

RÉSUMÉ DIGEST

ACT 172 (HB 617)

2019 Regular Session

Leger

Existing 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.

Existing law defines "project" to mean convention, exhibition, and tourist facilities and necessary site improvements, infrastructure, furnishings, machinery, equipment, and appurtenances. Prior law excluded lodging facilities from the meaning of project. New law adds acquisition of land for and construction of a convention center hotel with a multi-story parking garage and bridge connecting the hotel and the south end of the convention center to the definition of project.

Existing law defines "expansion project" to include various specified phases and stages of expansion of the existing convention center. Provides that the Phase IV expansion project includes an additional building in a specified location with approximately 500,000 square feet of exhibit space.

Prior law provided that the Phase V expansion project included installation of basic infrastructure to facilitate private development, including the private development of lodging facilities on property owned by the convention center authority, and development of approximately five acres for recreational, hospitality, commercial, and residential use.

New law provides that the Phase V expansion project means the following:

- (1) Constructing, installing, equipping, renovating, and refurbishing the convention center and related infrastructure and the acquisition of land in the vicinity of the convention center to implement the authority's five-year capital plan.
- (2) The development of a convention center hotel.
- (3) Additional riverfront development adjacent to or in support of the convention center.

New law requires a hotel lessee to make certain payments in lieu of ad valorem taxes on the convention center hotel. Payment amounts are based on per room tax assessments on certain other hotels in downtown New Orleans. Regarding other projects developed jointly with a private partner on land that is owned by the convention center authority or that is otherwise exempt from property taxes, new law requires the authority to require lessees to pay ad valorem taxes or payments in lieu of taxes.

Existing law authorizes the convention center authority, subject to approval of the governing authority of New Orleans and the voters of New Orleans, 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; and \$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%.

New law authorizes the convention center authority to levy taxes of the same type and at the same rates as described above without approval of the governing authority of New Orleans or of the voters of New Orleans. Provides that taxes authorized by new law are to be levied *in lieu of* the equivalent tax authorized by existing law and that proceeds of taxes authorized by new law are subject to the same pledges as the equivalent tax authorized by existing law.

Existing 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%. Prior law authorized such taxes to fund the Phase IV expansion project (described above). New law authorizes such taxes to fund any expansion project.

Existing 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.

Prior law dedicated proceeds of these taxes to specific purposes, including one phase of the expansion project. New law provides that proceeds may be used for any expansion project.

New law provides for termination of the following taxes upon payment of all bonds and similar debt obligations of the convention center authority that are payable in whole or in part from or secured by the particular tax and that are issued before July 1, 2029.

- (1) Each hotel occupancy tax and food and beverage tax authorized by new law in lieu of a tax authorized by existing law.
- (2) All other taxes dedicated to an expansion project.

New 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.

New law prohibits the authority from issuing bonds or incurring debt in any form after July 1, 2029, for the Phase V expansion project (described above).

Prior law required 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. New law repeals prior law.

New 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.

New 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 of <u>existing law</u>	Disposition in Title 33
1- Creation	Act 43 of 1992 R.S.	4710.11(A)
2- Bd of commissioners		
(A)	Act 1174 of 1997 R.S.	4710.12(A) and (B)
(B)	Act 1174 of 1997 R.S.	4710.12(C)
(C)	Act 572 of 1984 R.S.	4710.12(D)
(D)	Act 572 of 1984 R.S.	obsolete
3- Domicile	Act 1174 of 1997 R.S.	4710.11(B)
3- Bd of commissioners	Act 1174 of 1997 R.S.	4710.12(E)-(H)
4- Powers and duties		
4(intro. para.)	Act 557 of 2014 R.S.	4710.11(C) and (D)

4(A) and (B)	Act 305 of 1978 R.S.	4710.13(1) an (2)
4(C)	Act 1176 of 1997 R.S.	4710.13(3)
4(D)	Act 557 of 2014 R.S.	4710.13(4)
4(E) and (F)	Act 305 of 1978 R.S.	4710.13(5) and (6)
4(G)	Act 557 of 2014 R.S.	4710.13(7)
4(H) and (I)	Act 42 of 1994 R.S.	4710.13(8) and (9)
4(J), (K), and (L)	Act 305 of 1978 R.S.	4710.13(10), (11), and (12)
4(M)	Act 557 of 2014 R.S.	4710.13(13)
4(N) and (O)	Act 305 of 1978 R.S.	4710.13(14) and (15)
4(P)	Act 1176 of 1997 R.S.	4710.13(16)
5- Rivercenter		
5(A) and (B)	Act 305 of 1978 R.S.	4710.14
5(C)	Act 305 of 1978 R.S.	4710.13(17)
5(D)	Repealed; Act 287 of 1982	previously repealed
5(E)	Act 9 of 1980 2nd E.S.	4710.13(18)
6- Hotel occupancy tax	Act 305 of 1978 R.S.	4710.15
6.1- Additional hotel occupancy tax	Act 42 of 1994 R.S.	4710.15.1
7- Use of revenue	Act 305 of 1978 R.S.	4710.16
8- Issue bonds		
8(1st para.)	Act 42 of 1994 R.S.	4710.17(A)
8(2nd para.)	Act 42 of 1994 R.S.	4710.17(B)
8(3rd-7th para)	Act 305 of 1978 R.S.	4710.17(C)-(G)
8(8th para.)	Act 42 of 1994 R.S.	4710.17(H)
8(9th and 10th para)	Act 305 of 1978 R.S.	4710.17(I) and (J)
9- Authority of legislature	Act 305 of 1978 R.S.	4710.17(K)
10- Obligations solely of the authority	Act 305 of 1978 R.S.	4710.18
11- Hotel tax revenues	Act 305 of 1978 R.S.	4710.19
12- Limit on state authority to spend funds	Act 43 of 1992 R.S.	4710.20
13- Exhibitions; superdome	Act 305 of 1978 R.S.	4710.21
14- Severability	Act 305 of 1978 R.S.	obsolete
15- Powers of Port of New Orleans	Act 305 of 1978 R.S.	4710.22(A)
16- Effective date of original Act	Act 305 of 1978 R.S.	obsolete
17- Poydras Street Wharf	Act 305 of 1978 R.S.	4710.22(B)
18- Hotel occupancy tax	Act 390 of 1987 R.S.	4710.15.2

19- Food and beverage tax	Act 390 of 1987 R.S.	4710.23
20- Phase IV expansion; additional taxes		
20(A)	Act 557 of 2014 R.S.	4710.24(A)
20(B)-(E)	Act 72 of 2002 1st E.S.	4710.24(B)-(F)
20(F)	Act 557 of 2014 R.S.	repealed
20.1- Service contractor tax	Act 42 of 1994 R.S.	4710.25
20.2- Sight-seeing tour tax	Act 42 of 1994 R.S.	4710.26
21- Bonds		
21(A)	Act 42 of 1994 R.S.	4710.17.1(A)
21(B)-(F)	Act 390 of 1987 R.S.	4710.17.1(B)-(F)
21(G)	Act 42 of 1994 R.S.	4710.17.1(G)
21(H)-(L)	Act 390 of 1987 R.S.	4710.17.1(H)-(L)
21(M)	Act 42 of 1994 R.S.	4710.17.1(M)
21(N)-(P)	Act 390 of 1987 R.S.	4710.17.1(N)-(P)
22- Pledge of funds to leases	Act 390 of 1987 R.S.	4710.27
23- Escrow; certain funds	Act 557 of 2014 R.S.	repealed
24- Minority businesses	Act 390 of 1987 R.S.	4710.28
Reporting requirement	added	4710.29
Termination of certain bonding authority	added	4710.30

Effective August 1, 2019.

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