



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

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

Date: June 8, 2015 4:31 PM Author: SEABAUGH
Dept./Agy.: Shreveport-Bossier Convention and Tourist Bureau
Subject: Tax/Hotel Occupancy Analyst: Whit Kling

TAX/HOTEL OCCUPANCY EN INCREASE 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 held at a regularly scheduled statewide election date, 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.

Table with 7 columns: EXPENDITURES/REVENUES, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total for both categories.

EXPENDITURE EXPLANATION

This bill may increase local governmental expenditures by approximately \$874,787 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 a regularly scheduled statewide election. Based upon information provided by the Secretary of State's office, it is estimated that the cost of election would be approximately \$14,460 for a statewide election.

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 Dual Referral Rules House
[] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
[] 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}
[X] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}
[] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Signature of Michael G. Battle
Michael G. Battle
Manager, Advisory Services