



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 106 HLS 13RS 332
Bill Text Version: ENROLLED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: May 29, 2013 10:25 AM Author: DOVE
Dept./Agy.: Houma Area Convention and Visitors Bureau
Subject: Hotel Occupancy Tax Analyst: Julie Betz

TOURISM/COMMISSION EN +\$300,000 LF RV See Note Page 1 of 1
Increases the maximum rate of the hotel occupancy tax that the Houma Area Convention and Visitors Bureau may levy and designates specific use for the additional tax.

Purpose of Bill: This measure increases the maximum rate of the hotel occupancy tax that the Houma Area Convention and Visitors Bureau may levy from 4% to 5% and designates that proceeds of the additional tax be used specifically for recreational and tourism infrastructure.

This measure also states that the levy of the additional tax must be approved by a majority of the electors of Terrebonne Parish and allows the tourist commission to call an election for the purpose of submitting such a proposition to the voters.

Table with 7 columns: EXPENDITURES/REVENUES, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total for both categories.

EXPENDITURE EXPLANATION

Beginning in fiscal year 2014, there is an anticipated increase in local fund expenditures. These expenditure amounts may increase in subsequent fiscal years.

According to an official with the Secretary of State's Office, election costs would be approximately \$125,000. Terrebonne Parish will be responsible for 100% of the election costs if the election is held when no state or federal candidate elections are on the ballot; otherwise, the costs would be split between Terrebonne Parish and the State of Louisiana.

Revenue collected as a result of this measure will be used to fund tourism and recreation infrastructure projects through the use of cooperative endeavor agreements and structured grants. The Houma Area Convention and Visitors Bureau expects to spend a total of \$1,658,000 over 5 years.

REVENUE EXPLANATION

Beginning in fiscal year 2014, there is an anticipated increase in local tax revenues of \$300,000. These revenue amounts may increase in subsequent fiscal years.

Based on historical collections, the Houma Area Convention and Visitors Bureau estimates that increasing the hotel occupancy tax to 5% will increase collections by approximately \$300,000 in FY2014. The Houma Area Convention and Visitors Bureau projects a 5% annual increase in tax collections resulting in a total of \$1,658,000 in increased revenues over 5 years.

Senate Dual Referral Rules House
[ ] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} [ ] 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
[ ] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} [ ] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Joy Irwin
Director of Advisory Services