

LEGISLATIVE BILL 224

Approved by the Governor May 22, 2009

Introduced by Carlson, 38.

FOR AN ACT relating to the Nebraska State Fair; to amend sections 2-109, 2-110, 2-111, and 2-1208.01, Reissue Revised Statutes of Nebraska, and sections 2-101 and 2-113, Revised Statutes Cumulative Supplement, 2008; to change and eliminate provisions relating to relocation, matching funds, reports, studies, and taxes on horseracing; to provide operative dates; to repeal the original sections; to outright repeal section 2-131, Reissue Revised Statutes of Nebraska; and to declare an emergency.

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

Section 1. Section 2-101, Revised Statutes Cumulative Supplement, 2008, is amended to read:

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

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

(3) The Nebraska State Fair shall be under the direction and supervision of the Nebraska State Fair Board. The board may, at its discretion, hold or dispense with the holding of the fair, in any year.

(4)(a) It is the intent of the Legislature that no later than 2010 the Nebraska State Fair be permanently located within the city of Grand Island upon the site and tract of land owned by the Hall County Livestock Improvement Association and known as Fonner Park ~~no later than 2010~~, and, as available and necessary, upon other parcels of land adjacent to Fonner Park. The Nebraska State Fair Board shall cooperate and coordinate with the Hall County Livestock Improvement Association, the city of Grand Island, and other appropriate entities to provide for and carry out any plan of improvements to ~~Fonner Park~~, such location, including the construction of buildings, and other capital facilities, the relocation of existing improvements, and other enhancements, necessary to develop the site as a location suitable for conducting the Nebraska State Fair. Such cooperation and coordination may include financial participation in the costs of site development, new construction, and other capital improvements upon ~~Fonner Park~~ such location and includes the execution of any agreement for site governance, revenue sharing, and facility utilization between and among the Nebraska State Fair Board, the Hall County Livestock Improvement Association, and other appropriate entities.

(b) The Nebraska State Fair Board, the Department of Administrative Services, and the Board of Regents of the University of Nebraska shall cooperate with each other and with other appropriate entities to provide for and carry out the plan to relocate the Nebraska State Fair and transfer the Nebraska State Fairgrounds in Lancaster County to the Board of Regents, including activities by the Board of Regents to obtain due diligence surveys, reports, and site assessments at the Nebraska State Fairgrounds in Lancaster County and by the Nebraska State Fair Board in connection with providing marketable title to the same in a form acceptable to the Board of Regents.

Sec. 2. Section 2-109, Reissue Revised Statutes of Nebraska, is amended to read:

2-109 The Department of Revenue shall, ~~on a quarterly basis,~~ at the conclusion of each calendar quarter, provide to the most populous city within the county in which the ~~state fair~~ Nebraska State Fair is located,

held written notification of the amount estimated by the department to equal ten percent of the lottery revenue collected during the calendar quarter to be transferred to the Nebraska State Fair Support and Improvement Cash Fund. If the state fair is scheduled to be held in a different county from that in which the most recent state fair was held, the written notification required by this section shall be made to the most populous city within the county in which the state fair is scheduled to be held beginning with the written notification made at the conclusion of the first calendar quarter during the calendar year in which the state fair is held or scheduled to be held in such county. The department shall provide a copy of the written notification to the Department of Administrative Services.

Sec. 3. Section 2-110, Reissue Revised Statutes of Nebraska, is amended to read:

2-110 The most populous city within the county in which the state fair is located Nebraska State Fair is held or scheduled to be held that calendar year shall remit quarterly payments to the State Treasurer in amounts equal to the matching fund requirement established by the Department of Revenue under section 2-109. The State Treasurer shall credit the matching funds to the Nebraska State Fair Support and Improvement Cash Fund. The city shall provide written notification to the Department of Administrative Services regarding its compliance with the matching fund requirement. Upon verification by the Department of Administrative Services that a quarterly transfer of lottery proceeds to the Nebraska State Fair Support and Improvement Cash Fund has been executed and that the full amount of the matching funds requirement has been received from the city, the Department of Administrative Services shall authorize the expenditure of the fund by the Nebraska State Fair Board. Matching fund requirements shall not apply to investment income accruing to the fund and investment income may be expended by the board.

Sec. 4. Section 2-111, Reissue Revised Statutes of Nebraska, is amended to read:

2-111 ~~(1)~~ The Nebraska State Fair Board shall, no later than November 1 of each year, provide an annual report to the Governor and the Legislature regarding the use of the Nebraska State Fair Support and Improvement Cash Fund. The report shall include ~~(a)~~ (1) a detailed listing of how the proceeds of the fund were expended in the prior fiscal year and ~~(b)~~ (2) any distributions from the fund that remain unexpended and on deposit in Nebraska State Fair accounts.

~~(2) The Nebraska State Fair Board shall cooperate with a study by the Agriculture Committee of the Legislature of capital facilities and infrastructure requirements to serve the purposes and goals of the Nebraska State Fair and other uses of the Nebraska State Fairgrounds as a year-round multipurpose facility sufficient to host and accommodate events and attractions of local, state, and regional interest and attendance. The Nebraska State Fair Board may utilize available funds, not to exceed one hundred fifty thousand dollars, including funds disbursed from the Nebraska State Fair Support and Improvement Cash Fund and other resources, to assist in completion of such study. This subsection terminates on January 1, 2008.~~

Sec. 5. Section 2-113, Revised Statutes Cumulative Supplement, 2008, is amended to read:

2-113 (1) Upon completion of the conditions specified in subsection (2) of this section, the Director of Administrative Services shall, on or before December 31, 2009, transfer by warranty deed the site and tract of land in Lancaster County known as the Nebraska State Fairgrounds, to the Board of Regents of the University of Nebraska. Such transfer shall occur notwithstanding sections 72-811 to 72-818 or any other provision of law.

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

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

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

(c) Funds for the purpose of carrying out subsection (4) of section 2-101 having been provided by or on behalf of the city of Grand Island in a total amount of no less than eight million five hundred thousand dollars in cash or legally binding commitments. Up to one million five hundred thousand dollars in cash or legally binding commitments provided by or on behalf of the city of Grand Island for the purpose of relocating and reconstructing recreational facilities displaced by the relocation of the Nebraska State Fair to Grand Island may be considered part of the eight-million-five-hundred-thousand-dollar contribution required by this subdivision. Such funds may be provided over time, but they shall in cumulative increments equal at least three million dollars by October 1, 2008, six million dollars by February 1, 2009, and eight million five hundred thousand dollars by July 1, 2009.

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

(4) (a) The Nebraska State Fair shall be relocated to the city of Grand Island pursuant to subsection (4) of section 2-101 contingent upon completion of the conditions specified in ~~subsection (2)~~ subdivisions (2) (a) and (c) of this section.

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

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

Sec. 6. Section 2-1208.01, Reissue Revised Statutes of Nebraska, is amended to read:

2-1208.01 (1) There is hereby imposed a tax on the gross sum wagered by the parimutuel method at each race enclosure during a calendar year as follows:

~~(1) For meets conducted on the Nebraska State Fairgrounds, no tax shall be imposed, but the licensee shall apply two percent of any amount in excess of ten million dollars for the purpose of maintenance of buildings, streets, utilities, and other existing improvements on the Nebraska State Fairgrounds; and~~

~~(2) For all other meets:~~

(a) The first ten million dollars shall not be taxed;

(b) Any amount over ten million dollars but less than or equal to seventy-three million dollars shall be taxed at the rate of two and one-half percent; and

(c) Any amount in excess of seventy-three million dollars shall be taxed at the rate of four percent. + ~~and~~

~~(d) An~~ (2) (a) Except as provided in subdivision (2) (b) of this section, an amount equal to two percent of the first taxable seventy million dollars at each race meeting shall be retained by the licensee for capital improvements and for maintenance of the premises within the licensed racetrack enclosure and shall be a credit against the tax levied in subsection (1) of this section. This subdivision includes each race meeting held after January 1, 2010, within the licensed racetrack enclosure located in Lancaster County where the Nebraska State Fair was held prior to 2010.

(b) For race meetings conducted at the location where the Nebraska State Fair is held, an amount equal to two and one-half percent of the first taxable seventy million dollars at each race meeting shall be retained by the licensee for the purpose of maintenance of the premises within the licensed racetrack enclosure and maintenance of other buildings, streets, utilities, and existing improvements at the location where the Nebraska State Fair is held. Such amount shall be a credit against the tax levied in subsection (1) of this section.

(3) A return as required by the Tax Commissioner shall be filed for a racetrack enclosure for each month during which wagers are accepted at the enclosure. The return shall be filed with and the net tax due pursuant to this section shall be paid to the Department of Revenue on the tenth day of the following month.

Sec. 7. Sections 6 and 9 of this act become operative on January 1, 2010. The other sections of this act become operative on their effective date.

Sec. 8. Original sections 2-109, 2-110, and 2-111, Reissue Revised Statutes of Nebraska, and sections 2-101 and 2-113, Revised Statutes Cumulative Supplement, 2008, are repealed.

Sec. 9. Original section 2-1208.01, Reissue Revised Statutes of Nebraska, is repealed.

Sec. 10. The following section is outright repealed: Section 2-131, Reissue Revised Statutes of Nebraska.

Sec. 11. Since an emergency exists, this act takes effect when passed and approved according to law.