

LEGISLATURE OF NEBRASKA

ONE HUNDREDTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1116

FINAL READING

Introduced by Erdman, 47; Aguilar, 35.

Read first time January 23, 2008

Committee: Agriculture

A BILL

1 FOR AN ACT relating to the Nebraska State Fair; to amend
2 section 2-258, Reissue Revised Statutes of Nebraska,
3 sections 2-101, 2-101.01, 2-103, and 81-1108.33, Revised
4 Statutes Cumulative Supplement, 2006, and sections 2-108
5 and 84-612, Revised Statutes Supplement, 2007; to state
6 intent to relocate the Nebraska State Fair; to provide
7 a fair relocation plan; to provide for future use of
8 the Nebraska State Fairgrounds; to change membership
9 provisions of the Nebraska State Fair Board; to create
10 a fund; to change provisions relating to use of a
11 tax levy; to change and eliminate provisions relating
12 to the Nebraska State Fairgrounds; to transfer funds;
13 to harmonize provisions; to provide operative dates; to

LB 1116

LB 1116

1 repeal the original sections; and to outright repeal
2 sections 2-104, 2-104.01, and 2-106, Revised Statutes
3 Cumulative Supplement, 2006.
4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-101, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 2-101 (1) The Nebraska State Fair Board, formerly known
4 as the State Board of Agriculture, shall hold an annual meeting for
5 the purpose of deliberating and consulting as to the wants,
6 prospects, and conditions of the agricultural, horticultural,
7 industrial, mechanical, and other interests throughout the state,
8 as well as those interests in the encouragement and perpetuation of
9 the arts, skilled crafts, and sciences.

10 (2) The Nebraska State Fair Board may provide in its
11 constitution and bylaws for the qualification and participation
12 of delegates at the annual meeting from such associations
13 incorporated under the laws of the state for purposes of promoting
14 and furthering the interests of participants in agricultural,
15 horticultural, industrial, mechanical, or other pursuits or for the
16 encouragement and perpetuation of the arts, skilled crafts, and
17 sciences, and from such associations as provide for the training,
18 encouragement, and competition of the youth of Nebraska in such
19 endeavors. The annual meeting shall be held in every odd-numbered
20 year at the capital of the state and in every even-numbered year at
21 such location as the board determines. The chairperson of the board
22 shall also have the power to call meetings of the board whenever he
23 or she may deem it expedient. All meetings of the board shall be
24 conducted in accordance with the Open Meetings Act.

25 (3) The ~~state fair~~ Nebraska State Fair shall be held

1 at or near the city of Lincoln, in Lancaster County, under the
2 direction and supervision of the Nebraska State Fair Board. ~~upon~~
3 the site and tract of land selected and now owned by the state for
4 that purpose and known as the Nebraska State Fairgrounds. The board
5 may, at its discretion, hold or dispense with the holding of the
6 fair, in any year.

7 (4) (a) It is the intent of the Legislature that the
8 Nebraska State Fair be permanently located within the city of Grand
9 Island upon the site and tract of land owned by the Hall County
10 Livestock Improvement Association and known as Fonner Park no
11 later than 2010. The Nebraska State Fair Board shall cooperate and
12 coordinate with the Hall County Livestock Improvement Association,
13 the city of Grand Island, and other appropriate entities to
14 provide for and carry out any plan of improvements to Fonner Park,
15 including the construction of buildings, other capital facilities,
16 and other enhancements, necessary to develop the site as a location
17 suitable for conducting the Nebraska State Fair. Such cooperation
18 and coordination may include financial participation in the costs
19 of new construction and other capital improvements upon Fonner Park
20 and includes the execution of any agreement for site governance,
21 revenue sharing, and facility utilization between and among the
22 Nebraska State Fair Board, the Hall County Livestock Improvement
23 Association, and other appropriate entities.

24 (b) The Nebraska State Fair Board, the Department of
25 Administrative Services, and the Board of Regents of the University

1 of Nebraska shall cooperate with each other and with other
2 appropriate entities to provide for and carry out the plan to
3 relocate the Nebraska State Fair and transfer the Nebraska State
4 Fairgrounds in Lancaster County to the Board of Regents, including
5 activities by the Board of Regents to obtain due diligence surveys,
6 reports, and site assessments at the Nebraska State Fairgrounds in
7 Lancaster County and by the Nebraska State Fair Board in connection
8 with providing marketable title to the same in a form acceptable to
9 the Board of Regents.

10 Sec. 2. Section 2-101.01, Revised Statutes Cumulative
11 Supplement, 2006, is amended to read:

12 2-101.01 The Legislature finds that the Nebraska State
13 Fair has been held annually for the exhibition and dissemination
14 of agricultural, horticultural, industrial, mechanical, and other
15 products and innovations and for exhibitions in the arts, skilled
16 crafts, and sciences and is a beneficial cultural and educational
17 event for the state and its citizens. The Legislature declares
18 it to be in the public interest that management of the Nebraska
19 State Fair and the Nebraska State Fairgrounds be based upon
20 a dynamic public-private partnership that includes the active
21 participation of the state and local governments, the private
22 sector, and the citizens of Nebraska. In order to achieve this
23 goal, the Legislature finds that the Nebraska State Fair Board
24 should endeavor to:

25 (1) Place a priority on the development of private

1 funding sources, including corporate donations and sponsorships;

2 (2) Work with municipal officials to enhance the board's
3 participation in local planning efforts and to create a partnership
4 with local economic development and tourism officials;

5 (3) Maintain a policy of openness and accountability that
6 allows for citizen participation in the operation of the Nebraska
7 State Fair, and the Nebraska State Fairgrounds, and

8 (4) Regularly provide the Governor, the Legislature, and
9 appropriate state agencies with information, including, but not
10 limited to, the development of private funding sources, the use of
11 state appropriations, the status of the state fairground facility
12 maintenance and improvements, the fiscal management of the state
13 fair, Nebraska State Fair, and the activities and goals established
14 for the state fair and the state fairgrounds. Nebraska State Fair.

15 Sec. 3. Section 2-103, Revised Statutes Cumulative
16 Supplement, 2006, is amended to read:

17 2-103 (1) ~~No later than May 1, 2003,~~ the The Nebraska
18 State Fair Board shall be a board consisting of the following
19 members:

20 (a) Seven members nominated and selected by district as
21 provided in the constitution and bylaws of the board; and

22 (b) Four members appointed by the Governor and confirmed
23 by the Legislature, ~~two selected to represent the business~~
24 ~~community of the city of Lincoln,~~ ~~one selected to represent~~
25 ~~the business community of Omaha,~~ and one three members selected

1 ~~to represent~~ from the business community of the state at large.
2 with one such member residing in each of the three congressional
3 districts, as such districts existed on the operative date of this
4 section, and one member selected from the business community of the
5 most populous city within the county in which the Nebraska State
6 Fair is located.

7 (2) The term of office for members of the board shall
8 be for three years. Members selected by gubernatorial appointment
9 pursuant to subdivision (1)(b) of this section as it existed prior
10 to the operative date of this section who continue to be qualified
11 to serve shall continue their term of appointment and shall be
12 eligible for reappointment subject to the limit of terms served
13 prescribed in subsection (3) of this section. In the event that the
14 Nebraska State Fair is to be relocated to a new host community,
15 the term of the member appointed or designated from the business
16 community of the previous host community shall be vacated and the
17 Governor shall appoint a new member from the business community
18 of the most populous city within the county in which the Nebraska
19 State Fair is located to fulfill the remainder of the term of
20 the vacating member. ~~, except that the terms of the initial members~~
21 ~~shall be as follows:~~

22 (a) The terms of office for the seven members selected
23 pursuant to subdivision ~~(1)(a)~~ of this section shall be for
24 one, two, or three years as determined by lot, with two members
25 appointed to a term of one year, two members appointed to a term of

1 two years, and three members appointed to a term of three years,
2 and

3 (b) The terms of office for the members appointed
4 pursuant to subdivision (1)(b) of this section shall be for
5 one, two, or three years, as designated by the Governor, with two
6 members appointed to a term of one year, one member appointed to
7 a term of two years, and one member appointed to a term of three
8 years.

9 (3) No person may serve more than three consecutive terms
10 as a member of the board, except that members of the State Board
11 of Agriculture having served or serving in an executive capacity
12 may only serve on the Nebraska State Fair Board for one term of
13 three years. No member of the Legislature may serve on the board.

14 (4) The board shall annually elect from its membership
15 a chairperson, a vice-chairperson, a secretary, and such other
16 officers as the board deems necessary. The officers shall be
17 elected at the annual meeting of the board, or any other meeting of
18 the board called for such purpose, and shall hold their offices for
19 one year and until their successors are elected and qualified.

20 (5) The chairperson of the Nebraska Arts Council
21 and the chancellor of the University of Nebraska-Lincoln, or
22 their designees, shall be ex officio members The State 4-H
23 Program Administrator of the Cooperative Extension Service of the
24 University of Nebraska, or his or her designee, and the Executive
25 Director of the Nebraska FFA, or his or her designee, shall be ex

1 officio, nonvoting members of the Nebraska State Fair Board.

2 Sec. 4. Section 2-108, Revised Statutes Supplement, 2007,
3 is amended to read:

4 2-108 The Nebraska State Fair Support and Improvement
5 Cash Fund is created. The fund shall be maintained in the state
6 accounting system as a cash fund. The State Treasurer shall credit
7 to the fund the disbursement of state lottery proceeds designated
8 for the Nebraska State Fair and matching funds from the most
9 populous city within the county in which the state fair is located.
10 The balance of any fund that is administratively created to
11 receive lottery proceeds designated for the Nebraska State Fair and
12 matching fund revenue prior to May 25, 2005, shall be transferred
13 to the Nebraska State Fair Support and Improvement Cash Fund on
14 such date. The Nebraska State Fair Support and Improvement Cash
15 Fund shall be expended by the Nebraska State Fair Board to provide
16 support for operating expenses and capital facility enhancements,
17 ~~including conducting or providing financial support for studies of~~
18 ~~facility conditions of the Nebraska State Fairgrounds and needs~~
19 ~~as well as other facility planning activities.~~ including new
20 construction and other capital improvements and other enhancements
21 to and upon any exhibition facility utilized as the location of
22 the Nebraska State Fair. Expenditures from the fund shall not be
23 limited to the amount appropriated. Any money in the fund available
24 for investment shall be invested by the state investment officer
25 pursuant to the Nebraska Capital Expansion Act and the Nebraska

1 State Funds Investment Act.

2 Sec. 5. The Nebraska State Fair Relocation Cash Fund is
3 created. The State Treasurer shall credit to the fund such money
4 as is transferred to the fund by the Legislature or donated as
5 gifts, bequests, or other contributions to such fund from public or
6 private entities. The fund shall be expended by the Nebraska State
7 Fair Board to provide funding to assist in the construction and
8 improvement of capital facilities necessary to develop a location
9 suitable for the operation of the Nebraska State Fair. Expenditures
10 from the fund shall not be limited to the amount appropriated.
11 The money in the fund shall not be subject to any fiscal year
12 or biennium limitation requiring reappropriation of the unexpended
13 balance at the end of the fiscal year or biennium. Any money in
14 the fund available for investment shall be invested by the state
15 investment officer pursuant to the Nebraska Capital Expansion Act
16 and the Nebraska State Funds Investment Act.

17 Sec. 6. (1) Upon completion of the conditions specified
18 in subsection (2) of this section, the Director of Administrative
19 Services shall, on or before December 31, 2009, transfer by
20 warranty deed the site and tract of land in Lancaster County known
21 as the Nebraska State Fairgrounds, to the Board of Regents of the
22 University of Nebraska. Such transfer shall occur notwithstanding
23 sections 72-811 to 72-818 or any other provision of law.

24 (2) The transfer described in subsection (1) of this
25 section shall be contingent upon:

1 (a) Funds for the purpose of carrying out subsection
2 (4) of section 2-101 having been provided by or on behalf of the
3 University of Nebraska in a total amount of no less than twenty-one
4 million five hundred thousand dollars in cash or legally binding
5 commitments. Such funds may be provided over time, but they shall
6 in cumulative increments equal at least seven million five hundred
7 thousand dollars by October 1, 2008, fourteen million five hundred
8 thousand dollars by February 1, 2009, and twenty-one million five
9 hundred thousand dollars by July 1, 2009;

10 (b) The University of Nebraska providing a master plan
11 and business plan to carry out the master plan for the Innovation
12 Campus to the Department of Administrative Services and to the
13 Clerk of the Legislature on or before December 1, 2009, and
14 a commitment to provide on or before December 1 of each year
15 thereafter an annual update of the master plan and business plan to
16 the Clerk of the Legislature; and

17 (c) Funds for the purpose of carrying out subsection
18 (4) of section 2-101 having been provided by or on behalf of the
19 city of Grand Island in a total amount of no less than eight
20 million five hundred thousand dollars in cash or legally binding
21 commitments. Such funds may be provided over time, but they shall
22 in cumulative increments equal at least three million dollars by
23 October 1, 2008, six million dollars by February 1, 2009, and eight
24 million five hundred thousand dollars by July 1, 2009.

25 (3) The University of Nebraska and the city of

1 Grand Island shall provide certification to the Department of
2 Administrative Services on October 1, 2008, February 1, 2009, and
3 July 1, 2009, of all funds provided to carry out subsection (4) of
4 section 2-101. All amounts as certified in subdivisions (2) (a) and
5 (c) of this section shall be held and expended as determined by
6 agreement between the Hall County Livestock Improvement Association
7 and the Nebraska State Fair Board.

8 (4) (a) The Nebraska State Fair shall be relocated to
9 the city of Grand Island pursuant to subsection (4) of section
10 2-101 contingent upon completion of the conditions specified in
11 subsection (2) of this section.

12 (b) The Nebraska State Fair Board shall be responsible
13 for any remaining costs associated with site improvements for
14 relocating the Nebraska State Fair, not to exceed seven million
15 dollars.

16 (c) On or before December 31, 2009, the Nebraska
17 State Fair Board shall provide written release or other written
18 instrument acceptable to the State Building Administrator in
19 consultation with the President of the University of Nebraska
20 in connection with the transfer of the Nebraska State Fairgrounds
21 to the Board of Regents.

22 Sec. 7. Section 2-258, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 2-258 The money raised by the operational tax levy
25 authorized in section 2-257 shall be used for the purpose of paying

1 premiums and for permanent improvements for such fair, for the
2 purpose of purchasing the necessary fair supplies, advertising, and
3 the paying of necessary labor in connection therewith, and for
4 other necessary expenses for the operation of the fair. ~~In counties~~
5 ~~having a population of more than sixty thousand inhabitants but~~
6 ~~not more than three hundred fifty thousand inhabitants,~~ and also
7 ~~containing a city of the primary class,~~ In the county in which the
8 Nebraska State Fair is located, the money so raised may be used
9 for permanent improvements on the state and county fairgrounds ~~or~~
10 ~~Nebraska State Fairgrounds,~~ or for leasing, contracting for, or in
11 any manner acquiring use of fairground facilities for such ~~fair.~~
12 fairs.

13 Sec. 8. Section 81-1108.33, Revised Statutes Cumulative
14 Supplement, 2006, is amended to read:

15 81-1108.33 (1) It is the intent of the Legislature
16 that the state will not assume responsibility for the substandard
17 construction, repair, or maintenance of, or for the excessive
18 maintenance or repair costs for, real property, structures, or
19 improvements which will be made available by gift, bequest,
20 or devise to any state agency, board, or commission. Therefor,
21 prior to any construction, repair, or maintenance work on such
22 real property, structure, or improvement, the state building
23 division and the Task Force for Building Renewal shall review the
24 plans, specifications, other construction or repair documents, and
25 potential maintenance requirements as a requirement for acceptance

1 by the state of such real property, structure, or improvement.

2 (2)(a) Any gift of, bequest of, or devise of (i) real
3 property, (ii) a structure, or (iii) an improvement proposed to
4 be made available to any state agency, board, or commission shall
5 be reviewed by the state building division and the Task Force
6 for Building Renewal pursuant to sections 81-176, 81-1108.15,
7 and 81-1114. Such review shall include any potential matching of
8 state funds, any plans, specifications, and other construction
9 or repair documents reviewed pursuant to subsection (1) of
10 this section, and any potential maintenance requirements as a
11 condition of acceptance. Subsequent to such review, the state
12 building division and the task force shall submit a report to
13 the Governor, the Committee on Building Maintenance, and the
14 Legislative Fiscal Analyst including a summary of the review of the
15 plans, specifications, and other construction or repair documents
16 and potential maintenance requirements and outlining the terms and
17 conditions of the proposed gift, bequest, or devise along with its
18 recommendation.

19 (b) Any proposed gift of, bequest of, or devise of
20 (i) real property, (ii) a structure, or (iii) an improvement in
21 excess of ten thousand dollars shall be approved by the Governor
22 and the Legislature prior to acceptance. If the Legislature is
23 not in session, the Executive Board of the Legislative Council,
24 after recommendation by the Committee on Building Maintenance, may
25 approve such gift, bequest, or devise along with the Governor.

1 (c) No construction or other work related to the proposed
2 gift, bequest, or devise shall be initiated prior to receiving the
3 approval required by this section.

4 (3) For purposes of this section, gift of, bequest of,
5 or devise of (a) real property, (b) a structure, or (c) an
6 improvement shall include, but not be limited to, a donation of,
7 gift of, bequest of, devise of, or grant of (i) real property,
8 (ii) a structure, or (iii) an improvement from an individual, an
9 organization, a corporation, a foundation, or a similar entity
10 or from a nonfederal governmental agency. For purposes of this
11 section, gift, bequest, or devise shall not include a donation,
12 gift, bequest, devise, or grant of tangible or intangible personal
13 property.

14 (4) This section shall not apply to ~~(a)~~ the University
15 of Nebraska or any Nebraska state college, since these agencies
16 are subject to and participate in statewide facilities planning
17 developed by the Coordinating Commission for Postsecondary
18 Education pursuant to the Coordinating Commission for Postsecondary
19 Education Act, ~~or (b) improvements or structures on Nebraska State~~
20 ~~Fairgrounds property reviewed and approved pursuant to section~~
21 ~~2-104.01.~~

22 Sec. 9. Section 84-612, Revised Statutes Supplement,
23 2007, is amended to read:

24 84-612 (1) There is hereby created within the state
25 treasury a fund known as the Cash Reserve Fund which shall be under

1 the direction of the State Treasurer. The fund shall only be used
2 pursuant to this section.

3 (2) The State Treasurer shall transfer funds from the
4 Cash Reserve Fund to the General Fund upon certification by the
5 Director of Administrative Services that the current cash balance
6 in the General Fund is inadequate to meet current obligations. Such
7 certification shall include the dollar amount to be transferred.
8 Any transfers made pursuant to this subsection shall be reversed
9 upon notification by the Director of Administrative Services that
10 sufficient funds are available.

11 (3) The State Treasurer, at the direction of the
12 budget administrator of the budget division of the Department
13 of Administrative Services, shall transfer such amounts not to
14 exceed seven million seven hundred fifty-three thousand two hundred
15 sixty-three dollars in total from the Cash Reserve Fund to the
16 Nebraska Capital Construction Fund between July 1, 2003, and June
17 30, 2007.

18 (4) The State Treasurer, at the direction of the budget
19 administrator, shall transfer an amount equal to the total amount
20 transferred pursuant to subsection (3) of this section from the
21 General Fund to the Cash Reserve Fund on or before June 30, 2008.

22 (5) In addition to receiving transfers from other funds,
23 the Cash Reserve Fund shall receive federal funds received by the
24 State of Nebraska for undesignated general government purposes,
25 federal revenue sharing, or general fiscal relief of the state.

1 (6) On June 15, 2007, the State Treasurer shall transfer
2 fifteen million six hundred seventy-four thousand one hundred seven
3 dollars from the Cash Reserve Fund to the General Fund.

4 (7) On June 16, 2008, the State Treasurer shall transfer
5 seventeen million nine hundred thirty-one thousand thirty dollars
6 from the Cash Reserve Fund to the General Fund.

7 (8) On June 15, 2009, the State Treasurer shall transfer
8 four million nine hundred ninety thousand five hundred five dollars
9 from the Cash Reserve Fund to the General Fund.

10 (9) On or before June 16, 2008, the State Treasurer, at
11 the direction of the budget administrator, shall transfer fifty
12 million dollars from the Cash Reserve Fund to the General Fund.

13 (10) On or before June 16, 2009, the State Treasurer,
14 at the direction of the budget administrator, shall transfer fifty
15 million dollars from the Cash Reserve Fund to the General Fund.

16 (11) From the effective date of an endowment agreement
17 as defined in subdivision (3)(c) of section 79-1101 until June
18 30, 2007, forty million dollars of the Cash Reserve Fund shall be
19 deemed to constitute the Early Childhood Education Endowment Fund.
20 Such funds shall remain part of the Cash Reserve Fund for all
21 purposes, except that the interest earned on such forty million
22 dollars shall accrue as provided in section 84-613.

23 (12) The State Treasurer, at the direction of the budget
24 administrator, shall transfer such amounts, as certified by the
25 Director of Administrative Services, for employee health insurance

1 claims and expenses, not to exceed twelve million dollars in total
2 from the Cash Reserve Fund to the State Employees Insurance Fund
3 between May 1, 2007, and June 30, 2011.

4 (13) On July 9, 2007, the State Treasurer shall transfer
5 twelve million dollars from the Cash Reserve Fund to the Nebraska
6 Capital Construction Fund.

7 (14) On July 9, 2007, the State Treasurer shall transfer
8 five million dollars from the Cash Reserve Fund to the Job Training
9 Cash Fund. The State Treasurer shall transfer from the Job Training
10 Cash Fund to the Cash Reserve Fund such amounts as directed in
11 section 81-1201.21.

12 (15) On July 7, 2008, the State Treasurer shall transfer
13 five million dollars from the Cash Reserve Fund to the Job Training
14 Cash Fund. The State Treasurer shall transfer from the Job Training
15 Cash Fund to the Cash Reserve Fund such amounts as directed in
16 section 81-1201.21.

17 (16) On or before August 1, 2007, the State Treasurer,
18 at the direction of the budget administrator, shall transfer
19 seventy-five million dollars from the Cash Reserve Fund to the
20 Nebraska Capital Construction Fund.

21 (17) On or before June 30, 2009, the State Treasurer
22 shall transfer nine million five hundred ninety thousand dollars
23 from the Cash Reserve Fund to the Nebraska Capital Construction
24 Fund.

25 (18) The State Treasurer, at the direction of the budget

1 administrator, shall transfer an amount equal to the total amount
2 transferred pursuant to subsection (12) of this section from
3 the appropriate health insurance accounts of the State Employees
4 Insurance Fund in such amounts as certified by the Director of
5 Administrative Services to the Cash Reserve Fund on or before June
6 30, 2011.

7 (19) On July 9, 2007, the State Treasurer shall
8 transfer one million dollars from the Cash Reserve Fund to the
9 Microenterprise Development Cash Fund.

10 (20) On July 9, 2007, the State Treasurer shall transfer
11 two hundred fifty thousand dollars from the Cash Reserve Fund to
12 the Building Entrepreneurial Communities Cash Fund.

13 (21) On July 7, 2008, the State Treasurer shall
14 transfer one million dollars from the Cash Reserve Fund to the
15 Microenterprise Development Cash Fund.

16 (22) On July 7, 2008, the State Treasurer shall transfer
17 two hundred fifty thousand dollars from the Cash Reserve Fund to
18 the Building Entrepreneurial Communities Cash Fund.

19 (23) On the operative date of this section the State
20 Treasurer shall transfer five million dollars from the Cash Reserve
21 Fund to the Nebraska State Fair Relocation Cash Fund.

22 Sec. 10. Sections 3 and 12 of this act become operative
23 on January 1, 2009. Sections 8, 13, and 14 of this act become
24 operative on December 31, 2009. The other sections of this act
25 become operative on their effective date.

1 Sec. 11. Original section 2-258, Reissue Revised Statutes
2 of Nebraska, sections 2-101 and 2-101.01, Revised Statutes
3 Cumulative Supplement, 2006, and sections 2-108 and 84-612, Revised
4 Statutes Supplement, 2007, are repealed.

5 Sec. 12. Original section 2-103, Revised Statutes
6 Cumulative Supplement, 2006, is repealed.

7 Sec. 13. Original section 81-1108.33, Revised Statutes
8 Cumulative Supplement, 2006, is repealed.

9 Sec. 14. The following sections are outright repealed:
10 Sections 2-104, 2-104.01, and 2-106, Revised Statutes Cumulative
11 Supplement, 2006.