
DIGEST

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HB 617 Reengrossed

2019 Regular Session

Leger

Abstract: Provides relative to the taxing and bonding authority of the Ernest N. Morial-New Orleans Exhibition Hall Authority. Also codifies laws pertaining to the Ernest N. Morial-New Orleans Exhibition Hall Authority.

Present law creates the Ernest N. Morial-New Orleans Exhibition Hall Authority (convention center authority). The purpose of the convention center authority is 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.

Present law defines "project" to mean convention, exhibition, and tourist facilities and necessary site improvements, infrastructure, furnishings, machinery, equipment, and appurtenances. Excludes lodging facilities from the meaning of project. Proposed law adds acquisition of necessary 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 provides for certain payments in lieu of ad valorem taxes on the hotel and any other project developed jointly with a private partner on land that is owned by the authority or that is otherwise exempt from property taxes.

Present law defines "expansion project" to include various specified phases and stages of expansion of the existing convention center. Proposed law modifies present law by removing certain projects and adding the convention center hotel, a five-year capital plan, and other riverfront development adjacent to or in support of the convention center.

Present law authorizes the convention center authority to levy the following taxes and pledge the proceeds thereof as security for bonds for purposes of projects:

- (1) A hotel occupancy tax at a rate of 1%.
- (2) A hotel occupancy tax at a rate of 1%.
- (3) A hotel occupancy tax at a rate of \$.50 at a hotel with 10 to 299 guest rooms; \$1 at a hotel with 300 to 999 guest rooms; \$2 at a hotel with 1,000 or more guest rooms.
- (4) A food and beverage tax at a rate of not more than 1/2%.

Proposed law retains present law.

Present law provides that the levy of all of the above taxes is subject to approval of the governing authority of New Orleans and the voters of New Orleans.

Proposed law authorizes the convention center authority to levy taxes of the same type and at the same rates as described above. Such taxes are not subject to approval of the governing authority of New Orleans or of the voters of New Orleans. Provides that taxes authorized by proposed law are to be levied in lieu of the equivalent tax authorized by present law and that proceeds of taxes authorized by proposed law are subject to the same pledges as the equivalent tax authorized by present law.

Present law authorizes the convention center authority to levy an additional hotel occupancy tax at a rate of 1% and an additional food and beverage tax at a rate of 1/4% for purposes of funding certain phases of the convention center expansion project provided for by present law. Proposed law retains present law, applicable to proposed law changes to the definition of expansion project.

Present law authorizes the convention center authority to levy the following taxes:

- (1) A tax on contractor services provided to trade shows, conventions, exhibitions, and other events. Provides that the rate of the tax is 2% of the charges for the contract service and that the tax may be charged to the person paying for the service.
- (2) A sight-seeing tour tax of \$1 per ticket.

Proposed law retains present law.

Present law provides relative to the payment of the contractor service tax and the sight-seeing tour tax and dedicates proceeds to specific purposes including one phase of the expansion project. Proposed law provides that proceeds may be used for any expansion project.

Proposed law provides for termination of above described present law and proposed law taxes upon payment of all bonds and similar debt obligations of the authority payable in whole or in part from or secured by such taxes and issued before July 1, 2029.

Proposed law prohibits the authority from issuing bonds or incurring debt in any form for a term of more than 40 years from date of issuance. Prohibits the authority from issuing bonds or incurring debt in any form for a specified expansion project after July 1, 2029.

Present law requires that proceeds of certain taxes remaining after the payment of obligations secured by those taxes be deposited into a special escrow fund to be used solely to retire certain obligations in advance of their maturities at a price not greater than the applicable redemption price. Proposed law repeals present law.

Proposed law requires the authority to present to the city council of New Orleans an annual report

on its financial condition; specifies information that must be included in the report.

Proposed law incorporates uncodified Acts of the legislature relating to the Ernest N. Morial-New Orleans Exhibition Hall Authority into the La. Revised Statutes of 1950. The table below 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.

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	repealed
24- Minority businesses	Act 390 of 1987 RS	4710.28

(Adds R.S. 33:4710.11-4710.30)