

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 623

Introduced by McDonnell, 5.

Read first time January 17, 2023

Committee: Revenue

1 A BILL FOR AN ACT relating to the Sports Arena Facility Financing
2 Assistance Act; to amend section 13-3102, Reissue Revised Statutes
3 of Nebraska; to redefine a term; and to repeal the original section.
4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-3102, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-3102 For purposes of the Sports Arena Facility Financing
4 Assistance Act:

5 (1) Applicant means:

6 (a) A political subdivision; or

7 (b) A political subdivision and nonprofit organization that jointly
8 submit an application under the act;

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

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

19 (4) Court means a rectangular hard surface primarily used indoors
20 for competitive sports, including, but not limited to, basketball,
21 volleyball, or tennis;

22 (5) Date that the project commenced means the date when a project
23 starts as specified by a contract, resolution, or formal public
24 announcement;

25 (6) Economic redevelopment area means an area in the State of
26 Nebraska in which:

27 (a) The average rate of unemployment in the area during the period
28 covered by the most recent federal decennial census or American Community
29 Survey 5-Year Estimate by the United States Bureau of the Census is at
30 least one hundred fifty percent of the average rate of unemployment in
31 the state during the same period; and

1 (b) The average poverty rate in the area is twenty percent or more
2 for the federal census tract in the area;

3 (7) Eligible sports arena facility means:

4 (a) Any publicly owned, enclosed, and temperature-controlled
5 building primarily used for sports that has a permanent seating capacity
6 of at least three thousand but no more than seven thousand seats and in
7 which initial occupancy occurs on or after July 1, 2010, including
8 stadiums, arenas, dressing and locker facilities, concession areas,
9 parking facilities, nearby parking facilities for the use of the eligible
10 sports arena facility, and onsite administrative offices connected with
11 operating the facilities;

12 (b) Any racetrack enclosure licensed by the State Racing and Gaming
13 Commission in which initial occupancy occurs on or after July 1, 2010,
14 including concession areas, parking facilities, and onsite administrative
15 offices connected with operating the racetrack; and

16 (c) Any sports complex, including concession areas, parking
17 facilities, and onsite administrative offices connected with operating
18 the sports complex; and

19 (d) Any enclosed, temperature-controlled building owned by a public
20 entity or nonprofit organization that is primarily used for live music
21 performances open to the public and has a capacity to hold at least two
22 thousand five hundred but no more than three thousand five hundred
23 persons, including music stages, dressing rooms, concession areas,
24 parking facilities, lobby areas, and onsite administrative offices
25 connected with operating the facilities;

26 (8) General obligation bond means any bond or refunding bond issued
27 by a political subdivision and which is payable from the proceeds of an
28 ad valorem tax;

29 (9) Increase in state sales tax revenue means the amount of state
30 sales tax revenue collected by a nearby retailer during the fiscal year
31 for which state assistance is calculated minus the amount of state sales

1 tax revenue collected by the nearby retailer in the fiscal year that
2 ended immediately preceding the project completion date of the eligible
3 sports arena facility, except that the amount of state sales tax revenue
4 of a nearby retailer shall not be less than zero;

5 (10) Multipurpose field means a rectangular field of grass or
6 synthetic turf which is primarily used for competitive field sports,
7 including, but not limited to, soccer, football, flag football, lacrosse,
8 or rugby;

9 (11) Nearby parking facility means any parking lot, parking garage,
10 or other parking structure that is not directly connected to an eligible
11 sports arena facility but which is located, in whole or in part, within
12 seven hundred yards of an eligible sports arena facility, measured from
13 any point of the exterior perimeter of such facility but not from any
14 other parking facility or other structure;

15 (12) Nearby retailer means a retailer as defined in section
16 77-2701.32 that is located within the program area. The term includes a
17 subsequent owner of a nearby retailer operating at the same location;

18 (13) New state sales tax revenue means:

19 (a) For any eligible sports arena facility that is not a sports
20 complex:

21 (i) One hundred percent of the state sales tax revenue that (A) is
22 collected by a nearby retailer that commenced collecting state sales tax
23 during the period of time beginning twenty-four months prior to the
24 project completion date of the eligible sports arena facility and ending
25 forty-eight months after the project completion date of the eligible
26 sports arena facility or, for applications for state assistance approved
27 prior to October 1, 2016, forty-eight months after October 1, 2016, and
28 (B) is sourced under sections 77-2703.01 to 77-2703.04 to the program
29 area; and

30 (ii) The increase in state sales tax revenue that (A) is collected
31 by a nearby retailer that commenced collecting state sales tax prior to

1 twenty-four months prior to the project completion date of the eligible
2 sports arena facility and (B) is sourced under sections 77-2703.01 to
3 77-2703.04 to the program area; or

4 (b) For any eligible sports arena facility that is a sports complex,
5 one hundred percent of the state sales tax revenue that (i) is collected
6 by a nearby retailer that commenced collecting state sales tax during the
7 period of time beginning on the date that the project commenced and
8 ending forty-eight months after the project completion date of the
9 eligible sports arena facility and (ii) is sourced under sections
10 77-2703.01 to 77-2703.04 to the program area;

11 (14) Political subdivision means any city, village, or county;

12 (15) Program area means:

13 (a) For any eligible sports arena facility that is not a sports
14 complex:

15 (i) For applications for state assistance submitted prior to October
16 1, 2016, the area that is located within six hundred yards of an eligible
17 sports arena facility, measured from any point of the exterior perimeter
18 of the facility but not from any parking facility or other structure; or

19 (ii) For applications for state assistance submitted on or after
20 October 1, 2016, the area that is located within six hundred yards of an
21 eligible sports arena facility, measured from any point of the exterior
22 perimeter of the facility but not from any parking facility or other
23 structure, except that if twenty-five percent or more of such area is
24 unbuildable property, then the program area shall be adjusted so that:

25 (A) It avoids as much of the unbuildable property as is practical;
26 and

27 (B) It contains contiguous property with the same total amount of
28 square footage that the program area would have contained had no
29 adjustment been necessary; or

30 (b) For any eligible sports arena facility that is a sports complex,
31 the area that is located within six hundred yards of an eligible sports

1 arena facility, measured from any point of the exterior boundary or
2 property line of the facility.

3 Approval of an application for state assistance by the board
4 pursuant to section 13-3106 shall establish the program area as that area
5 depicted in the map accompanying the application for state assistance as
6 submitted pursuant to subdivision (2)(c) of section 13-3104;

7 (16) Project completion date means:

8 (a) For projects involving the acquisition or construction of an
9 eligible sports arena facility, the date of initial occupancy of the
10 facility following the completion of such acquisition or construction; or

11 (b) For all other projects, the date of completion of the project
12 for which state assistance is received;

13 (17) Revenue bond means any bond or refunding bond issued by a
14 political subdivision which is limited or special rather than a general
15 obligation bond of the political subdivision and which is not payable
16 from the proceeds of an ad valorem tax;

17 (18) Sports complex means a facility that:

18 (a) Includes indoor areas, outdoor areas, or both;

19 (b) Is primarily used for competitive sports; and

20 (c) Contains at least:

21 (i) Twelve separate sports venues if such facility is located in a
22 city of the metropolitan class;

23 (ii) Six separate sports venues if such facility is located in a
24 city of the primary class; or

25 (iii) Four separate sports venues if such facility is located (A) in
26 a city of the first class, city of the second class, or village, (B)
27 within a county but outside the corporate limits of any city or village,
28 (C) in an economic redevelopment area, or (D) in an opportunity zone
29 designated pursuant to the federal Tax Cuts and Jobs Act, Public Law
30 115-97;

31 (19) Sports venue includes, but is not limited to:

1 (a) A baseball field;
2 (b) A softball field;
3 (c) A multipurpose field;
4 (d) An outdoor stadium primarily used for competitive sports;
5 (e) An outdoor arena primarily used for competitive sports; or
6 (f) An enclosed, temperature-controlled building primarily used for
7 competitive sports. If any such building contains more than one
8 multipurpose field, court, swimming pool, or other facility primarily
9 used for competitive sports, then each such multipurpose field, court,
10 swimming pool, or facility shall count as a separate sports venue; and

11 (20) Unbuildable property means any real property that is located in
12 a floodway, an environmentally protected area, a right-of-way, or a
13 brownfield site as defined in 42 U.S.C. 9601 that the political
14 subdivision determines is not suitable for the construction or location
15 of residential, commercial, or other buildings or facilities.

16 Sec. 2. Original section 13-3102, Reissue Revised Statutes of
17 Nebraska, is repealed.