

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 779**

FINAL READING

Introduced by Lathrop, 12; Ashford, 20; Avery, 28; Cook, 13;  
Cornett, 45; Mello, 5; Nordquist, 7; Council, 11.

Read first time January 07, 2010

Committee: Revenue

A BILL

1 FOR AN ACT relating to political subdivisions; to amend sections  
2 13-2601, 13-2604, 13-2706, 14-501.01, and 15-801, Reissue  
3 Revised Statutes of Nebraska, section 13-503, Revised  
4 Statutes Supplement, 2009, section 13-2704, Reissue  
5 Revised Statutes of Nebraska, as amended by section  
6 8, Legislative Bill 3, One Hundred First Legislature,  
7 First Special Session, 2009, and section 77-5601, Revised  
8 Statutes Cumulative Supplement, 2008, as amended by  
9 section 58, Legislative Bill 3, One Hundred First  
10 Legislature, First Special Session, 2009; to change  
11 provisions relating to municipal budgets, the Convention  
12 Center Facility Financing Assistance Act, and the Local

1 Civic, Cultural, and Convention Center Financing Act;  
2 to provide for transfers of funds; to adopt the Sports  
3 Arena Facility Financing Assistance Act; to provide an  
4 operative date; to repeal the original sections; and to  
5 declare an emergency.

6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 13-503, Revised Statutes Supplement,  
2 2009, is amended to read:

3           13-503 For purposes of the Nebraska Budget Act, unless  
4 the context otherwise requires:

5           (1) Governing body shall mean the governing body of  
6 any county agricultural society, elected county fair board, joint  
7 airport authority formed under the Joint Airport Authorities  
8 Act, city or county airport authority, bridge commission created  
9 pursuant to section 39-868, cemetery district, city, village,  
10 municipal county, community college, community redevelopment  
11 authority, county, drainage or levee district, educational  
12 service unit, rural or suburban fire protection district,  
13 historical society, hospital district, irrigation district,  
14 learning community, natural resources district, nonprofit county  
15 historical association or society for which a tax is levied under  
16 subsection (1) of section 23-355.01, public building commission,  
17 railroad transportation safety district, reclamation district,  
18 road improvement district, rural water district, school district,  
19 sanitary and improvement district, township, offstreet parking  
20 district, transit authority, metropolitan utilities district,  
21 Educational Service Unit Coordinating Council, and political  
22 subdivision with the authority to have a property tax request, with  
23 the authority to levy a toll, or that receives state aid;

24           (2) Levying board shall mean any governing body which has  
25 the power or duty to levy a tax;

1           (3) Fiscal year shall mean the twelve-month period used  
2 by each governing body in determining and carrying on its financial  
3 and taxing affairs;

4           (4) Tax shall mean any general or special tax levied  
5 against persons, property, or business for public purposes as  
6 provided by law but shall not include any special assessment;

7           (5) Auditor shall mean the Auditor of Public Accounts;

8           (6) Cash reserve shall mean funds required for the period  
9 before revenue would become available for expenditure but shall not  
10 include funds held in any special reserve fund;

11           (7) Public funds shall mean all money, including nontax  
12 money, used in the operation and functions of governing bodies.  
13 For purposes of a county, city, or village which has a lottery  
14 established under the Nebraska County and City Lottery Act, only  
15 those net proceeds which are actually received by the county, city,  
16 or village from a licensed lottery operator shall be considered  
17 public funds, and public funds shall not include amounts awarded as  
18 prizes;

19           (8) Adopted budget statement shall mean a proposed budget  
20 statement which has been adopted or amended and adopted as provided  
21 in section 13-506. Such term shall include additions, if any, to an  
22 adopted budget statement made by a revised budget which has been  
23 adopted as provided in section 13-511;

24           (9) Special reserve fund shall mean any special fund  
25 set aside by the governing body for a particular purpose and not

1 available for expenditure for any other purpose. Funds created  
2 for (a) the retirement of bonded indebtedness, (b) the funding  
3 of employee pension plans, (c) the purposes of the Political  
4 Subdivisions Self-Funding Benefits Act, (d) the purposes of the  
5 Local Option Municipal Economic Development Act, (e) voter-approved  
6 sinking funds, or (f) statutorily authorized sinking funds shall be  
7 considered special reserve funds;

8 (10) Biennial period shall mean the two fiscal years  
9 comprising a biennium commencing in odd-numbered or even-numbered  
10 years used by a city in determining and carrying on its financial  
11 and taxing affairs; and

12 (11) Biennial budget shall mean a budget by a city of  
13 the primary or metropolitan class that adopts a charter provision  
14 providing for a biennial period to determine and carry on the  
15 city's financial and taxing affairs.

16 Sec. 2. Section 13-2601, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 13-2601 Sections 13-2601 to 13-2612 and section 4 of  
19 this act shall be known and may be cited as the Convention Center  
20 Facility Financing Assistance Act.

21 Sec. 3. Section 13-2604, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23 13-2604 Any political subdivision that has acquired,  
24 constructed, improved, or equipped or has approved a general  
25 obligation bond issue to acquire, construct, improve, or equip

1 eligible facilities may apply to the board for state assistance.  
2 The state assistance may be used to pay back amounts expended or  
3 borrowed through one or more issues of bonds to be expended by  
4 the political subdivision to acquire, construct, improve, and equip  
5 eligible facilities until repayment in full of the amounts expended  
6 or borrowed by the political subdivision, including the principal  
7 of and interest on bonds, for eligible facilities. ~~The political~~  
8 ~~subdivision may continue to apply to the board for continuing state~~  
9 ~~assistance in reimbursing the costs of financing the acquisition,~~  
10 ~~construction, improvement, and equipping of the eligible facility.~~

11           Sec. 4. The Department of Revenue may adopt and  
12 promulgate rules and regulations to carry out the Convention Center  
13 Facility Financing Assistance Act.

14           Sec. 5. Section 13-2704, Reissue Revised Statutes of  
15 Nebraska, as amended by section 8, Legislative Bill 3, One Hundred  
16 First Legislature, First Special Session, 2009, is amended to read:

17           13-2704 (1) The Local Civic, Cultural, and Convention  
18 Center Financing Fund is created. The fund shall be administered  
19 by the department. Transfers may be made from the fund to the  
20 General Fund at the direction of the Legislature. Any money  
21 in the Local Civic, Cultural, and Convention Center Financing  
22 Fund available for investment shall be invested by the state  
23 investment officer pursuant to the Nebraska Capital Expansion Act  
24 and the Nebraska State Funds Investment Act. The fund may be  
25 used for assistance for the construction of new centers or the

1 renovation or expansion of existing centers. The fund may not be  
2 used for planning, programming, marketing, advertising, and related  
3 activities. Transfers may be made from the fund to the Department  
4 of Revenue Enforcement Fund at the direction of the Legislature.

5 (2) On July 1, 2010, or as soon thereafter as is  
6 administratively possible the State Treasurer shall transfer  
7 seventy-nine thousand three hundred dollars from the Local Civic,  
8 Cultural, and Convention Center Financing Fund to the Department  
9 of Revenue Enforcement Fund.

10 (3) It is the intent of the Legislature that on July  
11 1, 2011, or as soon thereafter as is administratively possible  
12 the State Treasurer shall transfer forty-two thousand nine hundred  
13 dollars from the Local Civic, Cultural, and Convention Center  
14 Financing Fund to the Department of Revenue Enforcement Fund.

15 Sec. 6. Section 13-2706, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17 13-2706 Any municipality, except a city that has received  
18 funding under the Convention Center Facility Financing Assistance  
19 Act or the Sports Arena Facility Financing Assistance Act, may  
20 apply for a grant of assistance from the fund. Application shall be  
21 made on forms developed by the department.

22 Sec. 7. Sections 7 to 15 of this act shall be known and  
23 may be cited as the Sports Arena Facility Financing Assistance Act.

24 Sec. 8. For purposes of the Sports Arena Facility  
25 Financing Assistance Act:

1           (1) Board means a board consisting of the Governor,  
2 the State Treasurer, the chairperson of the Nebraska Investment  
3 Council, the chairperson of the Nebraska State Board of Public  
4 Accountancy, and a professor of economics on the faculty of a  
5 state postsecondary educational institution appointed to a two-year  
6 term on the board by the Coordinating Commission for Postsecondary  
7 Education. For administrative and budget purposes only, the board  
8 shall be considered part of the Department of Revenue;

9           (2) Bond means a general obligation bond, redevelopment  
10 bond, lease-purchase bond, revenue bond, or combination of any such  
11 bonds;

12           (3) Eligible sports arena facility means:

13           (a) Any publicly owned, enclosed, and  
14 temperature-controlled building primarily used for sports  
15 that has a permanent seating capacity of at least three thousand  
16 but no more than seven thousand seats and in which initial  
17 occupancy occurs on or after July 1, 2010. Eligible sports arena  
18 facility includes stadiums, arenas, dressing and locker facilities,  
19 concession areas, parking facilities, and onsite administrative  
20 offices connected with operating the facilities; and

21           (b) Any racetrack enclosure licensed by the State Racing  
22 Commission in which initial occupancy occurs on or after July 1,  
23 2010, including concession areas, parking facilities, and onsite  
24 administrative offices connected with operating the racetrack;

25           (4) General obligation bond means any bond or refunding

1 bond issued by a political subdivision and which is payable from  
2 the proceeds of an ad valorem tax;

3 (5) Increase in state sales tax revenue means the amount  
4 of state sales tax revenue collected by a nearby retailer during  
5 the fiscal year for which state assistance is calculated minus the  
6 amount of state sales tax revenue collected by the nearby retailer  
7 in the fiscal year that ended immediately preceding the date of  
8 occupancy of the eligible sports arena facility, except that the  
9 amount of state sales tax revenue of a nearby retailer shall not be  
10 less than zero;

11 (6) Nearby retailer means a retailer as defined in  
12 section 77-2701.32 that is located within six hundred yards of an  
13 eligible sports arena facility, measured from the facility but not  
14 from any parking facility or other structure. The term includes  
15 a subsequent owner of a nearby retailer operating at the same  
16 location;

17 (7) New state sales tax revenue means:

18 (a) For nearby retailers that commenced collecting state  
19 sales tax during the period of time beginning twenty-four months  
20 prior to occupancy of the eligible sports arena facility and  
21 ending twenty-four months after the occupancy of the eligible  
22 sports arena facility, one hundred percent of the state sales tax  
23 revenue collected by the nearby retailer and sourced under sections  
24 77-2703.01 to 77-2703.04 to a location within six hundred yards of  
25 the eligible sports arena facility; and

1           (b) For nearby retailers that commenced collecting state  
2 sales tax prior to twenty-four months prior to occupancy of the  
3 eligible sports arena facility, the increase in state sales tax  
4 revenue collected by the nearby retailer and sourced under sections  
5 77-2703.01 to 77-2703.04 to a location within six hundred yards of  
6 the facility;

7           (8) Political subdivision means any city, village, or  
8 county; and

9           (9) Revenue bond means any bond or refunding bond issued  
10 by a political subdivision which is limited or special rather than  
11 a general obligation bond of the political subdivision and which is  
12 not payable from the proceeds of an ad valorem tax.

13           Sec. 9. Any political subdivision or its governing body  
14 that has (1) acquired, constructed, improved, or equipped, (2)  
15 approved a general obligation bond issue to acquire, construct,  
16 improve, or equip, or (3) adopted a resolution authorizing the  
17 political subdivision to pursue a general obligation bond issue  
18 to acquire, construct, improve, or equip an eligible sports arena  
19 facility may apply to the board for state assistance. The state  
20 assistance shall only be used to pay back amounts expended or  
21 borrowed through one or more issues of bonds to be expended by the  
22 political subdivision to acquire, construct, improve, and equip the  
23 eligible sports arena facility.

24           Sec. 10. (1) All applications for state assistance under  
25 the Sports Arena Facility Financing Assistance Act shall be in

1 writing and shall include a certified copy of the approving action  
2 of the governing body of the applicant describing the proposed  
3 eligible sports arena facility and the anticipated financing.

4 (2) The application shall contain:

5 (a) A description of the proposed financing of the  
6 eligible sports arena facility, including the estimated principal  
7 and interest requirements for the bonds proposed to be issued in  
8 connection with the facility or the amounts necessary to repay the  
9 original investment by the applicant in the facility;

10 (b) Documentation of local financial commitment to  
11 support the project, including all public and private resources  
12 pledged or committed to the project and including a copy of  
13 any operating agreement or lease with substantial users of the  
14 facility; and

15 (c) Any other project information deemed appropriate by  
16 the board.

17 (3) Upon receiving an application for state assistance,  
18 the board shall review the application and notify the applicant of  
19 any additional information needed for a proper evaluation of the  
20 application.

21 (4) Any state assistance received pursuant to the act  
22 shall be used only for public purposes.

23 Sec. 11. (1) After reviewing an application submitted  
24 under section 10 of this act, the board shall hold a public hearing  
25 on the application.

1           (2) The board shall give notice of the time, place, and  
2 purpose of the public hearing by publication three times in a  
3 newspaper of general circulation in the area where the applicant  
4 is located. Such publication shall be not less than ten days  
5 prior to the hearing. The notice shall describe generally the  
6 eligible sports arena facility for which state assistance has been  
7 requested. The applicant shall pay the cost of the notice.

8           (3) At the public hearing, representatives of the  
9 applicant and any other interested persons may appear and present  
10 evidence and argument in support of or in opposition to the  
11 application or neutral testimony. The board may seek expert  
12 testimony and may require testimony of persons whom the board  
13 desires to comment on the application. The board may accept  
14 additional evidence after conclusion of the public hearing.

15           Sec. 12. (1) After consideration of the application and  
16 the evidence, if the board finds that the facility described in  
17 the application is eligible and that state assistance is in the  
18 best interest of the state, the application shall be approved,  
19 except that an approval of an application submitted because of  
20 the requirement in subdivision (3) of section 9 of this act is  
21 a temporary approval. If the general obligation bond issue is  
22 subsequently approved by the voters of the political subdivision,  
23 the approval by the board becomes permanent. If the general  
24 obligation bond issue is not approved by such voters, the temporary  
25 approval shall become void.

1           (2) In determining whether state assistance is in the  
2 best interest of the state, the board shall consider the fiscal and  
3 economic capacity of the applicant to finance the local share of  
4 the facility.

5           (3) A majority of the board members constitutes a quorum  
6 for the purpose of conducting business. All actions of the board  
7 shall be by a majority vote of all the board members, one of whom  
8 must be the Governor.

9           Sec. 13. (1) If an application is approved, the Tax  
10 Commissioner shall:

11           (a) Audit or review audits of the approved eligible  
12 sports arena facility to determine the (i) state sales tax revenue  
13 collected by retailers doing business at such facility on sales at  
14 such facility, (ii) state sales tax revenue collected on primary  
15 and secondary box office sales of admissions to such facility, and  
16 (iii) new state sales tax revenue collected by nearby retailers;

17           (b) Certify annually the amount of state sales tax  
18 revenue and new state sales tax revenue determined under  
19 subdivision (a) of this subsection to the State Treasurer; and

20           (c) Determine if more than one facility is eligible  
21 for state assistance from state sales tax revenue collected by  
22 the same nearby retailers. If the Tax Commissioner has made such  
23 a determination, the facility that was first determined to be  
24 eligible for state assistance shall be the only facility eligible  
25 to receive such funds.

1           (2) State sales tax revenue collected by retailers that  
2 are doing business at an eligible sports arena facility and new  
3 state sales tax revenue collected by nearby retailers shall be  
4 reported on informational returns developed by the Department of  
5 Revenue and provided to any such retailers by the facility. The  
6 informational returns shall be submitted to the department by the  
7 retailer by the twenty-fifth day of the month following the month  
8 the sales taxes are collected. The Tax Commissioner shall use the  
9 data from the informational returns and sales tax returns of both  
10 such categories of retailers and the sports arena facility to  
11 determine the appropriate amount of state sales tax revenue.

12           (3) The Department of Revenue may adopt and promulgate  
13 rules and regulations to carry out the Sports Arena Facility  
14 Financing Assistance Act.

15           Sec. 14. (1) Upon the annual certification under section  
16 13 of this act, the State Treasurer shall transfer after the  
17 audit the amount certified to the Sports Arena Facility Support  
18 Fund which is hereby created. Any money in the fund available  
19 for investment shall be invested by the state investment officer  
20 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
21 State Funds Investment Act.

22           (2) (a) It is the intent of the Legislature to appropriate  
23 from the fund money to be distributed to any political subdivision  
24 for which an application for state assistance under the Sports  
25 Arena Facility Financing Assistance Act has been approved an

1 amount not to exceed seventy percent of the (i) state sales tax  
2 revenue collected by retailers doing business at eligible sports  
3 arena facilities on sales at such facilities, (ii) state sales  
4 tax revenue collected on primary and secondary box office sales  
5 of admissions to such facilities, and (iii) new state sales tax  
6 revenue collected by nearby retailers and sourced under sections  
7 77-2703.01 to 77-2703.04 to a location within six hundred yards of  
8 the eligible facility.

9 (b) The amount to be appropriated for distribution as  
10 state assistance to a political subdivision under this subsection  
11 for any one year after the tenth year shall not exceed the highest  
12 such amount appropriated under subdivision (2)(a) of this section  
13 during any one year of the first ten years of such appropriation.  
14 If seventy percent of the state sales tax revenue as described  
15 in subdivision (2)(a) of this section exceeds the amount to be  
16 appropriated under this subdivision, such excess funds shall be  
17 transferred to the General Fund.

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

22 (4) State assistance to the political subdivision shall  
23 no longer be available upon the retirement of the bonds issued  
24 to acquire, construct, improve, or equip the facility or any  
25 subsequent bonds that refunded the original issue or when state

1 assistance reaches the amount determined under subsection (3) of  
2 this section, whichever comes first.

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

5 (6) The thirty percent of state sales tax revenue  
6 remaining after the appropriation and transfer in subsection (2) of  
7 this section shall be appropriated by the Legislature to the Local  
8 Civic, Cultural, and Convention Center Financing Fund.

9 (7) Any municipality that has applied for and received a  
10 grant of assistance under the Local Civic, Cultural, and Convention  
11 Center Financing Act shall not receive state assistance under the  
12 Sports Arena Facility Financing Assistance Act.

13 Sec. 15. (1) The applicant political subdivision may  
14 issue from time to time its bonds and refunding bonds to  
15 finance and refinance the acquisition, construction, improving,  
16 and equipping of eligible sports arena facilities. The bonds may  
17 be sold by the applicant in such manner and for such price as the  
18 applicant determines, at a discount, at par, or at a premium, at  
19 private negotiated sale or at public sale, after notice published  
20 prior to the sale in a legal newspaper having general circulation  
21 in the political subdivision or in such other medium of publication  
22 as the applicant deems appropriate. The bonds shall have a stated  
23 maturity of twenty years or less and shall bear interest at such  
24 rate or rates and otherwise be issued in accordance with the  
25 respective procedures and with such other terms and provisions as

1 are established, permitted, or authorized by applicable state laws  
2 and home rule charters for the type of bonds to be issued. Such  
3 bonds may be secured as to payment in whole or in part by a pledge,  
4 as shall be determined by the applicant, from the income, proceeds,  
5 and revenue of the eligible sports arena facilities financed with  
6 proceeds of such bonds, from the income, proceeds, and revenue of  
7 any of its eligible sports arena facilities, or from its revenue  
8 and income, including its sales, use, or occupation tax revenue,  
9 fees, or receipts, as may be determined by the applicant. The  
10 applicant may further secure the bonds by a mortgage or deed of  
11 trust encumbering all or any portion of the eligible sports arena  
12 facilities and by a bond insurance policy or other credit support  
13 facility. No general obligation bonds, except refunding bonds,  
14 shall be issued until authorized by greater than fifty percent  
15 of the applicant's electors voting on the question as to their  
16 issuance at any election as defined in section 32-108. The face  
17 of the bonds shall plainly state that the bonds and the interest  
18 thereon shall not constitute nor give rise to an indebtedness,  
19 obligation, or pecuniary liability of the state nor a charge  
20 against the general credit, revenue, or taxing power of the state.  
21 Bonds of the applicant are declared to be issued for an essential  
22 public and governmental purpose and, together with interest thereon  
23 and income therefrom, shall be exempt from all state income taxes.

24 (2) All payments to political subdivisions under the  
25 Sports Arena Facility Financing Assistance Act are made subject to

1 specific appropriation for such purpose.

2           Sec. 16. Section 14-501.01, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           14-501.01 A city of the metropolitan class may adopt  
5 biennial budgets for biennial periods if such budgets are provided  
6 for by a city charter provision. For purposes of this section:

7           (1) Biennial budget means a budget that provides for a  
8 biennial period to determine and carry on the city's financial and  
9 taxing affairs; and

10           (2) Biennial period means the two fiscal years comprising  
11 a biennium commencing in odd-numbered or even-numbered years.

12           Sec. 17. Section 15-801, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           15-801 A city of the primary class may adopt biennial  
15 budgets for biennial periods if such budgets are provided for by a  
16 city charter provision. For purposes of this section:

17           (1) Biennial budget means a budget that provides for a  
18 biennial period to determine and carry on the city's financial and  
19 taxing affairs; and

20           (2) Biennial period means the two fiscal years comprising  
21 a biennium commencing in odd-numbered or even-numbered years.

22           Sec. 18. Section 77-5601, Revised Statutes Cumulative  
23 Supplement, 2008, as amended by section 58, Legislative Bill 3, One  
24 Hundred First Legislature, First Special Session, 2009, is amended  
25 to read:

1           77-5601 (1) From August 1, 2004, through October 31,  
2 2004, there shall be conducted a tax amnesty program with regard  
3 to taxes due and owing that have not been reported to the  
4 Department of Revenue. Any person applying for tax amnesty shall  
5 pay all unreported taxes that were due on or before April 1,  
6 2004. Any person that applies for tax amnesty and is accepted  
7 by the Tax Commissioner shall have any penalties and interest  
8 waived on unreported and delinquent taxes notwithstanding any other  
9 provisions of law to the contrary.

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

20           (3) The department shall not seek civil or criminal  
21 prosecution against any person for any taxable period for which  
22 amnesty has been granted. The Tax Commissioner shall develop forms  
23 for applying for the tax amnesty program, develop procedures for  
24 qualification for tax amnesty, and conduct a public awareness  
25 campaign publicizing the program.

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

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

22           (b) For fiscal year 2005-06, all proceeds in the  
23 Department of Revenue Enforcement Fund shall be appropriated to  
24 the department for purposes of employing investigators, agents, and  
25 auditors and otherwise increasing personnel for enforcement of the

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

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

14 (6)(a) The department shall prepare a report by April  
15 1, 2005, and by February 1 of each year thereafter detailing the  
16 results of the tax amnesty program and the subsequent enforcement  
17 efforts. For the report due April 1, 2005, the report shall include  
18 (i) the amount of revenue obtained as a result of the tax amnesty  
19 program broken down by tax program, (ii) the amount obtained  
20 from instate taxpayers and from out-of-state taxpayers, and (iii)  
21 the amount obtained from individual taxpayers and from business  
22 enterprises.

23 (b) For reports due in subsequent years, the report  
24 shall include (i) the number of personnel hired for purposes  
25 of subdivision (5)(b) of this section and their duties, (ii) a

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

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

22 (8) For purposes of this section, taxes mean any taxes  
23 collected by the department, including, but not limited to state  
24 and local sales and use taxes, individual and corporate income  
25 taxes, financial institutions deposit taxes, motor vehicle fuel,

1 diesel fuel, and compressed fuel taxes, cigarette taxes, transfer  
2 taxes, and charitable gaming taxes.

3           Sec. 19. This act becomes operative on July 1, 2010.

4           Sec. 20. Original sections 13-2601, 13-2604, 13-2706,  
5 14-501.01, and 15-801, Reissue Revised Statutes of Nebraska,  
6 section 13-503, Revised Statutes Supplement, 2009, section 13-2704,  
7 Reissue Revised Statutes of Nebraska, as amended by section 8,  
8 Legislative Bill 3, One Hundred First Legislature, First Special  
9 Session, 2009, and section 77-5601, Revised Statutes Cumulative  
10 Supplement, 2008, as amended by section 58, Legislative Bill 3,  
11 One Hundred First Legislature, First Special Session, 2009, are  
12 repealed.

13           Sec. 21. Since an emergency exists, this act takes effect  
14 when passed and approved according to law.