

2019 Regular Session

HOUSE BILL NO. 420

BY REPRESENTATIVE LEGER

TAX/HOTEL OCCUPANCY: Authorizes the governing authority of the city of New Orleans to levy an additional hotel occupancy tax

1 AN ACT

2 To enact R.S. 47:338.220, relative to the city of New Orleans; to authorize the governing
3 authority of the city to levy an additional hotel occupancy tax; to provide for the use
4 of tax proceeds; and to provide for related matters.

5 Notice of intention to introduce this Act has been published
6 as provided by Article III, Section 13 of the Constitution of
7 Louisiana.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:338.220 is hereby enacted to read as follows:

10 §338.220. City of New Orleans; hotel occupancy tax; authorization

11 A.(1) In addition to any other tax levied and collected, the governing
12 authority of the city of New Orleans may levy and collect a tax upon the paid
13 occupancy of hotel rooms located within the city. The hotel occupancy tax shall not
14 exceed fifty-five hundredths percent of the rent or fee charged for such occupancy.

15 (2) The word "hotel" as used in this Section shall have the same meaning as
16 provided in R.S. 47:301(6).

17 (3) The person who exercises or is entitled to occupancy of the hotel room
18 shall pay the hotel occupancy tax at the time the rent or fee for occupancy is paid.

19 "Person" as used in this Paragraph shall have the same definition as that contained
20 in R.S. 47:301(8).

1 B. The governing authority of the city of New Orleans shall impose the hotel
2 occupancy tax by ordinance. The governing authority may adopt such ordinance
3 only after a proposition authorizing the levy of the tax has been approved by a
4 majority of the electors of the city voting at an election held for that purpose in
5 accordance with the Louisiana Election Code. The governing authority may provide
6 in the ordinance necessary and appropriate rules and regulations for the imposition,
7 collection, and enforcement of the hotel occupancy tax.

8 C. The governing authority may enter into a contract with any public entity
9 authorized to collect sales or use taxes, under such terms and conditions as it may
10 deem appropriate, including payment of a reasonable collection fee, for the
11 collection of the hotel occupancy tax authorized by this Section. The hotel
12 occupancy tax shall be in addition to all taxes levied upon the occupancy of hotel
13 rooms located within the city.

14 D.(1) The governing authority of the city of New Orleans shall establish and
15 maintain a special and distinct fund known as the Infrastructure Maintenance Fund,
16 referred to in this Section as the "fund". Except as provided in Subsection C of this
17 Section, all proceeds of the tax shall be placed in the fund.

18 (2) Monies in the fund shall be allocated and used according to funding
19 recommendations of the governing authority of the city of New Orleans. Such
20 recommendations shall be made and prioritized in order to enhance infrastructure.

21 (3) Monies in the fund shall supplement and enhance services routinely
22 provided by the city of New Orleans and its agencies.

23 (4) The mayor of the city of New Orleans shall make information about the
24 fund readily available to the public through means such as posting information on
25 the city's website and prompt responses to public records requests.

26 (5) The mayor shall submit an annual report to the governing authority of the
27 city of New Orleans and to the legislature that identifies the use and allocation of the
28 monies in the fund. The mayor shall deliver the report on October first covering use
29 and allocation in the previous fiscal year. The first report is due October 1, 2020.

1 Section 2. This Act shall become effective on July 1, 2019; if vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on July 1,
3 2019, or on the day following such approval by the legislature, whichever is later.

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 420 Original

2019 Regular Session

Leger

Abstract: Authorizes the governing authority of the city of New Orleans to levy and collect an additional hotel occupancy tax at a rate not to exceed .55%, subject to voter approval.

Proposed law authorizes the governing authority of the city of New Orleans, subject to voter approval, to levy and collect an additional hotel occupancy tax. Provides that such tax shall not exceed .55% of the rent or fee charged for such occupancy.

Proposed law provides that the term "hotel" shall have the same meaning as provided in present law for the levy of state sales taxes on hotels. Present law defines "hotel" for such purposes to mean any establishment or person engaged in the business of furnishing sleeping rooms, cottages, or cabins to transient guests, where such establishment consists of sleeping rooms, cottages, or cabins at any of the following:

- (1) A single business location.
- (2) A residential location, including but not limited to a house, apartment, condominium, camp, cabin, or other building structure used as a residence.

Provides that "hotel" does not mean or include any establishment or person leasing apartments or single family dwelling on a month-to-month basis and does not include certain facilities operated by nonprofit organizations.

Proposed law requires that the tax be paid by the person who exercises or is entitled to occupancy of the hotel room at the time the rent or fee for occupancy is paid. Authorizes the governing authority to contract with any public entity authorized to collect sales or use taxes for the collection of the hotel occupancy tax.

Proposed law requires the governing authority to establish an infrastructure fund. Further requires that the tax proceeds be placed in the fund and allocated and used according to funding recommendations of the governing authority to supplement services provided by the city.

Proposed law requires the mayor to make information about the fund readily available to the public. Further requires the mayor to submit an annual report to the governing authority and the legislature on Oct. 1st that identifies the use and allocation of the monies in the fund in the previous fiscal year. Provides that the first report is due Oct. 1, 2020.

Effective July 1, 2019.

(Adds R.S. 47:338.220)