

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 559

Introduced by Gloor, 35.

Read first time January 21, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Convention Center Facility Financing
2 Assistance Act; to amend sections 13-2601, 13-2604,
3 13-2605, and 13-2706, Reissue Revised Statutes of
4 Nebraska, and sections 13-2603 and 13-2610, Revised
5 Statutes Cumulative Supplement, 2008; to provide and
6 change provisions relating to terms, state assistance,
7 financing, and grant applications; to harmonize
8 provisions; and to repeal the original sections.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-2601, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 13-2601 Sections 13-2601 to 13-2612 and section 6 of
4 this act shall be known and may be cited as the Convention Center
5 Facility Financing Assistance Act.

6 Sec. 2. Section 13-2603, Revised Statutes Cumulative
7 Supplement, 2008, is amended to read:

8 13-2603 For purposes of the Convention Center Facility
9 Financing Assistance Act:

10 (1) (a) Associated hotel means any publicly owned facility
11 in which the public may, for a consideration, obtain sleeping
12 accommodations and which is located within two hundred yards of an
13 eligible facility; and

14 (b) Beginning with applications for financial assistance
15 received on or after February 1, 2008, associated hotel means any
16 publicly or privately owned facility in which the public may, for a
17 consideration, obtain sleeping accommodations and which, (i) except
18 as provided in subdivision (1)(b)(ii) of this section, is located
19 within four hundred fifty yards of an eligible facility, measured
20 from the eligible facility but not from any parking facility or
21 other structure, or (ii) in a city of the first class, is located
22 within one mile of an eligible facility, measured from the eligible
23 facility but not from any parking facility or other structure;

24 (2) Board means a board consisting of the Governor,
25 the State Treasurer, the chairperson of the Nebraska Investment

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

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

10 (4) Convention and meeting center facility means a
11 temperature-controlled building and personal property primarily
12 used as a convention and meeting center, including an auditorium,
13 an exhibition hall, a facility for onsite food preparation and
14 serving, an onsite, directly connected parking facility for the
15 use of the convention and meeting center facility, and an
16 onsite administrative office of the convention and meeting center
17 facility;

18 (5)(a) Eligible facility means any publicly owned
19 convention and meeting center facility approved for state
20 assistance on or before June 1, 2007, any publicly owned sports
21 arena facility attached to such convention and meeting center
22 facility, or any publicly or privately owned convention and
23 meeting center facility or publicly or privately owned sports arena
24 facility acquired, constructed, improved, or equipped after June
25 1, 2007; and

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

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

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

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

17 (9) Sports arena facility means any enclosed
18 temperature-controlled building primarily used for competitive
19 sports, including arenas, dressing and locker facilities,
20 concession areas, parking facilities, and onsite administrative
21 offices connected with operating the facilities.

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

24 13-2604 Any political subdivision that has acquired,
25 constructed, improved, or equipped or has approved a general

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

13 Sec. 4. Section 13-2605, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 13-2605 (1) All applications for state assistance under
16 the Convention Center Facility Financing Assistance Act shall be in
17 writing and shall include a certified copy of the approving action
18 of the governing body of the applicant describing the proposed
19 eligible facility and the anticipated financing.

20 (2) The application shall contain:

21 (a) A description of the proposed financing of the
22 eligible facility, including (i) the estimated principal and
23 interest requirements for the bonds proposed to be issued in
24 connection with the eligible facility or (ii) the amounts necessary
25 to repay the original investment by the applicant in the eligible

1 facility financed as provided in section 6 of this act;

2 (b) Documentation of local financial commitment to
3 support the project, including all public and private resources
4 pledged or committed to the project; and

5 (c) Any other project information deemed appropriate by
6 the board.

7 (3) Upon receiving an application for state assistance,
8 the board shall review the application and notify the applicant of
9 any additional information needed for a proper evaluation of the
10 application.

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

13 Sec. 5. Section 13-2610, Revised Statutes Cumulative
14 Supplement, 2008, is amended to read:

15 13-2610 (1) Upon the annual certification under section
16 13-2609, the State Treasurer shall transfer after the audit
17 the amount certified to the Convention Center Support Fund. The
18 Convention Center Support Fund is created. Any money in the fund
19 available for investment shall be invested by the state investment
20 officer pursuant to the Nebraska Capital Expansion Act and the
21 Nebraska State Funds Investment Act.

22 (2) (a) It is the intent of the Legislature to appropriate
23 from the fund to any political subdivision for which an application
24 for state assistance under the Convention Center Facility Financing
25 Assistance Act has been approved an amount not to exceed (i)

1 seventy percent of the state sales tax revenue collected by
2 retailers and operators doing business at such facilities on sales
3 at such facilities, state sales tax revenue collected on primary
4 and secondary box office sales of admissions to such facilities,
5 and state sales tax revenue collected by associated hotels, (ii)
6 seventy-five million dollars for any one approved project, or (iii)
7 the total cost of acquiring, constructing, improving, or equipping
8 the eligible facility. State assistance shall not be used for an
9 operating subsidy or other ancillary facility.

10 (b) Ten percent of such funds appropriated to a city
11 of the metropolitan class under this subsection shall be equally
12 distributed to areas with a high concentration of poverty to
13 showcase important historical aspects of such areas.

14 (c) Each area with a high concentration of poverty that
15 has been distributed funds under subdivision (b) of this subsection
16 shall establish a development fund and form a committee which
17 shall identify and research potential projects and make final
18 determinations on the use of state sales tax revenue received for
19 such projects.

20 (d) A committee formed in subdivision (c) of this
21 subsection shall include the following three members:

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

1 within the area with a high concentration of poverty;

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

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

9 (e) A committee formed in subdivision (c) of this
10 subsection shall solicit project ideas from the public and shall
11 hold a public hearing in the area with a high concentration
12 of poverty. Notice of a proposed hearing shall be provided in
13 accordance with the procedures for notice of a public hearing
14 pursuant to section 18-2115. The committee shall research potential
15 projects in its area and make the final determination regarding the
16 annual distribution of funding to such projects.

17 (f) For purposes of this subsection, an area with a high
18 concentration of poverty means an area within the corporate limits
19 of a city of the metropolitan class consisting of one or more
20 contiguous census tracts, as determined by the most recent federal
21 decennial census, which contain a percentage of persons below the
22 poverty line of greater than thirty percent, and all census tracts
23 contiguous to such tract or tracts, as determined by the most
24 recent federal decennial census.

25 (3) State assistance to the political subdivision shall

1 no longer be available upon the retirement of the bonds issued
2 to acquire, construct, improve, or equip the facility or any
3 subsequent bonds that refunded the original issue, upon the
4 completion of the term of years for which the political subdivision
5 sought state assistance under section 6 of this act, or when state
6 assistance reaches the amount determined under subdivision (2)(a)
7 of this section, whichever comes first.

8 (4) The remaining thirty percent of state sales tax
9 revenue collected by retailers and operators doing business at such
10 facilities on sales at such facilities, state sales tax revenue
11 collected on primary and secondary box office sales of admissions
12 to such facilities, and state sales tax revenue collected by
13 associated hotels, shall be appropriated by the Legislature to the
14 Local Civic, Cultural, and Convention Center Financing Fund.

15 (5) Any ~~municipality~~ city of the metropolitan or primary
16 class that has applied for and received a grant of assistance under
17 the Local Civic, Cultural, and Convention Center Financing Act may
18 not receive state assistance under the Convention Center Facility
19 Financing Assistance Act.

20 Sec. 6. In lieu of financing an eligible facility
21 through the issuance of bonds, a political subdivision seeking
22 to construct, acquire, substantially reconstruct, expand, operate,
23 improve, or equip an eligible facility may file an application
24 for state assistance under the Convention Center Facility Financing
25 Assistance Act without requiring the issuance of bonds. Such

1 application shall be in writing and shall include a certified copy
2 of the approving action of the governing body of the applicant
3 describing the proposed eligible facility and the anticipated
4 financing. The application shall contain the information required
5 in section 13-2605, including the term of years the political
6 subdivision will seek state assistance under the act.

7 Sec. 7. Section 13-2706, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 13-2706 Any municipality, except a city of the
10 metropolitan or primary class that has received funding under the
11 Convention Center Facility Financing Assistance Act, may apply for
12 a grant of assistance from the fund. Application shall be made on
13 forms developed by the department.

14 Sec. 8. Original sections 13-2601, 13-2604, 13-2605, and
15 13-2706, Reissue Revised Statutes of Nebraska, and sections 13-2603
16 and 13-2610, Revised Statutes Cumulative Supplement, 2008, are
17 repealed.