LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 207** HLS 11RS 555
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 18, 2011 11:33 AM
Author: JOHNSON
Dept./Agy.: Revenue
Subject: Establishes a municipal sales tax on hotel rentals in Bunkie
Analyst: Deborah Vivien

TAX/HOTEL OCCUPANCY OR -$26,000 LF RV See Note
Authorizes certain municipalities, subject to voter approval, to levy and collect a hotel occupancy tax

Under current law, lodging in Avoyelles Parish for establishments with six or more rooms is subject to sales and use taxes of 4% for the state and 5% for the local taxing authority.

Proposed law authorizes an additional local occupancy tax of up to 5% on lodging within municipalities with a population between 4,150 and 4,250 (city of Bunkie) on establishments with two or more rooms for deposit into the general fund of the city. This tax must be approved by a majority of the voters before it is implemented.

EXPENDITURES	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$0	$0	$0	$0	$0	**$0**
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

REVENUES	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**5 -YEAR TOTAL**
State Gen. Fd.	$0	$0	$0	$0	$0	**$0**
Agy. Self-Gen.	$0	$0	$0	$0	$0	**$0**
Ded./Other	$0	$0	$0	$0	$0	**$0**
Federal Funds	$0	$0	$0	$0	$0	**$0**
Local Funds	$21,000	$26,000	$26,000	$26,000	$26,000	**$125,000**
Annual Total	**$21,000**	**$26,000**	**$26,000**	**$26,000**	**$26,000**	**$125,000**

EXPENDITURE EXPLANATION

The only city meeting the population criteria in the 2010 census is Bunkie. There are currently only four potential establishments subject to this tax including one under construction that will require annexation in order to be subject to the tax authorized by this bill. The collection of this tax may require a small amount of additional resources by the city of Bunkie, and collection can be contracted with an appropriate public entity for a reasonable fee.

REVENUE EXPLANATION

The city of Bunkie indicates that it plans to request only 3% local occupancy tax from the voters if the bill is passed, not the 5% allowable maximum. Based on average collections per room from all existing establishments and assuming that the 60 rooms under construction are able to be annexed and generate the same level of collections (though only half in FY 11/12 due its mid-year opening), local funds will increase by about $26,000 (or about $21,000 in FY 11/12) at full operation. However, if the maximum 5% occupancy tax is implemented, collections are estimated to increase to about $43,000 (or about $35,000 in FY 11/12). Any change in economic activity affecting occupancy rates beyond the levels typically experienced would impact actual collections.

Senate Dual Referral Rules
☐ 13.5.1 >= $100,000 Annual Fiscal Cost
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change

House
☐ 6.8(F) >= $100,000 Annual SGF Cost
☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease

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