4710.12(A) and (B)
(B)	Act 1174 of 1997 RS	4710.12(C)
(C)	Act 572 of 1984 RS	4710.12(D)
(D)	Act 572 of 1984 RS	obsolete
3- Domicile	Act 1174 of 1997 RS	4710.11(B)
3- Bd of commissioners	Act 1174 of 1997 RS	4710.12(D)-(H)
4- Powers and duties		
4(intro paragraph)	Act 557 of 2014 RS	4710.11(C) and (D)
4(A) and (B)	Act 305 of 1978 RS	4710.13(1) an (2)
4(C)	Act 1176 of 1997 RS	4710.13(3)
4(D)	Act 557 of 2014 RS	4710.13(4)
4(E) and (F)	Act 305 of 1978 RS	4710.13(5) and (6)
(G)	Act 557 of 2014 RS	4710.13(7)
4(H) and (I)	Act 42 of 1994 RS	4710.13(8) and (9)
4(J), (K), and (L)	Act 305 of 1978 RS	4710.13(10), (11), and (12)
4(M)	Act 557 of 2014 RS	4710.13(13)
4(N) and (O)	Act 305 of 1978 RS	4710.13(14) and (15)
4(P)	Act 1176 of 1997 RS	4710.13(16)
5- Rivercenter		
5(A) and (B)	Act 305 of 1978 RS	4710.14
5(C)	Act 305 of 1978 RS	4710.13(17)
5(D)	Repealed; Act 287 of 1982	Previously repealed
5(E)	Act 9 of 1980 2nd ES	4710.13(18)
6- Hotel occupancy tax	Act 305 of 1978 RS	4710.15

6.1- Additional hotel occupancy tax	Act 42 of 1994 RS	4710.15.1
7- Use of revenue	Act 305 of 1978 RS	4710.16
8- Issue bonds		
8(1st paragraph)	Act 42 of 1994 RS	4710.17(A)
8(2nd paragraph)	Act 42 of 1994 RS	4710.17(B)
8(3rd through 7th para)	Act 305 of 1978 RS	4710.17(C)-(G)
8(8th paragraph)	Act 42 of 1994 RS	4710.17(H)
8(9th and 10th para)	Act 305 of 1978RS	4710.17(I) and (J)
9- Authority of legislature	Act 305 of 1978RS	4710.17(K)
10- Obligations solely of the authority	Act 305 of 1978RS	4710.18
11- Hotel tax revenues	Act 305 of 1978RS	4710.19
12- Limit on state authority to spend funds	Act 43 of 1992 RS	4710.20
13- Exhibitions; superdome	Act 305 of 1978RS	4710.21
14- Severability	Act 305 of 1978RS	obsolete
15- Powers of Port of New Orleans	Act 305 of 1978RS	4710.22(A)
16- Effective date of original Act	Act 305 of 1978RS	obsolete
17- Poydras Street Wharf	Act 305 of 1978RS	4710.22(B)
18- Hotel occupancy tax (flat rate)	Act 390 of 1987 RS	4710.15.2
19- Food and beverage tax	Act 390 of 1987 RS	4710.23
20- Phase IV expansion; additional taxes		
20(A)	Act 557 of 2014 RS	4710.24(A)
20(B) through (E)	Act 72 of 02 1ES	4710.24(B)-(F)
20(F)	Act 557 of 2014 RS	4710.24(G)

20.1- Service contractor tax	Act 42 of 1994 RS	4710.25
20.2- Sight-seeing tour tax	Act 42 of 1994 RS	4710.26
21- Bonds		
21(A)	Act 42 of 1994 RS	4710.17.1(A)
21(B) through (F)	Act 390 of 1987 RS	4710.17.1(B)-(F)
21(G)	Act 42 of 1994 RS	4710.17.1(G)
21(H) through (L)	Act 390 of 1987 RS	4710.17.1(H)-(L)
21(M)	Act 42 of 1994 RS	4710.17.1(M)
21(N) through (P)	Act 390 of 1987 RS	4710.17.1(N)-(P)
22- Pledge of funds to leases	Act 390 of 1987 RS	4710.27
23- Escrow; certain funds	Act 557 of 2014 RS	4710.28
24- Minority businesses	Act 390 of 1987 RS	4710.29

(Adds R.S. 33:4710.11-4710.29)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Add provisions requiring the payment of certain reserve funds to the city of New Orleans unless the voters of New Orleans authorize the convention center authority to retain such funds.
2. Add provisions prohibiting the convention center authority from delaying the retirement of outstanding bonds secured by certain taxes unless the voters of New Orleans reauthorize those taxes.
3. Add provisions making disadvantaged business provisions of present law applicable to all projects rather than *expansion* projects.
4. Add provisions adding a hotel project to authorized projects and provisions making such addition contingent on a cooperative endeavor agreement with the city of New Orleans.