

Regular Session, 2013

HOUSE BILL NO. 231

BY REPRESENTATIVE PIERRE

DISTRICTS/SPECIAL: Authorizes the governing authority of Lafayette Parish to create an automobile rental tax district

1 AN ACT

2 To enact R.S. 47:551.1, relative to Lafayette Parish; to authorize the parish governing
3 authority to establish an automobile rental tax district; to provide for the boundaries,
4 governance, and powers of the district; to authorize the levy of a tax on the lease or
5 rental of certain automobiles under certain circumstances; to provide for the use of
6 the avails of the tax; to provide for an effective date; and to provide for related
7 matters.

8 Notice of intention to introduce this Act has been published
9 as provided by Article III, Section 13 of the Constitution of
10 Louisiana.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 47:551.1 is hereby enacted to read as follows:

13 §551.1. Automobile rental tax district; Lafayette Parish

14 A.(1) The governing authority of the parish of Lafayette may create, by
15 ordinance, an automobile rental tax district, referred to in this Section as the
16 "district". The district shall be a political subdivision of the state as defined in the
17 Constitution of Louisiana.

18 (2) The boundaries of the district shall be coterminous with the boundaries
19 of the parish.

20 (3) The parish governing authority shall be the governing authority of the
21 district.

1 B.(1)(a) The district may levy an automobile rental tax, not to exceed three
2 percent of the gross proceeds derived from the lease or rental of an automobile
3 pursuant to an automobile rental contract, less any sales and use tax included in such
4 contract. The tax shall be in addition to any tax, fee, or license imposed directly or
5 indirectly.

6 (b) The tax shall be levied only after the question of its levy has been
7 approved by a majority of the registered voters of the district who vote on the
8 proposition authorizing the tax at an election held for that purpose in accordance
9 with the Louisiana Election Code. The election on the question of the levy of the tax
10 shall be held at the same time as a regularly scheduled election in the parish.

11 (c) The tax shall not apply to any automobile rented by an insurance
12 company as a replacement vehicle for a policyholder or by an automobile dealer as
13 a replacement vehicle while a customer's vehicle is being serviced or repaired, nor
14 shall the tax apply to any individual or business who rents a vehicle as a replacement
15 vehicle while his vehicle is being repaired if the individual presents to the renter
16 upon return of the rented vehicle a copy of the repair or service invoice.

17 (2) For purposes of this Section "automobile rental contract" shall mean all
18 agreements for the rental of an automobile without a driver designated to carry less
19 than nine passengers for a period of not more than twenty-nine calendar days. Rental
20 agreements for a period of more than twenty-nine calendar days shall not be subject
21 to the tax, unless the actual period of the rental agreement is less than twenty-nine
22 days as a result of the exercise of a cancellation clause.

23 C. All avails of the tax collected in the district shall be distributed to the
24 North Lafayette Redevelopment Authority.

25 D. The parish governing authority shall prescribe in the ordinance creating
26 the district any other purposes of the district. The parish and the district may enter
27 into a cooperative endeavor agreement providing for cooperative efforts to exercise
28 any authorized governmental function of the parish.

1 Section 2. This Act shall become effective on July 1, 2013; if vetoed by the governor
2 and subsequently approved by the legislature, this Act shall become effective on July 1,
3 2013, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Pierre

HB No. 231

Abstract: Authorizes the governing authority of Lafayette Parish to create, by ordinance, an automobile rental tax district.

Proposed law authorizes the Lafayette Parish governing authority to create, by ordinance, an automobile rental tax district as a political subdivision of the state. Provides that the boundaries of the district shall be coterminous with the boundaries of the parish. Provides that the parish governing authority shall be the governing authority of the district.

Proposed law authorizes the district, subject to voter approval, to levy an automobile rental tax, not to exceed 3% of the gross proceeds derived from the lease or rental of an automobile pursuant to an automobile rental contract, less any sales and use tax included in such contract. Requires that the election on the question of the levy of the tax be held at the same time as a regularly scheduled election in the parish.

Proposed law excludes the following transactions from any tax that may be imposed:

- (1) Automobiles rented by an insurance company as a replacement vehicle for a policyholder.
- (2) Automobiles rented by an automobile dealer as a replacement vehicle while a customer's vehicle is being repaired.
- (3) An automobile rental by an individual or business who rents a vehicle as a replacement vehicle while his vehicle is being repaired if the individual presents to the renter upon return of the rented vehicle a copy of the repair or service invoice.

Proposed law defines "automobile rental contract" to mean an agreement for the rental of an automobile without a driver, designated to carry less than nine passengers, for a rental period of not more than 29 calendar days. Provides that rental agreements in excess of 29 days shall not be subject to the tax, unless the actual period of the rental agreement is less than 29 days as a result of the exercise of a cancellation clause.

Proposed law requires that the avails of the tax be distributed to the North Lafayette Redevelopment Authority.

Proposed law requires the parish governing authority to prescribe in the ordinance creating the district any other purposes of the district.

Effective July 1, 2013.

(Adds R.S. 47:551.1)