



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: HB 147 HLS 15RS 390
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Table with metadata: Date: April 8, 2015 12:01 PM; Author: MONTOUCET; Dept./Agy.: Town of Duson; Subject: Hotel Occupancy Tax; Analyst: Steve Stevens

TAX/HOTEL OCCUPANCY OR +\$56,092 LF RV See Note Page 1 of 1
Authorizes the town of Duson to levy a hotel occupancy tax

Purpose of Bill: This bill allows the Town of Duson to levy a hotel occupancy tax not to exceed 4% of the rent or fee charged for such occupancy. The tax proceeds are required to be used to fund economic development, the promotion of tourism, and related infrastructure within the Town.

This measure also provides that the tax be approved by the voters of the Town, and be imposed by a Town ordinance or resolution.

Table with 7 columns: EXPENDITURES, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

Table with 7 columns: REVENUES, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 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 governmental expenditures by approximately \$14,023 in fiscal year 2015-16; \$28,046 in fiscal years 2016-17 and 2017-18; and \$56,092 annually thereafter.

This bill mandates that the Town use the new tax proceeds for specific purposes. Based on information obtained from a Town official, it appears that Duson's expenditures may increase by \$14,023 for fiscal 2015-16. This expenditure estimate includes costs related to the purposes provided for in the bill; an election cost of \$175 if the tax is placed on the October 24; and start up collection costs of approximately \$700.

Expenditures may increase by approximately \$28,046 and \$56,092 in the following fiscal years as Duson funds economic development, the promotion of tourism, and related infrastructure within the Town. These expenditure estimates also include the funding of collection efforts by the Lafayette Parish School Board (approximately \$756 per year).

REVENUE EXPLANATION

This bill may increase local governmental revenues by approximately \$14,023 in fiscal year 2015-16; \$28,046 in fiscal years 2016-17 and 2017-18; and \$56,092 annually thereafter.

An official with the Town indicated that this new tax may generate approximately \$14,023 in fiscal year 2015-16 and \$28,046 in fiscal years 2016-17 and 2017-18 (based on one hotel currently in service). Based on a second hotel going into service in fiscal year 2018-19, the official estimated the new tax may generate approximately \$56,092 annually (Currently, the town is not in negotiations with a hotel chain to add a second facility).

An official with the Town indicated that the Lafayette Parish School System will likely collect this tax. Based on information obtained from the School System, we estimate that the School System may receive start up fees of \$700 in fiscal year 2015-16 and \$756 in collection fees starting in fiscal year 2016-17.

- Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
6.8(F)(2) >= \$500,000 Rev. Red. to State {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