



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 565

Chairperson: Ray Janssen
Committee: Revenue
Date of Hearing: February 15, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 565 would allow the creation of Entertainment and Tourism Development Districts. With state and local financial assistance these areas could be developed, redeveloped, or expanded into entertainment and tourist destinations, which will, in turn, increase the economic and job growth of this state. Such development, redevelopment, or expansion into entertainment and tourist destinations will likely not occur in these areas if left to the normal regulatory process and the ordinary operations of private enterprise. The Entertainment and Tourism Development Act is intended to promote, stimulate, and develop the general and economic welfare of the state and its communities and to assist in the development of such areas by authorizing cities, counties, or joint entities to acquire certain property and to issue special obligation bonds for the financing of development projects that promote the establishment or expansion of Entertainment and Tourism Development Districts and to provide financial assistance as necessary to accomplish these purposes.

Activities that would qualify under the Entertainment and Tourism Development Act are those activities conducted by a public authority or company engaged in tourism, recreation, entertainment, or other activities that are expected to be a significant contributor to substantial retail purchases by travelers who are not residents of this state which include, but are not limited to: Providing or sponsoring educational, musical, recreational, historical, civic, cultural, and athletic activities, including sporting events; providing lodging and related services; and sponsoring conventions, meetings, trade shows, and educational events.

Entertainment and Tourism Development Act targets undeveloped and underdeveloped areas in which land that is not in highest and best use. The area shall not exceed 200 acres in area if located within the boundaries of a city or village and not exceed 400 acres in area if located elsewhere. If the eligible area is located in whole or in part within or contiguous to a census tract which contains a percentage of families below the poverty line of greater than twenty percent, then the city, county, or joint entity must also submit a community partnership plan as part of such application. A community partnership plan shall designate a community partner for the entertainment and tourism development district and set forth plans for development of nongentrified housing, community cultural facilities, or community educational facilities in the adjacent community area of the Entertainment and Tourism Development District.

Cities would have two years after the effective date of the act to apply for the creation of the district to a Board consisting of the Governor, State Treasurer, and the Chairman of the Investment Council. Once designated, projects in the area could be eligible for financial assistance to the city. The project must result in at least \$20 million of new investment and 75 new jobs to be eligible for the financial assistance. The Board would also approve applications for financial assistance.

If approved, the city may receive assistance in an amount not to exceed 75 percent of state sales taxes and 100 percent of all local sales taxes collected within the development project area beginning with the month the project is approved for financial assistance, but excludes previously existing businesses that continue to operate within the district. It would include 75 percent of state sales taxes and 100 percent of all local sales taxes collected by any hotel included within the Entertainment and Tourism Development District for the month the project is approved for financial assistance and the following 59 months. If a community partnership plan is required, then 25 percent of all financial assistance in all years shall be used by the city, county, or joint entity and the community partner to carry out the community partnership plan. The assistance would be returned to the city and could be used to service bonds issued for the public infrastructure serving the area.

Principal Introducer:

Senator Bill Avery