

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 564**

Introduced by Bolz, 29.

Read first time January 22, 2019

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to municipalities; to amend sections 13-2702,  
2 13-2703, 13-2704, 13-2704.01, 13-2705, 13-2707, 13-2707.01, and  
3 13-2709, Revised Statutes Cumulative Supplement, 2018; to change the  
4 Civic and Community Center Financing Act; and to repeal the original  
5 sections.  
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-2702, Revised Statutes Cumulative Supplement,  
2 2018, is amended to read:

3 13-2702 The purpose of the Civic and Community Center Financing Act  
4 is to support the development of civic centers, historic buildings or  
5 districts, public spaces ~~community~~, and recreation centers throughout  
6 Nebraska. Furthermore, the act is intended to support projects that  
7 foster maintenance or growth of communities.

8 Sec. 2. Section 13-2703, Revised Statutes Cumulative Supplement,  
9 2018, is amended to read:

10 13-2703 For purposes of the Civic and Community Center Financing  
11 Act:

12 (1) Civic center means a facility that is ~~primarily~~ used to host  
13 conventions, meetings, and cultural events or ~~and~~ a library;

14 ~~(2) Community center means property that is owned by a municipality~~  
15 ~~and located within the traditional center of a community, typically~~  
16 ~~comprised of a cohesive core of residential, civic, religious, and~~  
17 ~~commercial buildings, arranged around a main street and intersecting~~  
18 ~~streets;~~

19 (2) ~~(3)~~ Department means the Department of Economic Development;

20 (3) Eligible facility means any civic center, historic building or  
21 district, public space, or recreation center;

22 (4) Fund means the Civic and Community Center Financing Fund;

23 (5) Historic building or district means a building or district  
24 eligible for listing on or currently listed on the National Register of  
25 Historic Places or a building that is certified as contributing to the  
26 significance of a registered state or national historic district; ~~and~~

27 (6) Public space means property located within the traditional  
28 center of a community, typically comprised of a cohesive core of  
29 residential, civic, religious, and commercial buildings, arranged around  
30 a main street and intersecting streets; and

31 (7) ~~(6)~~ Recreation center means a facility or park used for

1 athletics, fitness, sport activities, or recreation that is ~~owned by a~~  
2 ~~municipality and is~~ available for use by the general public with or  
3 without charge. Recreation center does not include any facility that  
4 requires a person to purchase a membership to utilize such facility.

5 Sec. 3. Section 13-2704, Revised Statutes Cumulative Supplement,  
6 2018, is amended to read:

7 13-2704 (1) The Civic and Community Center Financing Fund is  
8 created. The fund shall be administered by the department. Any money in  
9 the fund available for investment shall be invested by the state  
10 investment officer pursuant to the Nebraska Capital Expansion Act and the  
11 Nebraska State Funds Investment Act. Transfers may be made from the fund  
12 to the General Fund, the Department of Revenue Enforcement Fund, and the  
13 State Colleges Sport Facilities Cash Fund at the direction of the  
14 Legislature.

15 (2)(a) The department shall use the Civic and Community Center  
16 Financing Fund for the following purposes:

17 (i) For grants of assistance as described in section 13-2704.01;

18 (ii) For grants of assistance as described in section 13-2704.02;  
19 and

20 (iii) For reasonable and necessary costs of the department directly  
21 related to the administration of the fund, not to exceed the amount  
22 needed to employ a one-half full-time equivalent employee.

23 (b) Grants of assistance shall ~~The fund may~~ not be used for  
24 programming, marketing, advertising, or facility-staffing activities.

25 (3) The State Treasurer shall transfer two hundred fifty thousand  
26 dollars from the Civic and Community Center Financing Fund to the State  
27 Colleges Sport Facilities Cash Fund on October 1 of 2012, 2013, and 2014.  
28 Commencing October 1, 2015, and every year thereafter, the State  
29 Treasurer shall transfer three hundred thousand dollars from the Civic  
30 and Community Center Financing Fund to the State Colleges Sport  
31 Facilities Cash Fund.

1           Sec. 4. Section 13-2704.01, Revised Statutes Cumulative Supplement,  
2 2018, is amended to read:

3           13-2704.01 (1) The department shall use the fund to provide grants  
4 of assistance for the following purposes:

5           (a) To assist in the construction of new civic centers and  
6 recreation centers or the renovation or expansion of existing civic  
7 centers and recreation centers;

8           (b) To assist in the preservation, restoration, conversion,  
9 rehabilitation, or reuse of historic buildings or districts;

10           (c) To assist in the preservation and restoration of historic  
11 buildings owned by a nonprofit organization if a contractual relationship  
12 is created between a municipality and the nonprofit organization; or

13           (d) To upgrade public spaces ~~community centers~~, including the  
14 demolition of substandard and abandoned buildings.

15           (2) Applications for grants of assistance pursuant to this section  
16 shall be evaluated by the department pursuant to section 13-2707.

17           Sec. 5. Section 13-2705, Revised Statutes Cumulative Supplement,  
18 2018, is amended to read:

19           13-2705 The department may conditionally approve grants of  
20 assistance from the fund to eligible and competitive applicants within  
21 the following limits:

22           (1) Except as provided in subdivision (2) of this section, a grant  
23 request shall be in an amount meeting the following requirements:

24           (a) For a grant of assistance under section 13-2704.01, at least  
25 fifteen thousand dollars but no more than:

26           (i) For a city of the primary class, two million two hundred fifty  
27 thousand dollars;

28           (ii) For a city with a population of more than forty thousand but  
29 less than one hundred thousand inhabitants as determined by the most  
30 recent federal decennial census or the most recent revised certified  
31 count by the United States Bureau of the Census, one million one hundred

1 twenty-five thousand dollars;

2 (iii) For a city with a population of more than twenty thousand but  
3 less than forty thousand inhabitants as determined by the most recent  
4 federal decennial census or the most recent revised certified count by  
5 the United States Bureau of the Census, seven hundred fifty thousand  
6 dollars;

7 (iv) For a city with a population of more than ten thousand but less  
8 than twenty thousand inhabitants as determined by the most recent federal  
9 decennial census or the most recent revised certified count by the United  
10 States Bureau of the Census, six hundred thousand dollars; and

11 (v) For a municipality with a population of less than ten thousand  
12 inhabitants as determined by the most recent federal decennial census or  
13 the most recent revised certified count by the United States Bureau of  
14 the Census, three hundred seventy-five thousand dollars; and

15 (b) For a grant of assistance under section 13-2704.02, at least  
16 three thousand dollars but no more than fifteen thousand dollars;

17 (2) Upon the balance of the fund reaching three million seven  
18 hundred fifty thousand dollars, and until the balance of the fund falls  
19 below one million five hundred thousand dollars, a grant request shall be  
20 in an amount meeting the following requirements:

21 (a) For a grant of assistance under section 13-2704.01, at least  
22 fifteen thousand dollars but no more than:

23 (i) For a city of the primary class, three million three hundred  
24 seventy-five thousand dollars;

25 (ii) For a city with a population of more than forty thousand but  
26 less than one hundred thousand inhabitants as determined by the most  
27 recent federal decennial census or the most recent revised certified  
28 count by the United States Bureau of the Census, one million six hundred  
29 eighty-seven thousand dollars;

30 (iii) For a city with a population of more than twenty thousand but  
31 less than forty thousand inhabitants as determined by the most recent

1 federal decennial census or the most recent revised certified count by  
2 the United States Bureau of the Census, one million one hundred twenty-  
3 five thousand dollars;

4 (iv) For a city with a population of more than ten thousand but less  
5 than twenty thousand inhabitants as determined by the most recent federal  
6 decennial census or the most recent revised certified count by the United  
7 States Bureau of the Census, nine hundred thousand dollars; and

8 (v) For a municipality with a population of less than ten thousand  
9 inhabitants as determined by the most recent federal decennial census or  
10 the most recent revised certified count by the United States Bureau of  
11 the Census, five hundred sixty-two thousand dollars; and

12 (b) For a grant of assistance under section 13-2704.02, at least  
13 three thousand dollars but no more than fifteen thousand dollars;

14 (3) Assistance from the fund shall not amount to more than fifty  
15 percent of the cost of the project for which a grant is requested;

16 (4) A municipality shall not be awarded more than one grant of  
17 assistance under section 13-2704.01 and one grant of assistance under  
18 section 13-2704.02 in any two-year period; and

19 (5) Any eligible facility for which a grant of assistance under  
20 section 13-2704.01 was made shall not be sold for at least five years  
21 following the award of such grant of assistance ~~A municipality shall not~~  
22 ~~sell any civic, community, or recreation center that received grant funds~~  
23 ~~for at least five years under the Civic and Community Center Financing~~  
24 ~~Act.~~

25 Sec. 6. Section 13-2707, Revised Statutes Cumulative Supplement,  
26 2018, is amended to read:

27 13-2707 (1) The department shall evaluate all applications for  
28 grants of assistance under section 13-2704.01 based on the following  
29 criteria, which are listed in no particular order of preference:

30 (a) Retention Impact. Funding decisions by the department shall be  
31 based on the likelihood of the project retaining existing residents in

1 the community where the project is located, developing, sustaining, and  
2 fostering community connections, and enhancing the potential for economic  
3 growth in a manner that will sustain the quality of life and promote  
4 long-term economic development;

5 (b) New Resident Impact. Funding decisions by the department shall  
6 be based on the likelihood of the project attracting new residents to the  
7 community where the project is located;

8 (c) Visitor Impact. Funding decisions by the department shall be  
9 based on the likelihood of the project enhancing or creating an  
10 attraction that would increase the potential of visitors to the community  
11 where the project is located from inside and outside the state;

12 (d) Readiness. ~~The applicant's fiscal, and economic, and operational~~  
13 capacity of the applicant, and of any nonprofit entity or county that  
14 owns the eligible facility jointly with the applicant, to finance and  
15 manage the project, and the local share and ability of the applicant to  
16 proceed and implement its plan and operate the eligible facility civic  
17 center, community center, or recreation center; and

18 (e) Project Planning. Projects with completed technical assistance  
19 and feasibility studies shall be preferred to those with no prior  
20 planning.

21 (2) The department shall give priority to applications from  
22 municipalities which have not received a grant of assistance under  
23 section 13-2704.01 within the last ten years.

24 (3) Any grant of assistance under section 13-2704.01 shall be  
25 matched at least equally from local sources. At least fifty percent of  
26 the local match must be in cash.

27 (4) To receive a grant of assistance under section 13-2704.01, the  
28 project for which the grant is requested shall be located in the  
29 municipality that applies for the grant or, for any city of the first  
30 class, city of the second class, or village, within the municipality's  
31 extraterritorial zoning jurisdiction.

1       (5) To receive a grant of assistance under section 13-2704.01, the  
2 project for which the grant is requested shall involve an eligible  
3 facility that is owned by the municipality applying for the grant, except  
4 that a municipality may own an eligible facility jointly with a nonprofit  
5 entity or county if the municipality's ownership interest in such  
6 eligible facility is at least fifty percent.

7       Sec. 7. Section 13-2707.01, Revised Statutes Cumulative Supplement,  
8 2018, is amended to read:

9       13-2707.01 The department shall evaluate all applications for grants  
10 of assistance under section 13-2704.02 based on the following criteria:

11       (1) Financial Support. Assistance from the fund shall be matched at  
12 least equally from local sources. At least fifty percent of the local  
13 match must be in cash. Projects with a higher level of local matching  
14 funds shall be preferred as compared to those with a lower level of  
15 matching funds; and

16       (2) Project Location. Assistance from the fund shall be for  
17 engineering and technical studies related to projects that will be  
18 located in the municipality that applies for the grant or, for any city  
19 of the first class, city of the second class, or village, in the  
20 municipality's extraterritorial zoning jurisdiction.

21       Sec. 8. Section 13-2709, Revised Statutes Cumulative Supplement,  
22 2018, is amended to read:

23       13-2709 (1) The department shall submit, as part of the department's  
24 annual status report under section 81-1201.11, the following information  
25 regarding the Civic and Community Center Financing Act:

26       (a) Information documenting the grants conditionally approved for  
27 funding by the Legislature in the following fiscal year;

28       ~~(b) Reasons why a full application was not sent to any municipality~~  
29 ~~seeking assistance under the act;~~

30       **(b) (c)** The amount of sales tax revenue generated for the fund  
31 pursuant to subsection (6) of section 13-2610 and subsection (9) of

1 section 13-3108, the total amount of grants applied for under the act,  
2 the year-end fund balance, the amount of the year-end fund balance which  
3 has not been committed to funding grants under the act, and, if all  
4 available funds have not been committed to funding grants under the act,  
5 an explanation of the reasons why all such funds have not been so  
6 committed;

7 (c) ~~(d)~~ The amount of appropriated funds actually expended by the  
8 department for the year;

9 (d) ~~(e)~~ The department's current budget for administration of the  
10 act and the department's planned use and distribution of funds, including  
11 details on the amount of funds to be expended on grants and the amount of  
12 funds to be expended by the department for administrative purposes; and

13 (e) ~~(f)~~ Grant summaries, including the applicant municipality,  
14 project description, grant amount requested, amount and type of matching  
15 funds, and reasons for approval or denial based on evaluation criteria  
16 from section 13-2707 or 13-2707.01 for every application seeking  
17 assistance under the act.

18 (2) If the amount of the year-end fund balance which has not been  
19 committed to funding grants under the act as reported under subdivision  
20 (1)(b) ~~(1)(e)~~ of this section, excluding any amount required to be  
21 transferred under subsection (3) of section 13-2704, is more than one  
22 million dollars, the department shall notify the State Treasurer of the  
23 amount in excess of one million dollars. The State Treasurer shall  
24 transfer the amount in excess of one million dollars from the Civic and  
25 Community Center Financing Fund to the Political Subdivision Recapture  
26 Cash Fund.

27 (3) The Political Subdivision Recapture Cash Fund is created and  
28 shall consist of money transferred under subsection (2) of this section.  
29 Any money in the Political Subdivision Recapture Cash Fund available for  
30 investment shall be invested by the state investment officer pursuant to  
31 the Nebraska Capital Expansion Act and the Nebraska State Funds

1 Investment Act. By October 1 of each year, the State Treasurer shall  
2 distribute the money in the Political Subdivision Recapture Cash Fund to  
3 the political subdivisions which have an application for state assistance  
4 for an eligible facility or an eligible sports arena facility approved  
5 under the Convention Center Facility Financing Assistance Act or the  
6 Sports Arena Facility Financing Assistance Act. Each political  
7 subdivision shall receive a proportionate share of the amount to be  
8 distributed under this subsection, and such proportionate share shall be  
9 based on the amount of sales tax revenue generated for the Civic and  
10 Community Center Financing Fund during the most recently completed fiscal  
11 year by the political subdivision's facility. The Tax Commissioner shall  
12 supply the State Treasurer with any information needed to make the  
13 distributions required in this subsection.

14 Sec. 9. Original sections 13-2702, 13-2703, 13-2704, 13-2704.01,  
15 13-2705, 13-2707, 13-2707.01, and 13-2709, Revised Statutes Cumulative  
16 Supplement, 2018, are repealed.