



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: SB 44 SLS 14RS 224
Bill Text Version: ORIGINAL
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 1, 2014 8:19 AM Author: MARTINY
Dept./Agy.: Jefferson Convention and Visitors Bureau/Tourism Orgs
Subject: Hotel Assessment and Guest Surcharge Analyst: Michael Cragin

TOURISM OR INCREASE RV See Note Page 1 of 1
Authorizes a levy of an optional hotel assessment by a tourism organization upon its hotel members and provides for treating such assessment as a surcharge to hotel guests. (8/1/14)

Purpose of Bill: The purpose of this bill is to authorize a "tourism organization" domiciled in Jefferson Parish including the Jefferson Convention and Visitors Bureau (JCVB) to levy a hotel assessment on its hotel members for destination marketing sales, public relations, and related tourism and economic development. The measure provides requirements allowing member hotels to vote on a proposed assessment. It also provides requirements for disclosing assessments passed on to hotel guests as a surcharge.

Note: The JCVB is a non-profit organization, not a political subdivision of the State of Louisiana.

Table with 7 columns: EXPENDITURES, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 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, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

Beginning in fiscal year 2015, there may be an increase in revenues for the Jefferson Convention and Visitors Bureau (non-profit organization) of up to \$2,800,000 each year.

A representative of the Jefferson Convention and Visitors Bureau estimated that \$2,788,827 would be generated from 7,500 hotel rooms, at an average occupancy rate of 66.1%, at an average daily room rate of \$88.07, and an assessment of 1.75% for 365 days (7,500 x 66.1% x \$88.07 x 1.75% x 365).

- 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 State Rev. Reduc. {H & S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Joy Irwin
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