

LEGISLATIVE BILL 116

Approved by the Governor March 25, 2025

Introduced by Ballard, 21; Bosn, 25; Bostar, 29; Prokop, 27.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 81-3717 and 81-3720, Reissue Revised Statutes of Nebraska, and sections 13-2603, 13-2604, 13-2605, and 13-2610, Revised Statutes Cumulative Supplement, 2024; to change provisions of the Convention Center Facility Financing Assistance Act and the Nebraska Visitors Development Act; and to repeal the original sections.

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

Section 1. Section 13-2603, Revised Statutes Cumulative Supplement, 2024, is amended to read:

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

(1) Applicant means the political subdivision that applies for assistance under the act;

(2) ~~(1)~~ Associated hotel means any publicly or privately owned facility in which the public may, for a consideration, obtain sleeping accommodations and which is located, in whole or in part, within six hundred yards of an eligible facility, measured from any point of the exterior perimeter of the eligible facility but not from any parking facility or other structure, except that if the eligible facility is within six hundred yards of the State Capitol, the area used in determining associated hotels shall be one or more contiguous or noncontiguous areas within the territorial boundaries of the applicant which are selected by the applicant and which aggregate the same total amount of square footage that such area would have contained had the eligible facility not been within six hundred yards of the State Capitol. The area used in determining associated hotels shall be depicted on a map submitted pursuant to section 13-2605;

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

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

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

(6)(a) ~~(5)(a)~~ Eligible facility means any publicly owned convention and meeting center facility approved for state assistance on or before June 1, 2007, any publicly owned sports arena facility attached to such convention and meeting center facility, or any publicly owned convention and meeting center facility or publicly owned sports arena facility acquired, constructed, improved, or equipped after June 1, 2007; and

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

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

(8) Maximum aggregate appropriation means (a) one hundred fifty million dollars for any one approved project, but not more than the total cost of acquiring, constructing, improving, repairing, replacing, financing, or equipping the eligible facilities of the political subdivision, or (b) for an eligible facility located within six hundred yards of the State Capitol, the total cost of acquiring, constructing, improving, repairing, replacing, financing, and equipping such facility, but only to the extent the cost of acquiring, constructing, improving, repairing, replacing, and equipping such facility does not exceed one hundred fifty million dollars;

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

(10) ~~(8)~~ Nearby retailer means a retailer as defined in section 77-2701.32 that is located, in whole or in part, within six hundred yards of an eligible

facility the application for which is approved on or after June 7, 2023, measured from any point of the exterior perimeter of the eligible facility but not from any parking facility or other structure, except that if the eligible facility is within six hundred yards of the State Capitol, the area used in determining nearby retailers shall be one or more contiguous or noncontiguous areas within the territorial boundaries of the applicant which are selected by the applicant and which aggregate the same total amount of square footage that such area would have contained had the eligible facility not been within six hundred yards of the State Capitol. The area used in determining nearby retailers shall be depicted on a map submitted pursuant to section 13-2605;

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

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

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

Sec. 2. Section 13-2604, Revised Statutes Cumulative Supplement, 2024, is amended to read:

13-2604 Any political subdivision that has acquired, constructed, improved, or equipped eligible facilities, has approved the acquisition, construction, improvement, or equipping of eligible facilities, or has approved a bond issue to acquire, construct, improve, or equip eligible facilities may apply to the board for state assistance. The state assistance shall be used:

(1) To pay back amounts expended or borrowed through one or more issues of bonds to be expended by the political subdivision to acquire, construct, improve, repair, replace, and equip any eligible facilities until repayment in full of the amounts expended or borrowed by the political subdivision, including the principal of and interest on bonds, for all of its eligible facilities;

(2) To pay for capital improvements to any eligible facilities; and

(3) To acquire, construct, improve, repair, replace, and equip nearby parking facilities.

Sec. 3. Section 13-2605, Revised Statutes Cumulative Supplement, 2024, is amended to read:

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

(2) The application shall contain:

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

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

(c) A map identifying the area to be used in determining associated hotels and nearby retailers; and

(d) Any other project information deemed appropriate by the applicant or the board.

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

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

(5) Approval of an application for state assistance by the board after June 7, 2023, pursuant to section 13-2607 shall establish the area to be used for determining associated hotels and nearby retailers as the aggregate area or areas depicted in the map or maps accompanying the application for state assistance as submitted pursuant to subdivision (2)(c) of this section.

~~(6) Each political subdivision that had an application for state assistance approved prior to October 1, 2016, shall submit a map to the Department of Revenue showing the area that lies within six hundred yards of the eligible facility as such area is described in subdivision (1) of section 13-2603. The department shall approve such area if it satisfies the requirements of subdivision (1) of section 13-2603.~~

Sec. 4. Section 13-2610, Revised Statutes Cumulative Supplement, 2024, is amended to read:

13-2610 (1) Upon the annual certification under section 13-2609, the State Treasurer shall transfer after the audit the amount certified to the Convention Center Support Fund. The Convention Center Support Fund is created. Transfers may be made from the fund to the General Fund at the direction of the Legislature. Any money in the Convention Center Support 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.

(2)(a) It is the intent of the Legislature to appropriate from the fund to any political subdivision for which an application for state assistance under

the Convention Center Facility Financing Assistance Act has been approved (i) an annual amount not to exceed ~~(i)~~ seventy percent of the state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels and nearby retailers, and (ii) an aggregate amount of not more than the maximum aggregate appropriation one hundred fifty million dollars for any one approved project, or (iii) the total cost of acquiring, constructing, improving, repairing, replacing, or equipping the eligible facilities of the political subdivision. State assistance shall not be used for an operating subsidy.

(b) It is further the intent of the Legislature to appropriate from the fund to any city of the metropolitan class for which an application for state assistance under the Convention Center Facility Financing Assistance Act has been approved an amount not to exceed the amount of money transferred to the fund pursuant to subdivision (9)(a) of section 13-3108.

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

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

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

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

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

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

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

(d) A committee formed under subdivision (3)(b) of this section shall solicit project ideas from the public and shall hold a public hearing in the area with a high concentration of poverty. Notice of a proposed hearing shall be provided in accordance with the procedures for notice of a public hearing pursuant to section 18-2115.01. The committee shall research potential projects and make the final determination regarding the annual distribution of funding to such projects.

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

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

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

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

continued funding based on the following criteria:

- (i) The number of people served by the project;
 - (ii) The relevance and scale of the project;
 - (iii) The desirability of the social or environmental outcomes of the project and how such outcomes will be achievable and measurable;
 - (iv) The economic impact on the area with a high concentration of poverty;
- and

(v) The recipient's sustainability plan.

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

- (i) A description of the projects that were funded during the most recently completed calendar year;
- (ii) A description of where such projects were located;
- (iii) A description of the outcomes of such projects; and
- (iv) A ten-year strategic plan on how the committee plans to meet the goals described in subdivision (3)(a) of this section.

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

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

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

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

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

(5) State assistance to the political subdivision shall no longer be available (a) upon the retirement of the bonds issued to acquire, construct, improve, repair, replace, or equip all of the political subdivision's facilities approved for state assistance under the Convention Center Facility Financing Assistance Act or any subsequent bonds that refunded the original issue or (b) when state assistance reaches the amount determined under subdivision (2)(a) of this section, whichever comes first.

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

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

Sec. 5. Section 81-3717, Reissue Revised Statutes of Nebraska, is amended to read:

81-3717 (1) The governing body of the county shall after a public hearing adopt a resolution establishing a County Visitors Promotion Fund and a visitors committee which shall serve as an advisory committee to the governing body in administering the proceeds from the taxes provided to the county by the Nebraska Visitors Development Act. The governing body of a county may also after a public hearing adopt a resolution establishing a County Visitors Improvement Fund. The proceeds of the County Visitors Promotion Fund shall be used generally to promote, encourage, and attract visitors to come to the county and use the travel and tourism facilities within the county. The proceeds of the County Visitors Improvement Fund shall be used to expand, improve, and maintain the visitor attractions and facilities in the county pursuant to section 81-3720, except that no proceeds shall be used to expand, improve, or maintain a facility in which parimutuel wagering is conducted unless such facility also serves as the site of a state fair or district or county agricultural society fair. If the visitors committee determines that the visitor attractions in the county are adequate and do not require expansion, improvement, or maintenance, the governing body of the county, with the advice

of the committee, may only use the County Visitors Improvement Fund to promote, encourage, and attract visitors to the county to use the county's travel and tourism facilities or, with the advice of the visitors committee, make grants to organizations to promote, encourage, and attract visitors to the county to use the county's travel and tourism facilities. The committee shall consist of five or seven members appointed by the governing body of the county. If the committee has five members, at least one but no more than two members of the committee shall be in the hotel industry. If the committee has seven members, at least two but no more than three members of the committee shall be in the hotel industry.

(2) The members of the committee shall serve without compensation, except for reimbursement for necessary expenses. Committee members shall serve for terms of four years, except that at least half of those appointed shall be appointed for initial terms of two years. Vacancies shall be filled in the same manner as the initial appointments. The committee shall elect a chairperson and vice-chairperson from among its members to serve for terms of two years.

Sec. 6. Section 81-3720, Reissue Revised Statutes of Nebraska, is amended to read:

81-3720 (1)(a) The County Visitors Improvement Fund shall be administered by the governing body of the county. The governing body of the county shall use the fund to expand, improve, and maintain visitor attractions and facilities in the county or, with the advice of the visitors committee created pursuant to section 81-3717, ~~The fund shall be used to make grants for expanding, and improving, and maintaining facilities at any existing visitor attraction, acquiring or expanding exhibits for existing visitor attractions, constructing visitor attractions, or planning or developing such expansions, improvements, maintenance, or construction.~~

(b) Grants shall be available for any visitor attraction in the county owned by the public or any nonprofit organization, the primary purpose of which is to operate the visitor attraction.

(c) Grants may be made for a specified annual amount not to exceed the proceeds derived from a sales tax rate of one percent imposed by a county for a County Visitors Improvement Fund for a term of years not to exceed twenty years and may be pledged by the recipient to secure bonds issued to finance expansion, improvement, maintenance, or construction of a visitor attraction. Any grant made for a term of years shall be funded each year in accordance with any agreement contained in the grant contract.

(d) No bonds issued by a grant recipient which pledges grant funds shall constitute a debt, liability, or general obligation of the county levying the tax or a pledge of the faith and credit of the county levying the tax but shall be payable solely from grant funds. Each bond issued by any grant recipient which pledges grant funds shall contain on the face thereof a statement that neither the faith and credit nor the taxing power of the county levying the tax is pledged to the payment of the principal of or the interest on such bond.

(2) For purposes of this section and section 81-3717, visitor attraction means a defined location open to the public that, ~~which location~~ is of educational, cultural, historical, artistic, or recreational significance, that ~~or provides entertainment, or that has in which~~ are exhibits, displays, or performances of educational, cultural, historic, artistic, or entertainment value.

Sec. 7. Original sections 81-3717 and 81-3720, Reissue Revised Statutes of Nebraska, and sections 13-2603, 13-2604, 13-2605, and 13-2610, Revised Statutes Cumulative Supplement, 2024, are repealed.