

2017 Regular Session

HOUSE BILL NO. 622

BY REPRESENTATIVE HILFERTY

CONVENTION FACILITIES: Provides relative to the taxing authority and bonding capacity of the Ernest N. Morial-New Orleans Exhibition Hall Authority

1 AN ACT

2 To amend and reenact Sections 20 and 23 of Act No. 305 of the 1978 Regular Session of the

3 Legislature, as amended by Act No. 657 of the 1979 Regular Session of the

4 Legislature, Act No. 99 of the 1980 Regular Session of the Legislature, Act No. 9 of

5 the 1980 Second Extraordinary Session of the Legislature, Act No. 287 of the 1982

6 Regular Session of the Legislature, Act No. 572 of the 1984 Regular Session of the

7 Legislature, Act No. 390 of the 1987 Regular Session of the Legislature, Act No. 43

8 of the 1992 Regular Session of the Legislature, Act No. 1013 of the 1993 Regular

9 Session of the Legislature, Act Nos. 13 and 42 of the 1994 Regular Session of the

10 Legislature, Act Nos. 1174 and 1176 of the 1997 Regular Session of the Legislature,

11 Act No. 72 of the 2002 First Extraordinary Session of the Legislature, and Act No.

12 557 of the 2014 Regular Session of the Legislature, all relative to the Ernest N.

13 Morial-New Orleans Exhibition Hall Authority; to provide relative to the taxing

14 authority and bonding capacity of the Authority; to restrict the power granted to the

15 Authority to levy certain hotel occupancy and food and beverage taxes and to issue

16 bonds to finance certain expansion projects; and to provide for related matters.

17 Notice of intention to introduce this Act has been published

18 as provided by Article III, Section 13 of the Constitution of

19 Louisiana.

1 Be it enacted by the Legislature of Louisiana:

2 Section 1. Section 20 of Act No. 305 of the 1978 Regular Session of the Legislature,
3 as amended by Act No. 657 of the 1979 Regular Session of the Legislature, Act No. 99 of
4 the 1980 Regular Session of the Legislature, Act No. 9 of the 1980 Second Extraordinary
5 Session of the Legislature, Act No. 287 of the 1982 Regular Session of the Legislature, Act
6 No. 572 of the 1984 Regular Session of the Legislature, Act No. 390 of the 1987 Regular
7 Session of the Legislature, Act No. 43 of the 1992 Regular Session of the Legislature, Act
8 No. 1013 of the 1993 Regular Session of the Legislature, Act Nos. 13 and 42 of the 1994
9 Regular Session of the Legislature, Act Nos. 1174 and 1176 of the 1997 Regular Session of
10 the Legislature, Act No. 72 of the 2002 First Extraordinary Session of the Legislature, and
11 Act No. 557 of the 2014 Regular Session of the Legislature, is hereby amended and
12 reenacted to read as follows:

13 Section 20.A. As used herein, "expansion project" shall mean a project or
14 projects for the acquisition, construction, installation, and equipping of additions or
15 improvements to the Ernest N. Morial Convention Center-New Orleans (Convention
16 Center), including, but not by way of limitation, each of the following:

17 (1) Phase III Convention Center Expansion Project consisting of a building
18 attached to the Convention Center containing additional exhibit space, meeting
19 rooms, ballroom space, a food court, exhibit hall concession stands, food production
20 facilities, and other structures and facilities functionally related to the Convention
21 Center and completed in April of 1999.

22 (2) Phase IV Convention Center Expansion Project. The term "Phase IV
23 Convention Center Expansion Project" shall mean the project to construct a free-
24 standing building across Henderson Street from the existing Convention Center, on
25 a site owned by the ~~authority~~ Authority, containing approximately 1,500,000 square
26 feet under roof including approximately 500,000 square feet of exhibit space, with
27 accompanying meeting rooms, food service areas, building service areas and other
28 facilities functionally related thereto. It will be connected to Phase III by a
29 pedestrian bridge above Henderson.

1 (3) Phase V Convention Center Expansion Project. The term "Phase V
2 Convention Center Expansion Project" means a project to advance a tourism
3 development plan for the Convention Center, including enhancements to the facility
4 and installation of basic infrastructure to facilitate private development including the
5 private development of lodging facilities on property owned by the Exhibition Hall
6 Authority, the private component of which may involve a joint project between the
7 Authority and a private entity and the public component of which is to be developed
8 and funded in the following four stages in the order and according to the priorities
9 determined by the Authority:

10 (a) Stage One is to provide infrastructure including but not limited to the
11 following:

12 (i) Making public infrastructure improvements on Convention Center
13 Boulevard, from Poydras Street to Orange Street, including utility improvements,
14 redevelopment of north and south bound traffic lanes, the incorporation of a
15 landscaped linear park and pedestrian mall, and the relocation, redirection, and
16 redevelopment of traffic along South Peters Street and Tchoupitoulas Street.

17 (ii) The development of public infrastructure in the area generally bounded
18 by Henderson Street, Tchoupitoulas Street, Orange Street, and the Mississippi River
19 flood wall to include the extension of Convention Center Boulevard from Henderson
20 Street to Orange Street, public utility infrastructure to support anticipated private
21 development, and any needed soil remediation.

22 (iii) The relocation of existing power lines along Convention Center
23 Boulevard and the incorporation of a mechanical means of mass transit, such as a
24 moving sidewalk or a monorail, to transport people along Convention Center
25 Boulevard, from Poydras Street to Orange Street. Stage One projects shall be
26 accomplished in a manner which ensures that there is no reduction or impairment of
27 current vehicular capacity in that area, particularly with respect to any improvements
28 in the vicinity of Convention Center Boulevard and Poydras and Orange Streets.

1 (b) Stage Two is to make improvements at or on the riverfront to provide the
2 following:

3 (i) Development of a riverfront festival park along the Mississippi River at
4 existing wharfs, providing access to the river through the development of
5 approximately five acres for recreational, hospitality, commercial, and residential
6 use.

7 (ii) Development of Riverfront Festival Park infrastructure, including public
8 utilities, lighting, and landscaping.

9 (c)(i) Stage Three is to further integrate the Convention Center with its
10 surrounding urban areas through the following:

11 (aa) Renovation of the south end of the existing Convention Center in order
12 to create a new south entrance in response to adjacent development.

13 (bb) Development of an executive conference center which may be
14 integrated as part of a new, privately developed hotel.

15 (ii) Stage Three projects shall be accomplished in a manner which ensure no
16 impairment or diminishment of vehicular access to the facilities of the Board of
17 Commissioners of the Port of New Orleans which are or may be accessed in the
18 future via Henderson Street.

19 (d)(i) Stage Four is to provide for the renovation, restoration, construction,
20 or demolition of building or buildings, and site preparation related thereto, to
21 facilitate the creation and development of a riverfront festival park.

22 (ii) Activity associated with the renovation, restoration, construction, or
23 demolition of the said building or buildings and the development and operation of
24 the park is to be conducted in a fashion which ensures no interference with or
25 adverse effect upon the main line track of the New Orleans Public Belt Railroad.

26 ~~B. Without regard to and notwithstanding any other provisions hereof or~~
27 ~~laws to the contrary, in order to provide funds for the Phase IV Convention Center~~
28 ~~Expansion Project and for the use of such funds, along with existing taxes, fees, and~~
29 ~~charges to secure any bonds issued for the Phase IV Convention Center Expansion~~

1 ~~Project, the authority is authorized and empowered to levy and collect within the~~
2 ~~parish of Orleans, in addition to the hotel occupancy taxes and other taxes authorized~~
3 ~~to be levied and collected by the authority pursuant to Act 305, as amended, an~~
4 ~~additional tax of one percent on the occupancy of hotel rooms located in Orleans~~
5 ~~Parish. The word "hotel" shall mean and include any establishment engaged in the~~
6 ~~business of furnishing or providing rooms intended or designed for dwelling,~~
7 ~~lodging, or sleeping purposes to transient guests, where such establishment consists~~
8 ~~of ten or more guest rooms. "Hotel" does not include any hospital, convalescent or~~
9 ~~nursing home, or sanitarium, or hotel-like facility operated by or in connection with~~
10 ~~a hospital or medical clinic providing room exclusively for patients and their~~
11 ~~families. The tax shall be paid by the person who exercises or is entitled to~~
12 ~~occupancy of the hotel room, and shall be paid at the time the rent or fee for~~
13 ~~occupancy is paid. "Person" as used herein shall have the same definition as that~~
14 ~~contained in R.S. 47:301(8). The tax shall not apply to the rent for a hotel room~~
15 ~~rented to the same occupant for a period of thirty or more consecutive calendar days,~~
16 ~~nor shall it apply to hotel rooms rented for less than three dollars a day.~~

17 ~~C. In addition to the food and beverage tax authorized to be levied and~~
18 ~~collected pursuant to Section 19 hereof and to provide additional funds for the Phase~~
19 ~~IV Convention Center Expansion Project, the authority is authorized and empowered~~
20 ~~to levy and collect within the parish of Orleans an additional tax on food and~~
21 ~~beverages sold by any food service establishment, as defined herein, located within~~
22 ~~the parish of Orleans or in any airport or air transportation facility owned and~~
23 ~~operated by the city of New Orleans, excluding any food service establishment~~
24 ~~owned by any individual or corporation who had gross annual receipts of less than~~
25 ~~five hundred thousand dollars from the operation of all such establishments during~~
26 ~~the calendar year prior to the year in which the additional food and beverage tax is~~
27 ~~assessed. Said additional food and beverage tax shall be in the amount of one-fourth~~
28 ~~of one percent of gross receipts from the sales of goods and beverages by said food~~
29 ~~service establishments; such additional tax shall be paid by the person who purchases~~

1 such food or beverage and shall be paid at the time that the charge for the food or
2 beverage is paid. The words "food service establishment" shall have the meaning set
3 forth in Section 19(A) hereof and shall not mean or include convenience stores or
4 grocery stores. However, the additional food and beverage tax shall not apply to
5 meals furnished to any of the following: the staff and students of educational
6 institutions, including kindergartens and pre-kindergartens; the staff and patients of
7 hospitals; the staff, inmates, and patients of mental institutions; and the boarders of
8 rooming houses. Such additional food and beverage tax also shall not apply to
9 occasional meals furnished in connection with or by educational, religious, or
10 medical organizations if the meals are consumed on the premises where purchased.
11 However, sales by any of the above institutions or organizations in facilities open to
12 outsiders or to the general public are not exempt from the additional food and
13 beverage tax authorized by this Section.

14 ~~D. The authority shall impose the additional hotel occupancy tax authorized~~
15 ~~in Section 20(B) hereof and the additional food and beverage tax authorized in~~
16 ~~Section 20(C) hereof by resolutions adopted by the board who shall have the right~~
17 ~~to provide in the resolutions necessary and appropriate rules and regulations for the~~
18 ~~imposition, collection, and enforcement of said additional hotel occupancy tax and~~
19 ~~the additional food and beverage tax, including rules relative to issuance of tax~~
20 ~~exemption certificates for the additional food and beverage tax. The authority shall~~
21 ~~have the right to contract with the state of Louisiana or the city of New Orleans, or~~
22 ~~both, for the collection of said hotel occupancy and food and beverage taxes~~
23 ~~authorized hereby. Said additional hotel occupancy and food and beverage taxes~~
24 ~~shall be automatically terminated upon payment in full of all bonds or other~~
25 ~~obligations payable in whole or in part from or secured by said taxes.~~

26 ~~E. Without reference to any other provision of the Constitution or of the laws~~
27 ~~of Louisiana, including the Act, the authority is authorized from time to time, with~~
28 ~~the approval of the State Bond Commission, to issue its negotiable bonds in one or~~
29 ~~more series for the purpose of providing funds to finance the Phase IV Convention~~

1 ~~Center Expansion Project of the Ernest N. Morial Convention Center in accordance~~
2 ~~with the provisions of Section 21 hereof; said bonds to be payable from all revenues~~
3 ~~derived by the authority as more particularly set forth in the resolution or resolutions~~
4 ~~providing for their issuance.~~

5 F.B. Without reference to any other provision of the ~~Constitution~~
6 constitution or of laws of Louisiana, including the Act, the Authority is authorized
7 from time to time, with the approval of the State Bond Commission, to issue its
8 negotiable bonds in one or more series for the purpose of providing funds to finance
9 the Phase V Convention Center Expansion Project of the Ernest N. Morial
10 Convention Center in accordance with the provisions of Section 21 hereof; said
11 bonds to be payable from all revenues derived by the Authority as more particularly
12 set forth in the resolution or resolutions providing for their issuance.

13 Section 2. Section 23 of Act No. 305 of the 1978 Regular Session of the Legislature,
14 as amended by Act No. 657 of the 1979 Regular Session of the Legislature, Act No. 99 of
15 the 1980 Regular Session of the Legislature, Act No. 9 of the 1980 Second Extraordinary
16 Session of the Legislature, Act No. 287 of the 1982 Regular Session of the Legislature, Act
17 No. 572 of the 1984 Regular Session of the Legislature, Act No. 390 of the 1987 Regular
18 Session of the Legislature, Act No. 43 of the 1992 Regular Session of the Legislature, Act
19 No. 1013 of the 1993 Regular Session of the Legislature, Act Nos. 13 and 42 of the 1994
20 Regular Session of the Legislature, Act Nos. 1174 and 1176 of the 1997 Regular Session of
21 the Legislature, Act No. 72 of the 2002 First Extraordinary Session of the Legislature, and
22 Act No. 557 of the 2014 Regular Session of the Legislature, is hereby amended and
23 reenacted to read as follows:

24 Section 23. In each fiscal year, after payment of all obligations of the
25 ~~authority~~ Authority secured by or payable from all or any part of the taxes levied
26 pursuant to Sections 18 and 19 hereof, the ~~authority~~ Authority shall deposit the
27 balance of such taxes into a special escrow fund to be used solely to retire said
28 obligations in advance of their maturities at a price or prices not greater than the
29 applicable redemption price; ~~provided~~, however, the provisions of this Section shall

1 be applicable only to outstanding obligations of the ~~authority~~ Authority issued or
 2 incurred prior to the effective date of this amendment to this Section and shall not
 3 be applicable with respect to any bonds or other obligations issued or incurred
 4 thereafter to pay any costs of the Phase III Expansion Project, ~~the Phase IV~~
 5 ~~Expansion Project~~, or the Phase V Convention Center Expansion Project.

6 Section 3. The legislature hereby specifically declares that this Act in no way and
 7 to no extent is intended to nor shall it be construed in any manner to impair outstanding
 8 bonded debt obligations of the Authority.

9 Section 4. No provision of this Act shall affect, alter, or diminish the rights, powers,
 10 and jurisdiction of the Board of Commissioners of the Port of New Orleans over any
 11 property it owns, operates, or administers.

12 Section 5. To the extent that the provisions of this Act are inconsistent with any
 13 provision of statutory law or any special act of the legislature, or any part thereof, the
 14 provisions of this Act shall prevail.

15 Section 6. This Act shall become effective on January 1, 2018.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 622 Original

2017 Regular Session

Hilferty

Abstract: Restricts the power granted to the Ernest N. Morial-New Orleans Exhibition Hall Authority to levy hotel occupancy and food and beverage taxes and to issue bonds to fund a Phase IV expansion project.

Present law (uncodified) creates the Ernest N. Morial-New Orleans Exhibition Hall Authority (Authority). The purpose of the 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.

Proposed law retains present law.

Present law authorizes "expansion projects" including Phase III, IV, and V as follows:

- (1) Phase III Convention Center Expansion Project consisting of a building attached to the Convention Center containing additional exhibit space, meeting rooms, ballroom space, a food court, exhibit hall concession stands, food production facilities, and other structures and facilities functionally related to the Convention Center and completed in April of 1999.

- (2) Phase IV project means the project to construct a free-standing building across Henderson Street from the existing Convention Center, on a site owned by the Authority, containing approximately 1,500,000 square feet under roof including approximately 500,000 square feet of exhibit space, with accompanying meeting rooms, food service areas, building service areas, and other facilities functionally related thereto.
- (3) Phase V is a tourism development plan to enhance the Convention Center and install basic infrastructure to facilitate private development, including private development of lodging facilities, on property owned by the Exhibition Hall Authority, the public component of which is divided into the following four stages:
- (a) Public infrastructure improvements on Convention Center Blvd., from Poydras St. to Orange St., including utility improvements, redevelopment of traffic lanes, a linear park and pedestrian mall, and the relocation and redevelopment of traffic along S. Peters St. and Tchoupitoulas St.; public infrastructure improvements by Henderson St., Tchoupitoulas St., Orange St., and the Mississippi River flood wall to extend Convention Center Blvd. from Henderson St. to Orange St., public utility infrastructure to support anticipated private development, and soil remediation; and the relocation of existing power lines along Convention Center Blvd. and the incorporation of a "people mover" system along Convention Center Blvd., from Poydras St. to Orange St.
 - (b) Development of a riverfront festival park along the Mississippi River at existing wharfs, providing access to the river through the development of approximately five acres for recreational, hospitality, commercial, and residential use; and development of park infrastructure, including public utilities, lighting, and landscaping.
 - (c) Integration of the Convention Center with its surrounding urban areas through the renovation of the south end of the existing Convention Center by creating a new south entrance; and development of an executive conference center which may be integrated as part of a new, privately developed hotel.
 - (d) Renovation, restoration, construction, or demolition of building or buildings and site preparation related thereto, to facilitate the creation and development of a riverfront festival park.

Proposed law retains present law.

Present law authorizes the Authority, for the purpose of funding Phase IV, to impose an additional 1% hotel occupancy tax and a 1/4% tax on food and beverages sold by any food service establishment located within Orleans Parish or in any airport or air transportation facility owned and operated by the city of New Orleans, excluding any food service establishments owned by any individual or corporation who had gross receipts of less than \$500,000 from the operation of all such establishments during the calendar year prior to the year in which the food and beverage tax is assessed. Further provides that the term "food service establishment" shall not include convenience stores or grocery stores.

Proposed law removes present law.

Present law authorizes the Authority to issue bonds to finance Phase III, IV, and V expansion projects of the Authority. Bonds issued by the Authority must be approved by the State Bond Commission.

Proposed law removes the Authority's power to issue bonds for Phase IV projects. Proposed law otherwise retains present law.

Proposed law further provides that provisions of proposed law shall not affect, alter, or diminish any rights or powers of the Board of Commissioners of the Port of New Orleans with respect to any property it owns, operates, or administers.

Proposed law provides that proposed law does not impair outstanding bonded debt obligations of the Authority, and to any extent that any provision of proposed law is inconsistent with other laws, the provisions of proposed law prevail.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends §§20 and 23 of Act No. 305 of 1978 R.S., as amended)