

Regular Session, 2012

SENATE BILL NO. 767 (Substitute of Senate Bill No. 573 by Senator Murray)

BY SENATOR MURRAY

SPECIAL DISTRICTS. Creates the New Orleans Hospitality Zone. (gov sig)

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AN ACT

To enact Subpart B-28 of Part IV of Chapter 1 of Title 33 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 33:130.551 through 130.558, relative to economic and community development in Orleans Parish; to provide for the levy and collection of taxes, with voter approval; to provide relative to the avails of the taxes; to provide for annual reporting; to provide for public records; to provide for an effective date and a termination date; and to provide for related matters.

Notice of intention to introduce this Act has been published.

Be it enacted by the Legislature of Louisiana:

Section 1. Subpart B-28 of Part IV of Chapter 1 of Title 33 of the Louisiana Revised Statutes of 1950, comprised of R.S. 33:130.551 through 130.558, is hereby enacted to read as follows:

SUBPART B. NEW ORLEANS HOSPITALITY ZONE

§130.551. Title

The provisions of this Subpart shall hereafter be known as the "New Orleans Hospitality Zone Act".

§130.552. New Orleans Hospitality Zone; creation

1 There is hereby created in the city of New Orleans, the New Orleans
2 Hospitality Zone.

3 §130.553. Definitions

4 As used in this Subpart:

5 (1) "City" means the city of New Orleans.

6 (2) "Fund" means the Hospitality Zone Dedicated Fund hereby created
7 as a special and distinct fund within the city of New Orleans.

8 (3) "Hospitality zone" means all territories within the boundaries of the
9 Pontchartrain Expressway, at the point where it intersects with the Mississippi
10 River to Claiborne overpass/ I-10; I-10 to Canal Street; Canal Street to North
11 Rampart, along the rear property lines of parcels that front on the down river
12 side of Canal Street; North Rampart to Esplanade, along the rear property lines
13 of parcels that front on the lakeside of North Rampart; Esplanade to the
14 Mississippi River, along the rear property lines of parcels that front on the
15 down river side of Esplanade; the Mississippi River back to the point where it
16 intersects with the Pontchartrain Expressway.

17 (4) "Hotel" means any establishment engaged in the business of
18 furnishing or providing rooms intended or designed for dwelling, lodging, or
19 sleeping purposes to transient guests where such establishment consists of ten
20 or more guest rooms and rents for more than ten dollars per day, but does not
21 include any hospital, convalescent or nursing home or sanitarium, or any
22 hotel-like facility operated by or in connection with a hospital or medical clinic
23 providing rooms exclusively for patients and their families.

24 (5) "Mayor" means the mayor of the city of New Orleans.

25 §130.554. Purpose

26 The zone is created to improve the quality of life for the residents within
27 the hospitality zone and to provide for cooperative economic and community
28 development that grows the tourism industry among the city, the state, and the
29 owners of property in the hospitality zone, including, but not limited to

1 enhancing the development of and improvement to the properties within the
2 hospitality zone, to promote tourism and improve the quality of the experience
3 for visitors and manage the impact on neighborhoods within the hospitality
4 zone, to provide enhanced public safety and sanitation within the zone, to
5 provide for signage and lighting within the hospitality zone, to provide for
6 property renewal and repair within the zone, and to expand the entertainment
7 and leisure activities and facilities within the hospitality zone.

8 §130.555. New Orleans Hospitality Zone Dedicated Fund

9 A. There shall be a special and distinct fund in the city known as the
10 Hospitality Zone Dedicated Fund.

11 B. Money in the New Orleans Hospitality Zone Dedicated Fund shall be
12 allocated and used according to funding recommendations of the New Orleans
13 City Council. The recommendations shall be made and prioritized in order to
14 enhance public safety, sanitation, infrastructure, and enforcement, parks and
15 parkways, or other projects within the Hospitality Zone, with priority
16 considerations given to the needs of the French Quarter area. In no case shall
17 the total amount of money allocated from the fund for the French Quarter area
18 in such recommendations be less than a reasonable estimate of the proceeds of
19 the additional taxes authorized by R.S. 33:130.556 collected from the French
20 Quarter area.

21 C. Funds in the Hospitality Zone Dedicated Fund shall supplement and
22 enhance services routinely provided by the city or its agencies.

23 §130.556. Levy of Taxes

24 A. It is expressly provided that any taxes levied by the city may exceed
25 the limitation set forth by Article VI, Section 29(A) of the Constitution of
26 Louisiana and shall be imposed, collected, and enforced subject to the terms of
27 the resolution imposing the tax and the provisions of Chapter 2 of Subtitle II of
28 Chapter 47 of the Louisiana Revised Statutes of 1950.

29 B.(1) Notwithstanding any law to the contrary, the provisions of this

1 Subsection shall apply to the levy of any tax in the city under any authority
2 provided in this Subpart. Any taxes of any type to be levied in the city, shall be
3 levied only after the New Orleans City Council has adopted an appropriate
4 resolution giving notice of its intention to levy such taxes, which resolution shall
5 include a general description of the taxes to be levied, and notice of this
6 intention shall be published twice in the official journal of the parish.

7 (2) Such taxes may be levied only after the proposition for the levy of
8 such taxes has been submitted to the electors of the city at an election held for
9 that purpose and the proposition has received the favorable vote of a majority
10 of the electors voting in such election. This Section does and shall be construed
11 to provide a complete and additional method for the levy of the taxes authorized
12 in this Section and no other proceeding, notice, or approval shall be required.

13 C. The city is hereby authorized and empowered to levy an additional tax
14 on the occupancy of hotel rooms in the city in an aggregate amount not to
15 exceed one and three-quarters percent (1.75%) at any time.

16 D.(1) The city is hereby further authorized and empowered to levy an
17 additional tax on the sale at retail of food and beverages for consumption on or
18 off the premises , not intended for home consumption, in the area bound by the
19 Pontchartrain Expressway to Claiborne overpass/ I-10; Claiborne overpass/ I-
20 10 to Canal Street; Canal Street to North Rampart, along the rear property
21 lines of parcels that front on the down river side of Canal Street; North
22 Rampart to Esplanade, along the rear property lines of parcels that front on the
23 lakeside of North Rampart; Esplanade to the Mississippi River, along the rear
24 property lines of parcels that front on the down river side of Esplanade; the
25 Mississippi River to the Pontchartrain Expressway in an aggregate amount not
26 to exceed 0.2495% at any time.

27 (2) Such tax shall be paid by the person who purchases such food or
28 beverage and shall be paid at the time that the charge for the food or beverage
29 is paid at any establishment or operation including, any fixed or mobile

1 restaurant, coffee shop, cafeteria, short order café, luncheonette, grill, tearoom,
2 sandwich shop, tavern, bar, cocktail lounge, nightclub, roadside stand,
3 industrial feeding establishment, catering establishment, and any other
4 establishment or operation where food or drink is served or provided for the
5 public or similar place in which food or drink is prepared for sale or service on
6 the premises. However, the food and beverage tax shall not apply to meals
7 furnished to any of the following: the staff and students of educational
8 institutions, including kindergartens, the staff and patients of hospitals or health
9 facilities, to occasional meals furnished in connection with or by educational,
10 religious, or medical organizations if the meals are consumed on the premises
11 where purchased.

12 E. The city is hereby further authorized and empowered to levy an
13 additional one percent tax with respect to overnight registered guest's overnight
14 parking.

15 F. The avails of the tax as authorized in Subparagraph C and
16 Subsections D and E of this Section shall be distributed electronically each
17 month as follows:

18 (1) Twenty percent to the New Orleans Metropolitan Convention and
19 Visitors Bureau for tourism marketing.

20 (2) Twenty percent to the New Orleans Tourism Marketing Corporation
21 for tourism marketing.

22 (3)(a) Forty percent to the Hospitality Zone Dedicated Fund. Money in
23 the fund shall be used solely for enhanced city services and shall only be used
24 for enhanced public safety, sanitation, infrastructure, and maintenance thereof,
25 and code enforcement.

26 (b) Funds in the Hospitality Zone Dedicated Fund shall supplement and
27 enhance those services routinely provided by the city or its agencies.

28 (4) Ten percent to the New Orleans Multicultural Tourism Network.

29 (5) Ten percent to the French Quarter Management District. This shall

1 be considered as supplemental funding for the district and shall not be
2 considered to supplant any existing funding for the district nor prohibit any
3 additional allocations from the Hospitality Zone Dedicated Fund.

4 G. Any tax levied under this Section shall be in addition to all other taxes
5 and shall be collected at the same time and in the same manner and pursuant
6 to the practices and procedures set forth in the Uniform Local Sales Tax Code
7 in Chapter 2-D of Subtitle II of Title 47 of the Louisiana Revised Statutes of
8 1950.

9 §130.557. Accountability

10 A. There shall be a public accounting of all funds received as a result of
11 this Subpart as well as a prompt response to public records request in relation
12 to these funds irrespective of the status of the receiving organization.

13 B. All entities identified for funding under R.S. 33:130.556(F), except
14 R.S. 33:130.556(F)(3), shall submit an annual report to the New Orleans City
15 Council and the legislature that identifies their use and allocation of the funds.
16 The annual report shall be submitted on October first each year. The first
17 report shall be due October 1, 2013, and shall cover allocations made in the
18 prior fiscal year.

19 §130.558. Liberal construction

20 This Subpart, being necessary for the welfare of the state, the city-parish,
21 and its residents, shall be liberally construed to effect the purposes thereof.

22 Section 2. If any provision or item of this Act, or the application thereof, is held
23 invalid, such invalidity shall not affect other provisions, items, or applications of the act
24 which can be given effect without the invalid provision, item, or application and to this end
25 the provisions of this Act are hereby declared severable.

26 Section 3. The provisions of this Act shall be null and void and of no effect after
27 January 1, 2022.

28 Section 4. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 3 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Dawn Romero Watson.

DIGEST

Murray (SB 767)

Proposed law creates and provides relative to the New Orleans Hospitality Zone.

Proposed law provides for the purpose and the boundaries of the hospitality zone.

Proposed law recognizes the Hospitality Zone Dedicated Fund as a special and distinct fund in the city of New Orleans. Provides that money in the fund be allocated and used according to funding recommendations of the New Orleans City Council. Provides that the recommendations be made and prioritized in order to enhance public safety, sanitation, infrastructure, and enforcement, parks and parkways, or the projects within the hospitality zone. Requires that the total amount of money allocated from the fund for the French Quarter area shall not be less than a reasonable estimate of the proceeds of the proposed law taxes collected from the area for the fund.

Proposed law authorizes the city of New Orleans to levy and collect certain additional taxes. Requires that prior to the levy of such taxes the following must occur:

1. The New Orleans City Council must adopt a resolution giving notice of its intent to levy the tax which shall include a general description of the taxes to be levied.
2. Such notice of intent shall be published twice in the official journal of Orleans Parish.
3. The proposition for the levy be submitted to the voters at an election held for that purpose and such proposition receive a favorable vote of the majority of voters voting in such election.

Proposed law authorizes the city, after meeting the requirements, to levy and collect the following taxes, which are:

1. An additional tax on the occupancy of hotel rooms in the city in an aggregate amount not to exceed 1.75%.
2. An additional tax on the sale at retail of food and beverages for consumption on or off premises, and not intended for home consumption, in an aggregate amount not to exceed 0.2495%. This tax is limited to the area bound by the Pontchartrain Expressway to Claiborne overpass/ I-10; Claiborne overpass/ I-10 to Canal Street; Canal Street to North Rampart, along the rear property lines of parcels that front on the downriver side of Canal Street; North Rampart to Esplanade, along the rear property lines of parcels that front on the lakeside of North Rampart; Esplanade to the Mississippi River, along the rear property lines of parcels that front on the downriver side of Esplanade; the Mississippi River to the Pontchartrain Expressway. Provides for certain exceptions.
3. An additional 1% with respect to overnight registered guest's overnight parking.

Proposed law provides for the avails of the tax to be distributed electronically each month as follows:

1. 20% to the New Orleans Metropolitan Convention and Visitors Bureau for tourism marketing.
2. 20% to the New Orleans Tourism Marketing Corporation for tourism marketing.
3. 40% to the Hospitality Zone Dedicated Fund.
4. 10% to the New Orleans Multicultural Tourism Network.
5. 10% to the French Quarter Management District. Specifically provides that such funding shall be considered supplemental and shall not prohibit additional funding from the Hospitality Zone Dedicated Fund.

Proposed law provides that there shall be a public accounting of all funds received as a result of proposed law. Requires a prompt response to a public records request in relation to funds irrespective of the status of the receiving organization.

Proposed law requires that all entities receiving the distribution of the tax avails, except the city of New Orleans, to submit an annual report to the New Orleans City Council and the legislature that identifies their use and allocation of the funds. Requires the initial report to be submitted October 1, 2013, and cover allocations made in the prior fiscal year.

Provides a sunset date of proposed law of January 1, 2022.

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

(Adds R.S. 33:130.551-558)