

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 181

Introduced by Linehan, 39.

Read first time January 08, 2021

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Convention Center Facility Financing
- 2 Assistance Act; to amend sections 13-2603, 13-2604, and 13-2610,
- 3 Revised Statutes Cumulative Supplement, 2020; to define and redefine
- 4 terms; to change provisions relating to the use of state assistance;
- 5 to change a limitation on the total amount of state assistance
- 6 allowed; to harmonize provisions; and to repeal the original
- 7 sections.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-2603, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 13-2603 For purposes of the Convention Center Facility Financing
4 Assistance Act:

5 (1) Associated hotel means any publicly or privately owned facility
6 in which the public may, for a consideration, obtain sleeping
7 accommodations and which is located, in whole or in part, within six
8 hundred yards of an eligible facility, measured from any point of the
9 exterior perimeter of the eligible facility but not from any parking
10 facility or other structure;

11 (2) Board means a board consisting of the Governor, the State
12 Treasurer, the chairperson of the Nebraska Investment Council, the
13 chairperson of the Nebraska State Board of Public Accountancy, and a
14 professor of economics on the faculty of a state postsecondary
15 educational institution appointed to a two-year term on the board by the
16 Coordinating Commission for Postsecondary Education. For administrative
17 and budget purposes only, the board shall be considered part of the
18 Department of Revenue;

19 (3) Bond means a general obligation bond, redevelopment bond, lease-
20 purchase bond, revenue bond, or combination of any such bonds;

21 (4) Convention and meeting center facility means a temperature-
22 controlled building and personal property primarily used as a convention
23 and meeting center, including an auditorium, an exhibition hall, a
24 facility for onsite food preparation and serving, an onsite, directly
25 connected parking facility for the use of the convention and meeting
26 center facility, a nearby parking facility for the use of the convention
27 and meeting center facility, and an onsite administrative office of the
28 convention and meeting center facility;

29 (5)(a) Eligible facility means any publicly owned convention and
30 meeting center facility approved for state assistance on or before June
31 1, 2007, any publicly owned sports arena facility attached to such

1 convention and meeting center facility, or any publicly or privately
2 owned convention and meeting center facility or publicly or privately
3 owned sports arena facility acquired, constructed, improved, or equipped
4 after June 1, 2007; and

5 (b) Beginning with applications for financial assistance received on
6 or after February 1, 2008, eligible facility does not include any
7 publicly or privately owned sports arena facility with a seating capacity
8 greater than sixteen thousand seats;

9 (6) General obligation bond means any bond or refunding bond issued
10 by a political subdivision and which is payable from the proceeds of an
11 ad valorem tax;

12 (7) Nearby parking facility means any parking lot, parking garage,
13 or other parking structure that is not directly connected to a convention
14 and meeting center facility but which is located, in whole or in part,
15 within six hundred yards of a convention and meeting center facility,
16 measured from any point of the exterior perimeter of such facility but
17 not from any other parking facility or other structure;

18 (8) (7) Political subdivision means any local governmental body
19 formed and organized under state law and any joint entity or joint public
20 agency created under state law to act on behalf of political subdivisions
21 which has statutory authority to issue general obligation bonds;

22 (9) (8) Revenue bond means any bond or refunding bond issued by a
23 political subdivision which is limited or special rather than a general
24 obligation bond of the political subdivision and which is not payable
25 from the proceeds of an ad valorem tax; and

26 (10) (9) Sports arena facility means any enclosed temperature-
27 controlled building primarily used for competitive sports, including
28 arenas, dressing and locker facilities, concession areas, parking
29 facilities, and onsite administrative offices connected with operating
30 the facilities.

31 Sec. 2. Section 13-2604, Revised Statutes Cumulative Supplement,

1 2020, is amended to read:

2 13-2604 Any political subdivision that has acquired, constructed,
3 improved, or equipped or has approved a general obligation bond issue to
4 acquire, construct, improve, or equip eligible facilities may apply to
5 the board for state assistance. The state assistance shall be used:

6 (1) To pay back amounts expended or borrowed through one or more
7 issues of bonds to be expended by the political subdivision to acquire,
8 construct, improve, and equip eligible facilities until repayment in full
9 of the amounts expended or borrowed by the political subdivision,
10 including the principal of and interest on bonds, for eligible
11 facilities;~~and~~

12 (2) To pay for capital improvements to eligible facilities;and ~~-~~

13 (3) To acquire, construct, improve, and equip nearby parking
14 facilities.

15 Sec. 3. Section 13-2610, Revised Statutes Cumulative Supplement,
16 2020, is amended to read:

17 13-2610 (1) Upon the annual certification under section 13-2609, the
18 State Treasurer shall transfer after the audit the amount certified to
19 the Convention Center Support Fund. The Convention Center Support Fund is
20 created. Transfers may be made from the fund to the General Fund at the
21 direction of the Legislature. Any money in the Convention Center Support
22 Fund available for investment shall be invested by the state investment
23 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
24 State Funds Investment Act.

25 (2) It is the intent of the Legislature to appropriate from the fund
26 to any political subdivision for which an application for state
27 assistance under the Convention Center Facility Financing Assistance Act
28 has been approved an amount not to exceed (a) seventy percent of the
29 state sales tax revenue collected by retailers and operators doing
30 business at such facilities on sales at such facilities, state sales tax
31 revenue collected on primary and secondary box office sales of admissions

1 to such facilities, and state sales tax revenue collected by associated
2 hotels, (b) one hundred fifty ~~seventy-five~~ million dollars for any one
3 approved project, or (c) the total cost of acquiring, constructing,
4 improving, or equipping the eligible facility. State assistance shall not
5 be used for an operating subsidy ~~or other ancillary facility~~.

6 (3)(a) Ten percent of such funds appropriated to a city of the
7 metropolitan class under subsection (2) of this section shall be equally
8 distributed to areas with a high concentration of poverty to (i) showcase
9 important historical aspects of such areas or areas within close
10 geographic proximity of the area with a high concentration of poverty or
11 (ii) assist with the reduction of street and gang violence in such areas.

12 (b) Each area with a high concentration of poverty that has been
13 distributed funds under subdivision (3)(a) of this section shall
14 establish a development fund and form a committee which shall identify
15 and research potential projects to be completed in the area with a high
16 concentration of poverty or in an area within close geographic proximity
17 of such area if the project would have a significant or demonstrable
18 impact on such area and make final determinations on the use of state
19 sales tax revenue received for such projects.

20 (c) A committee formed under subdivision (3)(b) of this section
21 shall include the following three members:

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

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

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

3 (d) A committee formed under subdivision (3)(b) of this section
4 shall solicit project ideas from the public and shall hold a public
5 hearing in the area with a high concentration of poverty. Notice of a
6 proposed hearing shall be provided in accordance with the procedures for
7 notice of a public hearing pursuant to section 18-2115.01. The committee
8 shall research potential projects and make the final determination
9 regarding the annual distribution of funding to such projects.

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

17 (4)(a) Ten percent of such funds appropriated to a city of the
18 primary class under subsection (2) of this section may, if the city
19 determines by consent of the city council that such funds are not
20 currently needed for the purposes described in section 13-2604, be used
21 as follows:

22 (i) For investment in the construction of qualified low-income
23 housing projects as defined in 26 U.S.C. 42, including qualified projects
24 receiving Nebraska affordable housing tax credits under the Affordable
25 Housing Tax Credit Act; or

26 (ii) If there are no such qualified low-income housing projects as
27 defined in 26 U.S.C. 42 being constructed or expected to be constructed
28 within the political subdivision, for investment in areas with a high
29 concentration of poverty to assist with low-income housing needs.

30 (b) For purposes of this subsection, an area with a high
31 concentration of poverty means an area within the corporate limits of a

1 city of the primary class consisting of one or more contiguous census
2 tracts, as determined by the most recent American Community Survey 5-Year
3 Estimate, which contain a percentage of persons below the poverty line of
4 greater than thirty percent, and all census tracts contiguous to such
5 tract or tracts, as determined by the most recent American Community
6 Survey 5-Year Estimate.

7 (5) State assistance to the political subdivision shall no longer be
8 available upon the retirement of the bonds issued to acquire, construct,
9 improve, or equip the facility or any subsequent bonds that refunded the
10 original issue or when state assistance reaches the amount determined
11 under subsection (2) of this section, whichever comes first.

12 (6) The remaining thirty percent of state sales tax revenue
13 collected by retailers and operators doing business at such facilities on
14 sales at such facilities, state sales tax revenue collected on primary
15 and secondary box office sales of admissions to such facilities, and
16 state sales tax revenue collected by associated hotels, shall be
17 appropriated by the Legislature to the Civic and Community Center
18 Financing Fund. Upon the annual certification required pursuant to
19 section 13-2609 and following the transfer to the Convention Center
20 Support Fund required pursuant to subsection (1) of this section, the
21 State Treasurer shall transfer an amount equal to the remaining thirty
22 percent from the Convention Center Support Fund to the Civic and
23 Community Center Financing Fund.

24 (7) Any municipality that has applied for and received a grant of
25 assistance under the Civic and Community Center Financing Act may not
26 receive state assistance under the Convention Center Facility Financing
27 Assistance Act.

28 Sec. 4. Original sections 13-2603, 13-2604, and 13-2610, Revised
29 Statutes Cumulative Supplement, 2020, are repealed.