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

A BILL FOR AN ACT relating to municipalities; to amend sections 13-2702, 13-2703, 13-2704, 13-2704.01, 13-2705, 13-2707, 13-2707.01, and 13-2709, Revised Statutes Cumulative Supplement, 2018; to change the Civic and Community Center Financing Act; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,
Section 1. Section 13-2702, Revised Statutes Cumulative Supplement, 2018, is amended to read:

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

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

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

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

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

(3) Department means the Department of Economic Development;

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

(5) Fund means the Civic and Community Center Financing Fund;

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

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

(8) Recreation center means a facility or park used for
athletics, fitness, sport activities, or recreation that is owned by a municipality and is available for use by the general public with or without charge. Recreation center does not include any facility that requires a person to purchase a membership to utilize such facility.

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

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

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

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

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

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

(b) Grants of assistance shall not be used for programming, marketing, advertising, or facility-staffing activities.

(3) The State Treasurer shall transfer two hundred fifty thousand dollars from the Civic and Community Center Financing Fund to the State Colleges Sport Facilities Cash Fund on October 1 of 2012, 2013, and 2014. Commencing October 1, 2015, and every year thereafter, the State Treasurer shall transfer three hundred thousand dollars from the Civic and Community Center Financing Fund to the State Colleges Sport Facilities Cash Fund.
Sec. 4. Section 13-2704.01, Revised Statutes Cumulative Supplement, 2018, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) Retention Impact. Funding decisions by the department shall be
based on the likelihood of the project retaining existing residents in
the community where the project is located, developing, sustaining, and
fostering community connections, and enhancing the potential for economic
growth in a manner that will sustain the quality of life and promote
long-term economic development;

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

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

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

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

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

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

(4) To receive a grant of assistance under section 13-2704.01, the project for which the grant is requested shall be located in the municipality that applies for the grant or, for any city of the first class, city of the second class, or village, within the municipality's extraterritorial zoning jurisdiction.
(5) To receive a grant of assistance under section 13-2704.01, the project for which the grant is requested shall involve an eligible facility that is owned by the municipality applying for the grant, except that a municipality may own an eligible facility jointly with a nonprofit entity or county if the municipality's ownership interest in such eligible facility is at least fifty percent.

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

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

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

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

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

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

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

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

(b) (c) The amount of sales tax revenue generated for the fund pursuant to subsection (6) of section 13-2610 and subsection (9) of
section 13-3108, the total amount of grants applied for under the act, the year-end fund balance, the amount of the year-end fund balance which has not been committed to funding grants under the act, and, if all available funds have not been committed to funding grants under the act, an explanation of the reasons why all such funds have not been so committed;

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

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

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

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

(3) The Political Subdivision Recapture Cash Fund is created and shall consist of money transferred under subsection (2) of this section. Any money in the Political Subdivision Recapture Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds
Investment Act. By October 1 of each year, the State Treasurer shall distribute the money in the Political Subdivision Recapture Cash Fund to the political subdivisions which have an application for state assistance for an eligible facility or an eligible sports arena facility approved under the Convention Center Facility Financing Assistance Act or the Sports Arena Facility Financing Assistance Act. Each political subdivision shall receive a proportionate share of the amount to be distributed under this subsection, and such proportionate share shall be based on the amount of sales tax revenue generated for the Civic and Community Center Financing Fund during the most recently completed fiscal year by the political subdivision’s facility. The Tax Commissioner shall supply the State Treasurer with any information needed to make the distributions required in this subsection.

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