



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 566 HLS 19RS 22
Bill Text Version: ENGROSSED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 26, 2019 1:43 PM Author: GAROFALO
Dept./Agy.: St. Bernard Parish Government Analyst: Steven Kraemer
Subject: Hotel Occupancy Tax

TAX/HOTEL OCCUPANCY EG INCREASE LF RV See Note Page 1 of 1
Authorizes the governing authority of St. Bernard Parish to levy a hotel occupancy tax

Purpose of Bill: This bill allows the St. Bernard Parish Government to levy a hotel occupancy tax not to exceed \$3 per room per night. The tax proceeds are required to be used to provide fire protection services within the parish. This measure also provides that the tax be approved by the voters of the Parish, and be imposed by a Parish ordinance.

Table with 7 columns: EXPENDITURES/REVENUES, 2019-20, 2020-21, 2021-22, 2022-23, 2023-24, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

This bill may increase local fund expenditures by an indeterminable amount.

An official with the St. Bernard Parish Government indicated that the tax revenue generated by this bill is not expected to be spent during the next five years as the Parish plans to replenish the St. Bernard Parish Fire Department's fund balance.

An official with the Louisiana Secretary of State's Office indicated that the total election cost to the Parish could vary depending on when the election is held. Based on the recent costs of elections in the Parish, the total cost for the election would be about \$46,000 if held in the fall of 2019 or \$34,000 if held in the following spring.

REVENUE EXPLANATION

This bill may increase local fund revenue by an indeterminable amount.

An official with the St. Bernard Parish Government indicated that this bill would increase Parish revenue, but that the amount of the increase was indeterminable because occupancy rate of the 251 hotel rooms within the Parish was unknown.

- 50% occupancy rate = \$137,000 (251 rooms x 365 days x 50% occupancy rate x \$3)
60% occupancy rate = \$165,000 (251 rooms x 365 days x 60% occupancy rate x \$3)
65% occupancy rate = \$179,000 (251 rooms x 365 days x 65% occupancy rate x \$3)
70% occupancy rate = \$192,000 (251 rooms x 365 days x 70% occupancy rate x \$3)
100% occupancy rate = \$275,000 (251 rooms x 365 days x 100% occupancy rate x \$3)

Senate Dual Referral Rules
13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Michael G. Battle
Michael G. Battle
Manager, Advisory Services