

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 297

Introduced by Dubas, 34; Heidemann, 1.

Read first time January 12, 2011

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Local, Civic, Cultural, and Convention
2 Center Act; to amend sections 13-2701, 13-2702, 13-2703,
3 13-2707, and 13-2710, Reissue Revised Statutes of
4 Nebraska, and sections 13-2610, 13-2704, 13-3108, and
5 77-5601, Revised Statutes Cumulative Supplement, 2010; to
6 rename the act; to define and redefine terms; to provide
7 funding for community centers; to harmonize provisions;
8 and to repeal the original sections.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-2610, Revised Statutes Cumulative
2 Supplement, 2010, is amended to read:

3 13-2610 (1) Upon the annual certification under section
4 13-2609, the State Treasurer shall transfer after the audit the
5 amount certified to the Convention Center Support Fund. The
6 Convention Center Support Fund is created. Any money in the fund
7 available for investment shall be invested by the state investment
8 officer pursuant to the Nebraska Capital Expansion Act and the
9 Nebraska State Funds Investment Act.

10 (2)(a) It is the intent of the Legislature to appropriate
11 from the fund to any political subdivision for which an application
12 for state assistance under the Convention Center Facility Financing
13 Assistance Act has been approved an amount not to exceed (i) seventy
14 percent of the state sales tax revenue collected by retailers and
15 operators doing business at such facilities on sales at such
16 facilities, state sales tax revenue collected on primary and
17 secondary box office sales of admissions to such facilities, and
18 state sales tax revenue collected by associated hotels, (ii) seventy-
19 five million dollars for any one approved project, or (iii) the total
20 cost of acquiring, constructing, improving, or equipping the eligible
21 facility. State assistance shall not be used for an operating subsidy
22 or other ancillary facility.

23 (b) Ten percent of such funds appropriated to a city of
24 the metropolitan class under this subsection shall be equally
25 distributed to areas with a high concentration of poverty to (i)

1 showcase important historical aspects of such areas or areas within
2 close geographic proximity of the area with a high concentration of
3 poverty or (ii) assist with the reduction of street and gang violence
4 in such areas.

5 (c) Each area with a high concentration of poverty that
6 has been distributed funds under subdivision (b) of this subsection
7 shall establish a development fund and form a committee which shall
8 identify and research potential projects to be completed in the area
9 with a high concentration of poverty or in an area within close
10 geographic proximity of such area if the project would have a
11 significant or demonstrable impact on such area and make final
12 determinations on the use of state sales tax revenue received for
13 such projects.

14 (d) A committee formed in subdivision (c) of this
15 subsection shall include the following three members:

16 (i) The member of the city council whose district
17 includes a majority of the census tracts which each contain a
18 percentage of persons below the poverty line of greater than thirty
19 percent, as determined by the most recent federal decennial census,
20 within the area with a high concentration of poverty;

21 (ii) The commissioner of the county whose district
22 includes a majority of the census tracts which each contain a
23 percentage of persons below the poverty line of greater than thirty
24 percent, as determined by the most recent federal decennial census,
25 within the area with a high concentration of poverty; and

1 (iii) A resident of the area with a high concentration of
2 poverty, appointed by the other two members of the committee.

3 (e) A committee formed in subdivision (c) of this
4 subsection shall solicit project ideas from the public and shall hold
5 a public hearing in the area with a high concentration of poverty.
6 Notice of a proposed hearing shall be provided in accordance with the
7 procedures for notice of a public hearing pursuant to section
8 18-2115. The committee shall research potential projects and make the
9 final determination regarding the annual distribution of funding to
10 such projects.

11 (f) For purposes of this subsection, an area with a high
12 concentration of poverty means an area within the corporate limits of
13 a city of the metropolitan class consisting of one or more contiguous
14 census tracts, as determined by the most recent federal decennial
15 census, which contain a percentage of persons below the poverty line
16 of greater than thirty percent, and all census tracts contiguous to
17 such tract or tracts, as determined by the most recent federal
18 decennial census.

19 (3) State assistance to the political subdivision shall
20 no longer be available upon the retirement of the bonds issued to
21 acquire, construct, improve, or equip the facility or any subsequent
22 bonds that refunded the original issue or when state assistance
23 reaches the amount determined under subdivision (2)(a) of this
24 section, whichever comes first.

25 (4) The remaining thirty percent of state sales tax

1 revenue collected by retailers and operators doing business at such
2 facilities on sales at such facilities, state sales tax revenue
3 collected on primary and secondary box office sales of admissions to
4 such facilities, and state sales tax revenue collected by associated
5 hotels, shall be appropriated by the Legislature to the Local Civic,
6 Cultural, and Convention Center Financing Fund.

7 (5) Any municipality that has applied for and received a
8 grant of assistance under the ~~Local Civic, Cultural, and Convention~~
9 Civic and Community Center Financing Act may not receive state
10 assistance under the Convention Center Facility Financing Assistance
11 Act.

12 Sec. 2. Section 13-2701, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 13-2701 Sections 13-2701 to 13-2710 shall be known and
15 may be cited as the ~~Local Civic, Cultural, and Convention~~ Civic and
16 Community Center Financing Act.

17 Sec. 3. Section 13-2702, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 13-2702 The purpose of the ~~Local Civic, Cultural, and~~
20 ~~Convention~~ Civic and Community Center Financing Act is to support the
21 development of ~~civic, cultural, and convention~~ civic and community
22 centers throughout Nebraska. Furthermore, the act is intended to
23 support projects that ~~attract new civic, cultural, and convention~~
24 ~~activity to Nebraska from outside of Nebraska.~~ foster maintenance or
25 growth of communities.

1 Sec. 4. Section 13-2703, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 13-2703 For purposes of the ~~Local Civic, Cultural, and~~
4 ~~Convention Civic and Community Center~~ Financing Act:

5 ~~(1) Center means a civic, cultural, or convention~~
6 ~~facility or area;~~

7 (1) Civic center means a facility that is primarily used
8 to host conventions, meetings, and cultural events;

9 (2) Community center means the traditional center of a
10 community, typically comprised of a cohesive core of residential,
11 civic, religious, and commercial buildings, arranged around a main
12 street and intersecting streets;

13 ~~(2)—(3)~~ Department means the Department of Economic
14 Development; and

15 ~~(3)—(4)~~ Fund means the ~~Local Civic, Cultural, and~~
16 ~~Convention Civic and Community Center~~ Financing Fund; and -

17 (5) Historic building means a building eligible for
18 listing on or currently listed on the National Register of Historic
19 Places.

20 Sec. 5. Section 13-2704, Revised Statutes Cumulative
21 Supplement, 2010, is amended to read:

22 13-2704 (1) The ~~Local Civic, Cultural, and Convention~~
23 ~~Civic and Community Center~~ Financing Fund is created. The fund shall
24 be administered by the department. Transfers may be made from the
25 fund to the General Fund at the direction of the Legislature. Any

1 money in the ~~Local Civic, Cultural, and Convention~~ Civic and
2 Community Center Financing Fund available for investment shall be
3 invested by the state investment officer pursuant to the Nebraska
4 Capital Expansion Act and the Nebraska State Funds Investment Act.
5 The fund may be used for assistance for the construction of new civic
6 centers, or the renovation or expansion of existing civic or
7 community centers, or the conversion, rehabilitation, or reuse of
8 historic buildings for purposes consistent with this section. The
9 fund may not be used for ~~planning,~~ programming, marketing,
10 advertising, and related activities. Transfers may be made from the
11 fund to the Department of Revenue Enforcement Fund at the direction
12 of the Legislature.

13 ~~(2) On July 1, 2010, or as soon thereafter as is~~
14 ~~administratively possible the State Treasurer shall transfer seventy-~~
15 ~~nine thousand three hundred dollars from the Local Civic, Cultural,~~
16 ~~and Convention Center Financing Fund to the Department of Revenue~~
17 ~~Enforcement Fund.~~

18 ~~(3)-(2)~~ It is the intent of the Legislature that on July
19 1, 2011, or as soon thereafter as is administratively possible the
20 State Treasurer shall transfer forty-two thousand nine hundred
21 dollars from the ~~Local Civic, Cultural, and Convention~~ Civic and
22 Community Center Financing Fund to the Department of Revenue
23 Enforcement Fund.

24 Sec. 6. Section 13-2707, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 13-2707 The department shall evaluate all applications
2 for grants of assistance based on the following criteria:

3 (1) Attraction impact. Funding decisions by the
4 department shall be based in part on the likelihood of the project
5 attracting new ~~cultural, civic, or convention~~ civic or community
6 activity to Nebraska from outside of Nebraska. A project with greater
7 out-of-state draw shall be preferred over a project with less impact;

8 (2) Socioeconomic impact. The project's potential for
9 long-term positive impacts on the local and regional economy and
10 society;

11 (3) Financial support. Assistance from the fund shall be
12 matched at least equally from local sources. At least ~~eighty~~ fifty
13 percent of the local match must be in cash. Projects with a higher
14 level of local matching funds shall be preferred as compared to those
15 with a lower level of matching funds;

16 (4) Readiness. The applicant's fiscal and economic
17 capacity to finance the local share and ability to proceed and
18 implement its plan and operate the ~~convention~~ civic or community
19 center; ~~and~~

20 (5) Project location. A project shall be located in the
21 municipality that applies for the grant; and -

22 (6) Project planning. Projects with completed technical
23 assistance and feasibility studies shall be preferred to those with
24 no prior planning.

25 Sec. 7. Section 13-2710, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2 13-2710 The department shall adopt and promulgate rules
3 and regulations to carry out the ~~Local Civic, Cultural, and~~
4 ~~Convention Civic and Community~~ Center Financing Act.

5 Sec. 8. Section 13-3108, Revised Statutes Cumulative
6 Supplement, 2010, is amended to read:

7 13-3108 (1) Upon the annual certification under section
8 13-3107, the State Treasurer shall transfer after the audit the
9 amount certified to the Sports Arena Facility Support Fund which is
10 hereby created. Any money in the fund available for investment shall
11 be invested by the state investment officer pursuant to the Nebraska
12 Capital Expansion Act and the Nebraska State Funds Investment Act.

13 (2)(a) It is the intent of the Legislature to appropriate
14 from the fund money to be distributed to any political subdivision
15 for which an application for state assistance under the Sports Arena
16 Facility Financing Assistance Act has been approved an amount not to
17 exceed seventy percent of the (i) state sales tax revenue collected
18 by retailers doing business at eligible sports arena facilities on
19 sales at such facilities, (ii) state sales tax revenue collected on
20 primary and secondary box office sales of admissions to such
21 facilities, and (iii) new state sales tax revenue collected by nearby
22 retailers and sourced under sections 77-2703.01 to 77-2703.04 to a
23 location within six hundred yards of the eligible facility.

24 (b) The amount to be appropriated for distribution as
25 state assistance to a political subdivision under this subsection for

1 any one year after the tenth year shall not exceed the highest such
2 amount appropriated under subdivision (2)(a) of this section during
3 any one year of the first ten years of such appropriation. If seventy
4 percent of the state sales tax revenue as described in subdivision
5 (2)(a) of this section exceeds the amount to be appropriated under
6 this subdivision, such excess funds shall be transferred to the
7 General Fund.

8 (3) The total amount of state assistance approved for an
9 eligible sports arena facility shall not (a) exceed fifty million
10 dollars or (b) be paid out for more than twenty years after the
11 issuance of the first bond for the sports arena facility.

12 (4) State assistance to the political subdivision shall
13 no longer be available upon the retirement of the bonds issued to
14 acquire, construct, improve, or equip the facility or any subsequent
15 bonds that refunded the original issue or when state assistance
16 reaches the amount determined under subsection (3) of this section,
17 whichever comes first.

18 (5) State assistance shall not be used for an operating
19 subsidy or other ancillary facility.

20 (6) The thirty percent of state sales tax revenue
21 remaining after the appropriation and transfer in subsection (2) of
22 this section shall be appropriated by the Legislature to the ~~Local~~
23 ~~Civic, Cultural, and Convention~~ Civic and Community Center Financing
24 Fund.

25 (7) Any municipality that has applied for and received a

1 grant of assistance under the ~~Local Civic, Cultural, and Convention~~
2 Civic and Community Center Financing Act shall not receive state
3 assistance under the Sports Arena Facility Financing Assistance Act.

4 Sec. 9. Section 77-5601, Revised Statutes Cumulative
5 Supplement, 2010, is amended to read:

6 77-5601 (1) From August 1, 2004, through October 31,
7 2004, there shall be conducted a tax amnesty program with regard to
8 taxes due and owing that have not been reported to the Department of
9 Revenue. Any person applying for tax amnesty shall pay all unreported
10 taxes that were due on or before April 1, 2004. Any person that
11 applies for tax amnesty and is accepted by the Tax Commissioner shall
12 have any penalties and interest waived on unreported and delinquent
13 taxes notwithstanding any other provisions of law to the contrary.

14 (2) To be eligible for the tax amnesty provided by this
15 section, the person shall apply for amnesty within the amnesty
16 period, file a return for each taxable period for which the amnesty
17 is requested by December 31, 2004, if no return has been filed, and
18 pay in full all taxes for which amnesty is sought with the return or
19 within thirty days after the application if a return was filed prior
20 to the amnesty period. Tax amnesty shall not be available for any
21 person that is under civil or criminal audit, investigation, or
22 prosecution for unreported or delinquent taxes by this state or the
23 United States Government on or before April 16, 2004.

24 (3) The department shall not seek civil or criminal
25 prosecution against any person for any taxable period for which

1 amnesty has been granted. The Tax Commissioner shall develop forms
2 for applying for the tax amnesty program, develop procedures for
3 qualification for tax amnesty, and conduct a public awareness
4 campaign publicizing the program.

5 (4) If a person elects to participate in the amnesty
6 program, the election shall constitute an express and irrevocable
7 relinquishment of all administrative and judicial rights to challenge
8 the imposition of the tax or its amount. Nothing in this section
9 shall prohibit the department from adjusting a return as a result of
10 any state or federal audit.

11 (5)(a) Except for any local option sales tax collected
12 and returned to the appropriate municipality and any motor vehicle
13 fuel, diesel fuel, and compressed fuel taxes, which shall be
14 deposited in the Highway Trust Fund or Highway Allocation Fund as
15 provided by law, no less than eighty percent of all revenue received
16 pursuant to the tax amnesty program shall be deposited in the General
17 Fund; ten percent, not to exceed five hundred thousand dollars, shall
18 be deposited in the Department of Revenue Enforcement Fund; and ten
19 percent, not to exceed five hundred thousand dollars, shall be
20 deposited in the Department of Revenue Enforcement Technology Fund.
21 Any amount that would otherwise be deposited in the Department of
22 Revenue Enforcement Fund or the Department of Revenue Enforcement
23 Technology Fund that is in excess of the five-hundred-thousand-dollar
24 limitation shall be deposited in the General Fund.

25 (b) For fiscal year 2005-06, all proceeds in the

1 Department of Revenue Enforcement Fund shall be appropriated to the
2 department for purposes of employing investigators, agents, and
3 auditors and otherwise increasing personnel for enforcement of the
4 Nebraska Revenue Act of 1967. For fiscal year 2005-06, all proceeds
5 in the Department of Revenue Enforcement Technology Fund shall be
6 appropriated to the department for the purposes of acquiring lists,
7 software, programming, computer equipment, and other technological
8 methods for enforcing the act.

9 (c) For fiscal years after fiscal year 2005-06, twenty
10 percent of all proceeds received during the previous calendar year
11 due to the efforts of auditors and investigators hired pursuant to
12 subdivision (5)(b) of this section, not to exceed seven hundred fifty
13 thousand dollars, shall be deposited in the Department of Revenue
14 Enforcement Fund for purposes of employing investigators and auditors
15 or continuing such employment for purposes of increasing enforcement
16 of the act.

17 (6)(a) The department shall prepare a report by April 1,
18 2005, and by February 1 of each year thereafter detailing the results
19 of the tax amnesty program and the subsequent enforcement efforts.
20 For the report due April 1, 2005, the report shall include (i) the
21 amount of revenue obtained as a result of the tax amnesty program
22 broken down by tax program, (ii) the amount obtained from instate
23 taxpayers and from out-of-state taxpayers, and (iii) the amount
24 obtained from individual taxpayers and from business enterprises.

25 (b) For reports due in subsequent years, the report shall

1 include (i) the number of personnel hired for purposes of subdivision
2 (5)(b) of this section and their duties, (ii) a description of lists,
3 software, programming, computer equipment, and other technological
4 methods acquired pursuant to such subdivision and the purposes of
5 each, and (iii) the amount of new revenue obtained as a result of the
6 new personnel and acquisitions during the prior calendar year, broken
7 down into the same categories as described in subdivision (6)(a) of
8 this section.

9 (7) The Department of Revenue Enforcement Fund and the
10 Department of Revenue Enforcement Technology Fund are created.
11 Transfers may be made from the Department of Revenue Enforcement Fund
12 to the General Fund at the direction of the Legislature. The
13 Department of Revenue Enforcement Fund may receive transfers from the
14 ~~Local Civic, Cultural, and Convention~~ Civic and Community Center
15 Financing Fund at the direction of the Legislature for the purpose of
16 administering the Sports Arena Facility Financing Assistance Act. Any
17 money in the Department of Revenue Enforcement Fund and the
18 Department of Revenue Enforcement Technology Fund available for
19 investment shall be invested by the state investment officer pursuant
20 to the Nebraska Capital Expansion Act and the Nebraska State Funds
21 Investment Act. The Department of Revenue Enforcement Technology Fund
22 shall terminate on July 1, 2006. Any unobligated money in the fund at
23 that time shall be deposited in the General Fund.

24 (8) For purposes of this section, taxes mean any taxes
25 collected by the department, including, but not limited to state and

1 local sales and use taxes, individual and corporate income taxes,
2 financial institutions deposit taxes, motor vehicle fuel, diesel
3 fuel, and compressed fuel taxes, cigarette taxes, transfer taxes, and
4 charitable gaming taxes.

5 Sec. 10. Original sections 13-2701, 13-2702, 13-2703,
6 13-2707, and 13-2710, Reissue Revised Statutes of Nebraska, and
7 sections 13-2610, 13-2704, 13-3108, and 77-5601, Revised Statutes
8 Cumulative Supplement, 2010, are repealed.