



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 565**

Hearing Date: February 15, 2007
Committee On: Revenue

Introducer(s): (Avery)
Title: Adopt the Entertainment and Tourism Development Act

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - Advanced to General File with Amendments
 - X Indefinitely Postponed
-

Vote Results:

7	Yes	Senators Burling, Cornett, Dierks, Janssen, Preister, Raikes and White
0	No	
0	Present, not voting	
1	Absent	Senator Langemeier

Proponents:

Senator Bill Avery
Dick Campbell

Wendy Birdsall
Bradley Stauffer
Steve Minard
James Kaiser

Don Herz
Fred Uhe
Carol Ebdon
Lynn Rex
Jack Cheloha

Representing:

Introducer
Lincoln Chamber of Commerce,
Lincoln Mayor’s Event Center Task Force
Lincoln Chamber of Commerce
Gretna Area Chamber of Commerce
Wild Escape Theme Park
Heartland Properties, Inc. rep. Wild Escape
Theme Parks
City of Lincoln
Sarpy County Board
City of Omaha
League of Nebraska Municipalities
City of Omaha

Opponents:

None

Representing:

Neutral:

None

Summary of purpose and/or changes:

LB 565 would have allowed cities and counties to establish Entertainment and Tourism Development Districts. A district was required to be no larger than 200 acres within the boundaries of a municipality and 400 acres outside municipalities. A state board was to approve such districts and then the city or county could approve a project within the district that was to increase tourism traffic within the district. The project was to promise at least 75 new jobs and at least \$20 million of new investment. If the project did not achieve or maintain the required number of jobs or investment, the project was to reimburse the city and state for any financial assistance in proportion to the shortfall.

The city or county could have requested financial assistance from the state to support infrastructure needed to develop the project. The state assistance was to be up to 75 percent of state sales tax and was required to include 100 percent of all local sales tax collected within the project not including pre-existing businesses for the life of the bonds, not to exceed 30 years. For the first five years, the financial assistance could have also included up to 75 percent of state sales tax and 100 percent of local sales tax collected by existing hotels within 2,000 feet of the district. The financial assistance and other income streams available to the city or county could have been pledged to secure the bonds issued to provide the infrastructure development for the project.

If the district were located in or adjacent to one or more census tracts where at least 20 percent of the residents were determined to be in poverty, there was a requirement for a community partnership plan to redevelop the neighborhood and provide housing, cultural and educational facilities. The partnership plan was to be overseen by a community council of neighborhood residents or community leaders. Twenty-five percent of all financial assistance was to be used by the city or county to carry out the community partnership plan.

The bill also would have allowed counties to establish a local sales tax that would apply only in the district, the proceeds of which could be included in the financial assistance. The usual notice and voting procedures applied. Cities and counties could condemn property for the public infrastructure but were prohibited from using eminent domain to acquire property that would ultimately end up in private hands.

Finally, LB 565 would have put in statute fourteen sections detailing the issuance of bonds pledging revenue generated under the bill to retire the debt. It also provided that there be no new applications for entertainment and tourism districts or development project plan applications beginning on or after two years after the effective date of this act, absent further authorization by the Legislature.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson