

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 797

Introduced by Wayne, 13.

Read first time January 18, 2023

Committee: Revenue

1 A BILL FOR AN ACT relating to the Convention Center Facility Financing
2 Assistance Act; to amend sections 13-2603, 13-2610, and 13-2612,
3 Reissue Revised Statutes of Nebraska; to define a term; to change
4 provisions relating to the Convention Center Support Fund; to extend
5 the application acceptance deadline; and to repeal the original
6 sections.

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

1 Section 1. Section 13-2603, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-2603 For purposes of the Convention Center Facility Financing
4 Assistance Act:

5 (1) Associated hotel means any publicly or privately owned facility
6 in which the public may, for a consideration, obtain sleeping
7 accommodations and which is located, in whole or in part, within six
8 hundred yards of an eligible facility, measured from any point of the
9 exterior perimeter of the eligible facility but not from any parking
10 facility or other structure;

11 (2) Board means a board consisting of the Governor, the State
12 Treasurer, the chairperson of the Nebraska Investment Council, the
13 chairperson of the Nebraska State Board of Public Accountancy, and a
14 professor of economics on the faculty of a state postsecondary
15 educational institution appointed to a two-year term on the board by the
16 Coordinating Commission for Postsecondary Education. For administrative
17 and budget purposes only, the board shall be considered part of the
18 Department of Revenue;

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

21 (4) Convention and meeting center facility means a temperature-
22 controlled building and personal property primarily used as a convention
23 and meeting center, including an auditorium, an exhibition hall, a
24 facility for onsite food preparation and serving, an onsite, directly
25 connected parking facility for the use of the convention and meeting
26 center facility, a nearby parking facility for the use of the convention
27 and meeting center facility, and an onsite administrative office of the
28 convention and meeting center facility;

29 (5)(a) Eligible facility means any publicly owned convention and
30 meeting center facility approved for state assistance on or before June
31 1, 2007, any publicly owned sports arena facility attached to such

1 convention and meeting center facility, or any publicly or privately
2 owned convention and meeting center facility or publicly or privately
3 owned sports arena facility acquired, constructed, improved, or equipped
4 after June 1, 2007; and

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

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

12 (7) Nearby parking facility means any parking lot, parking garage,
13 or other parking structure that is not directly connected to a convention
14 and meeting center facility but which is located, in whole or in part,
15 within six hundred yards of a convention and meeting center facility,
16 measured from any point of the exterior perimeter of such facility but
17 not from any other parking facility or other structure;

18 (8) Nearby retailer means a retailer as defined in section
19 77-2701.32 that is located within one thousand two hundred yards of an
20 eligible facility, measured from any point of the exterior perimeter of
21 the eligible facility but not from any parking facility or other
22 structure;

23 (9) (8) Political subdivision means any local governmental body
24 formed and organized under state law and any joint entity or joint public
25 agency created under state law to act on behalf of political subdivisions
26 which has statutory authority to issue general obligation bonds;

27 (10) (9) Revenue bond means any bond or refunding bond issued by a
28 political subdivision which is limited or special rather than a general
29 obligation bond of the political subdivision and which is not payable
30 from the proceeds of an ad valorem tax; and

31 (11) (10) Sports arena facility means any enclosed temperature-

1 controlled building primarily used for competitive sports, including
2 arenas, dressing and locker facilities, concession areas, parking
3 facilities, and onsite administrative offices connected with operating
4 the facilities.

5 Sec. 2. Section 13-2610, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 13-2610 (1) Upon the annual certification under section 13-2609, the
8 State Treasurer shall transfer after the audit the amount certified to
9 the Convention Center Support Fund. The Convention Center Support Fund is
10 created. Transfers may be made from the fund to the General Fund at the
11 direction of the Legislature. Any money in the Convention Center Support
12 Fund available for investment shall be invested by the state investment
13 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
14 State Funds Investment Act.

15 (2)(a) It is the intent of the Legislature to appropriate from the
16 fund to any political subdivision for which an application for state
17 assistance under the Convention Center Facility Financing Assistance Act
18 has been approved an amount not to exceed (i) seventy percent of the
19 state sales tax revenue collected by retailers and operators doing
20 business at such facilities on sales at such facilities, state sales tax
21 revenue collected on primary and secondary box office sales of admissions
22 to such facilities, ~~and~~ state sales tax revenue collected by associated
23 hotels, and state sales tax collected by nearby retailers, other than
24 associated hotels, and sourced under sections 77-2703.01 to 77-2703.04 to
25 the program area, (ii) ~~two~~ ~~one~~ hundred fifty million dollars for any one
26 approved project, or (iii) the total cost of acquiring, constructing,
27 improving, or equipping the eligible facility. State assistance shall not
28 be used for an operating subsidy.

29 (b) It is further the intent of the Legislature to appropriate from
30 the fund to any city of the metropolitan class for which an application
31 for state assistance under the Convention Center Facility Financing

1 Assistance Act has been approved an amount not to exceed the amount of
2 money transferred to the fund pursuant to subdivision (9)(a) of section
3 13-3108.

4 (3)(a) Ten percent of the funds appropriated to a city of the
5 metropolitan class under subdivision (2)(a) of this section and all of
6 the funds appropriated to a city of the metropolitan class under
7 subdivision (2)(b) of this section shall be equally distributed to areas
8 with a high concentration of poverty. Fifty-five percent of such funds
9 shall be used to showcase important historical aspects of such areas or
10 areas within close geographic proximity of the area with a high
11 concentration of poverty and to assist with the reduction of street and
12 gang violence in such areas. Forty-five percent of such funds shall be
13 used to assist with small business and entrepreneurship growth in such
14 areas.

15 (b) Each area with a high concentration of poverty that has been
16 distributed funds under subdivision (3)(a) of this section shall
17 establish a development fund and form a committee which shall identify
18 and research potential projects to be completed in the area with a high
19 concentration of poverty or in an area within close geographic proximity
20 of such area if the project would have a significant or demonstrable
21 impact on such area and make final determinations on the use of the funds
22 received for such projects.

23 (c) A committee formed under subdivision (3)(b) of this section
24 shall include the following members:

25 (i) The member of the city council whose district includes a
26 majority of the census tracts which each contain a percentage of persons
27 below the poverty line of greater than thirty percent, as determined by
28 the most recent federal decennial census, within the area with a high
29 concentration of poverty;

30 (ii) The commissioner of the county whose district includes a
31 majority of the census tracts which each contain a percentage of persons

1 below the poverty line of greater than thirty percent, as determined by
2 the most recent federal decennial census, within the area with a high
3 concentration of poverty;

4 (iii) Two residents of the area with a high concentration of
5 poverty, appointed by the two members of the committee described in
6 subdivisions (3)(c)(i) and (ii) of this section. Such resident members
7 shall be appointed for four-year terms. Each time a resident member is to
8 be appointed pursuant to this subdivision, the committee shall solicit
9 applications from interested individuals by posting notice of the open
10 position on the city's website and on the city's official social media
11 accounts, if any, and by publishing the notice in a legal newspaper in or
12 of general circulation in the area with a high concentration of poverty.
13 Applications may be submitted to either of the committee members
14 described in subdivisions (3)(c)(i) and (ii) of this section. Prior to
15 making any appointment, the committee shall hold a public hearing in the
16 area with a high concentration of poverty. Notice of the hearing shall be
17 provided, at least seven days prior to the hearing, by posting the notice
18 on the city's website and on the city's official social media accounts,
19 if any, and by publishing the notice in a legal newspaper in or of
20 general circulation in the area with a high concentration of poverty; and

21 (iv) The member of the Legislature whose district includes a
22 majority of the census tracts which each contain a percentage of persons
23 below the poverty line of greater than thirty percent, as determined by
24 the most recent federal decennial census, within the area with a high
25 concentration of poverty. The member described in this subdivision shall
26 be a nonvoting member of the committee.

27 (d) A committee formed under subdivision (3)(b) of this section
28 shall solicit project ideas from the public and shall hold a public
29 hearing in the area with a high concentration of poverty. Notice of a
30 proposed hearing shall be provided in accordance with the procedures for
31 notice of a public hearing pursuant to section 18-2115.01. The committee

1 shall research potential projects and make the final determination
2 regarding the annual distribution of funding to such projects.

3 (e) For any committee formed under subdivision (3)(b) of this
4 section:

5 (i) The two committee members described in subdivisions (3)(c)(i)
6 and (ii) of this section shall share joint responsibility of all
7 committee operations and meetings. Applications for funding may be
8 submitted to either of such members; and

9 (ii) All applications, reports, and other records of the committee
10 shall be accessible to any member of the committee.

11 (f) Each recipient of funding from a committee formed under
12 subdivision (3)(b) of this section shall submit an itemized report to
13 such committee on the use of such funds. A recipient shall not be
14 eligible to receive funding for more than three consecutive years unless
15 such recipient is able to justify continued funding based on the
16 following criteria:

17 (i) The number of people served by the project;

18 (ii) The relevance and scale of the project;

19 (iii) The desirability of the social or environmental outcomes of
20 the project and how such outcomes will be achievable and measurable;

21 (iv) The economic impact on the area with a high concentration of
22 poverty; and

23 (v) The recipient's sustainability plan.

24 (g) On or before July 1, 2022, and on or before July 1 of each year
25 thereafter, a committee formed under subdivision (3)(b) of this section
26 shall electronically submit a report to the Legislature which includes:

27 (i) A description of the projects that were funded during the most
28 recently completed calendar year;

29 (ii) A description of where such projects were located;

30 (iii) A description of the outcomes of such projects; and

31 (iv) A ten-year strategic plan on how the committee plans to meet

1 the goals described in subdivision (3)(a) of this section.

2 (h) For purposes of this subsection, an area with a high
3 concentration of poverty means an area within the corporate limits of a
4 city of the metropolitan class consisting of one or more contiguous
5 census tracts, as determined by the most recent federal decennial census,
6 which contain a percentage of persons below the poverty line of greater
7 than thirty percent, and all census tracts contiguous to such tract or
8 tracts, as determined by the most recent federal decennial census.

9 (4)(a) Ten percent of the funds appropriated to a city of the
10 primary class under subdivision (2)(a) of this section may, if the city
11 determines by consent of the city council that such funds are not
12 currently needed for the purposes described in section 13-2604, be used
13 as follows:

14 (i) For investment in the construction of qualified low-income
15 housing projects as defined in 26 U.S.C. 42, including qualified projects
16 receiving Nebraska affordable housing tax credits under the Affordable
17 Housing Tax Credit Act; or

18 (ii) If there are no such qualified low-income housing projects as
19 defined in 26 U.S.C. 42 being constructed or expected to be constructed
20 within the political subdivision, for investment in areas with a high
21 concentration of poverty to assist with low-income housing needs.

22 (b) For purposes of this subsection, an area with a high
23 concentration of poverty means an area within the corporate limits of a
24 city of the primary class consisting of one or more contiguous census
25 tracts, as determined by the most recent American Community Survey 5-Year
26 Estimate, which contain a percentage of persons below the poverty line of
27 greater than thirty percent, and all census tracts contiguous to such
28 tract or tracts, as determined by the most recent American Community
29 Survey 5-Year Estimate.

30 (5) State assistance to the political subdivision shall no longer be
31 available upon the retirement of the bonds issued to acquire, construct,

1 improve, or equip the facility or any subsequent bonds that refunded the
2 original issue or when state assistance reaches the amount determined
3 under subdivision (2)(a) of this section, whichever comes first.

4 (6) The remaining thirty percent of state sales tax revenue
5 collected by retailers and operators doing business at such facilities on
6 sales at such facilities, state sales tax revenue collected on primary
7 and secondary box office sales of admissions to such facilities, and
8 state sales tax revenue collected by associated hotels, shall be
9 appropriated by the Legislature to the Civic and Community Center
10 Financing Fund. Upon the annual certification required pursuant to
11 section 13-2609 and following the transfer to the Convention Center
12 Support Fund required pursuant to subsection (1) of this section, the
13 State Treasurer shall transfer an amount equal to the remaining thirty
14 percent from the Convention Center Support Fund to the Civic and
15 Community Center Financing Fund.

16 (7) Any municipality that has applied for and received a grant of
17 assistance under the Civic and Community Center Financing Act may not
18 receive state assistance under the Convention Center Facility Financing
19 Assistance Act.

20 Sec. 3. Section 13-2612, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 13-2612 The board shall not accept applications for assistance under
23 the Convention Center Facility Financing Assistance Act after December
24 31, 2024 ~~2012~~.

25 Sec. 4. Original sections 13-2603, 13-2610, and 13-2612, Reissue
26 Revised Statutes of Nebraska, are repealed.