



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **HB 216** HLS 15RS 555
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 13, 2015 4:37 PM	Author: SEABAUGH
Dept./Agy.: Shreveport-Bossier Convention and Tourist Bureau	Analyst: Whit Kling
Subject: Tax/Hotel Occupancy	

TAX/HOTEL OCCUPANCY OR +\$1,720,654 LF RV See Note Page 1 of 1
 Provides relative to the hotel occupancy tax that the Shreveport-Bossier Convention and Tourist Bureau is authorized to levy

Purpose of the Bill: The bill amends current law to authorize the Shreveport-Bossier Convention and Tourism Bureau ("Bureau"), subject to voter approval within the parishes of Caddo and Bossier, to levy an additional one and one-half percent occupancy tax, to be levied on the rent or fee charged for such occupancy. Bill further provides for the distribution of tax proceeds from the additional levy: a) 50% of one cent going to support the Independence Bowl Foundation, b) 50% of one cent going to support the Ark-La-Tex Regional Air Service Alliance and c) 50% of one cent going to support the Shreveport-Bossier Sports Commission. Finally, the bill provides for the terms and conditions of the election call and the term of the levy and the options for future renewals.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	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	<u>\$1,149,527</u>	<u>\$1,720,654</u>	<u>\$1,720,654</u>	<u>\$1,720,654</u>	<u>\$1,720,654</u>	\$8,032,143
Annual Total	\$1,149,527	\$1,720,654	\$1,720,654	\$1,720,654	\$1,720,654	\$8,032,143

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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	<u>\$860,327</u>	<u>\$1,720,654</u>	<u>\$1,720,654</u>	<u>\$1,720,654</u>	<u>\$1,720,654</u>	\$7,742,943
Annual Total	\$860,327	\$1,720,654	\$1,720,654	\$1,720,654	\$1,720,654	\$7,742,943

EXPENDITURE EXPLANATION

This bill may increase local governmental expenditures by approximately \$1,149,527 beginning in fiscal year 2015-2016 and approximately \$1,720,654 annually thereafter.

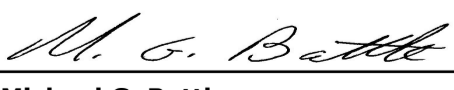
According to an official with the Bossier City Sales & Use Tax Division, approximately \$ 3,893 in fiscal year 2015-2016 and approximately \$4,486 annually thereafter will be assessed as a collection fee. According to an official with the Caddo-Shreveport Sales & Use Tax Division, approximately \$ 4,710 in fiscal year 2015-2016 and approximately \$9,420 annually thereafter will be assessed as a collection fee. Net proceeds will be distributed to the Shreveport-Bossier Sports Commission, the Independence Bowl Foundation, and the Ark-La-Tex Regional Air Service Alliance. The proposed tax must be approved by the voters of Caddo and Bossier parishes at an election to be called, however, the date of that election is yet to be determined. Based upon information provided by the Secretary of State's office, should the issue be placed as a single item at a special election date, the maximum estimated election costs would be \$289,200; however, should the call be on a regular election date, the cost would be significantly less.

REVENUE EXPLANATION

This bill may increase local governmental revenues by approximately \$860,327 beginning in fiscal year 2015-2016 and approximately \$1,720,654 annually thereafter.

Based on historical average collections, the Bossier City-Parish Sales & Use Tax Division estimates that increasing the total occupancy tax will increase collections by approximately \$389,328 in Fiscal Year 2015-16 and approximately \$778,656 annually thereafter.

Based on historical average collections, the Caddo-Shreveport Sales Tax Commission estimates that increasing the total occupancy tax will increase collections by approximately \$470,999 in Fiscal Year 2015-16 and approximately \$941,998 annually thereafter.

Senate	<u>Dual Referral Rules</u>	House	<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	 Michael G. Battle Manager, Advisory Services
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}			<input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}			<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	