HLS 19RS-382 ORIGINAL

2019 Regular Session

HOUSE BILL NO. 522

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BY REPRESENTATIVE ABRAMSON

TAX/SALES-USE, LOCAL: Provides relative to the levy of sales and use taxes in the city of New Orleans

AN ACT

2 To amend and reenact the third unnumbered Subparagraph of Paragraph (M) of Section 47 3 of Article XIV of the Constitution of 1921, continued as statute by Article XIV, 4 Section 16, of the Constitution of 1974, and to enact R.S. 47:338.220, relative to the 5 city of New Orleans; to provide relative to the levy of sales and use taxes on hotels 6 within the Louisiana Stadium and Exposition District; to provide relative to the city's 7 authority to levy certain suspended taxes; to authorize the governing authority of the 8 city to levy an additional hotel occupancy tax; to provide for the use of tax proceeds; 9 and to provide for related matters. 10 Notice of intention to introduce this Act has been published 11 as provided by Article III, Section 13 of the Constitution of 12 Louisiana. 13 Be it enacted by the Legislature of Louisiana: 14 Section 1. The third unnumbered Subparagraph of Paragraph (M) of Section 47 of 15 Article XIV of the Constitution of 1921, continued as statute by Article XIV, Section 16, of 16 the Constitution of 1974, is hereby amended to read as follows: 17 §47. Louisiana Stadium and Exposition District 18 19 (M) 20

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

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In the event the occupancy tax is imposed as herein provided, the two percent state sales and use tax on hotel fees and rentals covered by the occupancy tax, as well as all other local sales or use taxes levied within the District prior to the effective date of this amendment by any political subdivision of the State on such hotel fees and rentals, except three-fourths of the sales and use taxes levied by the city of New Orleans, shall be abated during the period of the levy of the occupancy tax, it being the intention of this amendment to exempt such rentals and fees from the said sales and use taxes in consideration of the economic and financial benefits accruing to the state, the City of New Orleans and the Parish of Jefferson from the construction and operation of the District's facilities. Provided, however, that the Orleans Parish School Board may levy or continue to levy on such hotel fees and rentals its one percent sales and use tax authorized at a special election held on May 3, 1966; the Jefferson Parish School Board may levy or continue to levy on such hotel fees and rentals its one-half of one percent sales and use tax authorized at a special election held on May 3, 1966; and the Jefferson Parish School Board shall continue to receive and the governing authority of the Parish of Jefferson shall continue to levy for the benefit of said School Board on such hotel fees and rentals fifty percent of the one percent sales and use tax authorized at a special election held on October 5, 1954, it being the further intention of this amendment that the present rate of the sales and use taxes being levied by or accruing to such school boards under existing law shall not be abated or diminished.

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Section 2. The third unnumbered Subparagraph of Paragraph (M) of Section 47 of Article XIV of the Constitution of 1921, continued as statute by Article XIV, Section 16, of the Constitution of 1974, is hereby amended to read as follows:

§47. Louisiana Stadium and Exposition District

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28 (M)

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In the event the occupancy tax is imposed as provided in this Paragraph, the two percent state sales and use tax on hotel fees and rentals covered by the occupancy tax, as well as all other local sales or use taxes levied within the district prior to November 8, 1966, by any political subdivision of the state on such hotel fees and rentals, except three-fourths of the sales and use taxes levied by the city of New Orleans, shall be abated during the period of the levy of the occupancy tax, it being the intention of this Subparagraph to exempt such rentals and fees from the said sales and use taxes in consideration of the economic and financial benefits accruing to the state of Louisiana and the parish of Jefferson from the construction and operation of the district's facilities. Provided, however, that the Orleans Parish school board may levy or continue to levy on such hotel fees and rentals its one percent sales and use tax authorized at a special election held on May 3, 1966; the Jefferson Parish school board may levy or continue to levy on such hotel fees and rentals its one-half of one percent sales and use tax authorized at a special election held on May 3, 1966; and the Jefferson Parish school board shall continue to receive and the governing authority of the parish of Jefferson shall continue to levy for the benefit of the school board on such hotel fees and rentals fifty percent of the one percent sales and use tax authorized at a special election held on October 5, 1954, it being the further intention of this Subparagraph that the present rate of the sales and use taxes being levied by or accruing to such school boards under existing law shall not be abated or diminished.

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Section 3. R.S. 47:338.220 is hereby enacted to read as follows:

A.(1) Notwithstanding any other provision of law to the contrary, the governing authority of the city of New Orleans may levy and collect an additional tax upon the paid occupancy of hotel rooms located within the city of New Orleans at a rate not to exceed two-tenths percent of the rent or fee charged for occupancy.

(2) The word "hotel" as used in this Section means any establishment engaged in the business of furnishing or providing rooms intended or designed for

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2	consists of ten or more guest rooms. "Hotel" does not include any hospital,
3	convalescent or nursing home or sanitarium, or any hotel-like facility operated by or
4	in connection with a hospital or medical clinic providing rooms exclusively for
5	patients and their families.
6	(3) The person who exercises or is entitled to occupancy of the hotel room
7	shall pay the hotel occupancy tax at the time the rent or fee for occupancy is paid.
8	"Person" as used in this Paragraph shall have the same definition as that contained
9	<u>in R.S. 47:301(8).</u>
10	B. The governing authority of the city of New Orleans shall impose the hotel
11	occupancy tax by ordinance or resolution. The governing authority may adopt such
12	ordinance or resolution only after a proposition authorizing the levy of the tax has
13	been approved by a majority of the electors of the city of New Orleans voting at an
14	election held for that purpose in accordance with the Louisiana Election Code. The
15	governing authority may provide in the ordinance or resolution necessary and
16	appropriate rules and regulations for the imposition, collection, and enforcement of
17	the hotel occupancy tax.
18	C. The governing authority may enter into a contract with any public entity
19	authorized to collect sales or use taxes, under such terms and conditions as it may
20	deem appropriate, including payment of a reasonable collection fee, for the
21	collection of the hotel occupancy tax authorized by this Section. The hotel
22	occupancy tax shall be in addition to all taxes levied upon the occupancy of hotel
23	rooms located within the city of New Orleans.
24	D. Except as provided in Subsection C of this Section, the proceeds of the
25	tax authorized by this Section and all revenue received by the city of New Orleans
26	as a result of the provisions of the Act that enacted this Section shall be deposited
27	into the infrastructure fund of the city.
28	Section 4.(A) Section 2 and 3 of this Act shall become effective on January 1, 2025.

dwelling, lodging or sleeping purposes to transient guests, where such establishment

- 1 (B) Section 1, and this Section of this Act shall become effective on July 1, 2019;
- 2 if vetoed by the governor and subsequently approved by the legislature, this Act shall
- 3 become effective on July 1, 2019, or on the day following such approval by the legislature,
- 4 whichever is later.

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 522 Original

2019 Regular Session

Abramson

Abstract: Relative to the city of New Orleans, provides relative to the authority of the city to levy suspended sales and use taxes on hotels and authorizes the city to levy an additional hotel occupancy tax, not to exceed .2%, beginning July 1, 2025.

<u>Present law</u> creates and provides for the La. Stadium and Exposition District, as a political subdivision of the state composed of all of the territory in the parishes of Orleans and Jefferson. Provides for the district's governance.

Proposed law retains present law.

<u>Present law</u> authorizes the district to levy a hotel occupancy tax. Provides that the 2% state sales and use tax on hotel fees and rentals and all local sales and use taxes levied within the district prior to Nov. 8, 1966, are abated during the period that the hotel occupancy tax is levied. Prohibits the district from levying the hotel occupancy tax until the governing authorities of the city of New Orleans and Jefferson Parish consent to the abatement of their local sales and use taxes. Authorizes the school boards in the city of New Orleans and Jefferson Parish to continue levying their local sales and use taxes.

<u>Proposed law</u> retains <u>present law</u> but excepts 3/4 of the sales and use taxes levied by the city of New Orleans from the abatement, beginning July 1, 2019. <u>Proposed law</u> further excepts all sales and use taxes levied by the city, beginning July 1, 2025.

<u>Proposed law</u> authorizes the city to levy, subject to voter approval, a hotel occupancy tax at a rate not to exceed .2%.

<u>Proposed law</u> also provides that revenue derived from taxes authorized by <u>proposed law</u> shall be deposited into the infrastructure fund of the city.

Effective in part on July 1, 2019.

Effective in part on July 1, 2025.

(Amends Art. XIV, §47(M)(third unnumbered Subparagraph) of the Const. of 1921; Adds R.S. 338.220)