

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 622

Introduced by McDonnell, 5.

Read first time January 17, 2023

Committee: Revenue

1 A BILL FOR AN ACT relating to the Sports Arena Facility Financing
2 Assistance Act; to amend sections 13-3102, 13-3103, and 13-3104,
3 Reissue Revised Statutes of Nebraska; to define and redefine terms;
4 to change provisions relating to limitations on state assistance and
5 application requirements; to harmonize provisions; and to repeal the
6 original sections.

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

1 Section 1. Section 13-3102, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-3102 For purposes of the Sports Arena Facility Financing
4 Assistance Act:

5 (1) Applicant means:

6 (a) A political subdivision; or

7 (b) A political subdivision and nonprofit organization that jointly
8 submit an application under the act;

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

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

19 (4) Court means a rectangular hard surface primarily used indoors
20 for competitive sports, including, but not limited to, basketball,
21 volleyball, or tennis;

22 (5) Covered property means any real property that, as of the date an
23 application for state assistance is submitted under the Sports Arena
24 Facility Financing Assistance Act, is part of:

25 (a) A project previously approved under the Sports Arena Facility
26 Financing Assistance Act, including the program area associated with such
27 project; or

28 (b) A project previously approved under the Convention Center
29 Facility Financing Assistance Act, including the area used in determining
30 an associated hotel as defined in section 13-2603 for such project;

31 (6) ~~(5)~~ Date that the project commenced means the date when a

1 project starts as specified by a contract, resolution, or formal public
2 announcement;

3 (7) ~~(6)~~ Economic redevelopment area means an area in the State of
4 Nebraska in which:

5 (a) The average rate of unemployment in the area during the period
6 covered by the most recent federal decennial census or American Community
7 Survey 5-Year Estimate by the United States Bureau of the Census is at
8 least one hundred fifty percent of the average rate of unemployment in
9 the state during the same period; and

10 (b) The average poverty rate in the area is twenty percent or more
11 for the federal census tract in the area;

12 (8) ~~(7)~~ Eligible sports arena facility means:

13 (a) Any publicly owned, enclosed, and temperature-controlled
14 building primarily used for sports that has a permanent seating capacity
15 of at least three thousand but no more than seven thousand seats and in
16 which initial occupancy occurs on or after July 1, 2010, including
17 stadiums, arenas, dressing and locker facilities, concession areas,
18 parking facilities, nearby parking facilities for the use of the eligible
19 sports arena facility, and onsite administrative offices connected with
20 operating the facilities;

21 (b) Any racetrack enclosure licensed by the State Racing and Gaming
22 Commission in which initial occupancy occurs on or after July 1, 2010,
23 including concession areas, parking facilities, and onsite administrative
24 offices connected with operating the racetrack; ~~and~~

25 (c) Any sports complex, including concession areas, parking
26 facilities, and onsite administrative offices connected with operating
27 the sports complex; and

28 (d) Any large public stadium in which initial occupancy occurs on or
29 after March 1, 2025, including dressing and locker facilities, concession
30 areas, parking facilities, nearby parking facilities for the use of the
31 stadium, and onsite administrative offices connected with operating the

1 stadium;

2 ~~(9)~~ ~~(8)~~ General obligation bond means any bond or refunding bond
3 issued by a political subdivision and which is payable from the proceeds
4 of an ad valorem tax;

5 ~~(10)~~ ~~(9)~~ Increase in state sales tax revenue means the amount of
6 state sales tax revenue collected by a nearby retailer during the fiscal
7 year for which state assistance is calculated minus the amount of state
8 sales tax revenue collected by the nearby retailer in the fiscal year
9 that ended immediately preceding the project completion date of the
10 eligible sports arena facility, except that the amount of state sales tax
11 revenue of a nearby retailer shall not be less than zero;

12 (11) Large public stadium means a publicly owned open-air facility
13 that:

14 (a) Primarily includes an outdoor field, but may include some indoor
15 areas;

16 (b) Is primarily used for competitive sports;

17 (c) Has at least five thousand five hundred but no more than seven
18 thousand five hundred permanent seats with a capacity not to exceed ten
19 thousand seats; and

20 (d) Is located in a city of the metropolitan class;

21 ~~(12)~~ ~~(10)~~ Multipurpose field means a rectangular field of grass or
22 synthetic turf which is primarily used for competitive field sports,
23 including, but not limited to, soccer, football, flag football, lacrosse,
24 or rugby;

25 ~~(13)~~ ~~(11)~~ Nearby parking facility means any parking lot, parking
26 garage, or other parking structure that is not directly connected to an
27 eligible sports arena facility but which is located, in whole or in part,
28 within seven hundred yards of an eligible sports arena facility, measured
29 from any point of the exterior perimeter of such facility but not from
30 any other parking facility or other structure;

31 ~~(14)~~ ~~(12)~~ Nearby retailer means a retailer as defined in section

1 77-2701.32 that is located within the program area. The term includes a
2 subsequent owner of a nearby retailer operating at the same location;

3 (15) ~~(13)~~ New state sales tax revenue means:

4 (a) For any eligible sports arena facility other than that is not a
5 sports complex or a large public stadium:

6 (i) One hundred percent of the state sales tax revenue that (A) is
7 collected by a nearby retailer that commenced collecting state sales tax
8 during the period of time beginning twenty-four months prior to the
9 project completion date of the eligible sports arena facility and ending
10 forty-eight months after the project completion date of the eligible
11 sports arena facility or, for applications for state assistance approved
12 prior to October 1, 2016, forty-eight months after October 1, 2016, and
13 (B) is sourced under sections 77-2703.01 to 77-2703.04 to the program
14 area; and

15 (ii) The increase in state sales tax revenue that (A) is collected
16 by a nearby retailer that commenced collecting state sales tax prior to
17 twenty-four months prior to the project completion date of the eligible
18 sports arena facility and (B) is sourced under sections 77-2703.01 to
19 77-2703.04 to the program area; or

20 (b) For any eligible sports arena facility that is a sports complex
21 or a large public stadium, one hundred percent of the state sales tax
22 revenue that (i) is collected by a nearby retailer that commenced
23 collecting state sales tax during the period of time beginning on the
24 date that the project commenced and ending forty-eight months after the
25 project completion date of the eligible sports arena facility and (ii) is
26 sourced under sections 77-2703.01 to 77-2703.04 to the program area;

27 (16) ~~(14)~~ Political subdivision means any city, village, or county;

28 (17) ~~(15)~~ Program area means:

29 (a) For any eligible sports arena facility other than that is not a
30 sports complex or a large public stadium:

31 (i) For applications for state assistance submitted prior to October

1 1, 2016, the area that is located within six hundred yards of an eligible
2 sports arena facility, measured from any point of the exterior perimeter
3 of the facility but not from any parking facility or other structure; or

4 (ii) For applications for state assistance submitted on or after
5 October 1, 2016, the area that is located within six hundred yards of an
6 eligible sports arena facility, measured from any point of the exterior
7 perimeter of the facility but not from any parking facility or other
8 structure, except that if twenty-five percent or more of such area is
9 unbuildable property, then the program area shall be adjusted so that:

10 (A) It avoids as much of the unbuildable property as is practical;
11 and

12 (B) It contains contiguous property with the same total amount of
13 square footage that the program area would have contained had no
14 adjustment been necessary; ~~or~~

15 (b) For any eligible sports arena facility that is a sports complex,
16 the area that is located within six hundred yards of an eligible sports
17 arena facility, measured from any point of the exterior boundary or
18 property line of the facility; or -

19 (c) For any eligible sports arena facility that is a large public
20 stadium, the area that is located within six hundred yards of an eligible
21 sports arena facility, measured from any point of the exterior perimeter
22 of the facility but not from any parking facility or other structure,
23 except that if twenty-five percent or more of such area is covered
24 property or unbuildable property, then the program area shall be adjusted
25 so that:

26 (i) It avoids as much of the covered property and unbuildable
27 property as is practical; and

28 (ii) It contains contiguous property with the same total amount of
29 square footage that the program area would have contained had no
30 adjustment been necessary.

31 Approval of an application for state assistance by the board

1 pursuant to section 13-3106 shall establish the program area as that area
2 depicted in the map accompanying the application for state assistance as
3 submitted pursuant to subdivision (2)(c) of section 13-3104;

4 (18) ~~(16)~~ Project completion date means:

5 (a) For projects involving the acquisition or construction of an
6 eligible sports arena facility, the date of initial occupancy of the
7 facility following the completion of such acquisition or construction; or

8 (b) For all other projects, the date of completion of the project
9 for which state assistance is received;

10 (19) ~~(17)~~ Revenue bond means any bond or refunding bond issued by a
11 political subdivision which is limited or special rather than a general
12 obligation bond of the political subdivision and which is not payable
13 from the proceeds of an ad valorem tax;

14 (20) ~~(18)~~ Sports complex means a facility that:

15 (a) Includes indoor areas, outdoor areas, or both;

16 (b) Is primarily used for competitive sports; and

17 (c) Contains at least:

18 (i) Twelve separate sports venues if such facility is located in a
19 city of the metropolitan class;

20 (ii) Six separate sports venues if such facility is located in a
21 city of the primary class; or

22 (iii) Four separate sports venues if such facility is located (A) in
23 a city of the first class, city of the second class, or village, (B)
24 within a county but outside the corporate limits of any city or village,
25 (C) in an economic redevelopment area, or (D) in an opportunity zone
26 designated pursuant to the federal Tax Cuts and Jobs Act, Public Law
27 115-97;

28 (21) ~~(19)~~ Sports venue includes, but is not limited to:

29 (a) A baseball field;

30 (b) A softball field;

31 (c) A multipurpose field;

- 1 (d) An outdoor stadium primarily used for competitive sports;
- 2 (e) An outdoor arena primarily used for competitive sports; or
- 3 (f) An enclosed, temperature-controlled building primarily used for
- 4 competitive sports. If any such building contains more than one
- 5 multipurpose field, court, swimming pool, or other facility primarily
- 6 used for competitive sports, then each such multipurpose field, court,
- 7 swimming pool, or facility shall count as a separate sports venue; and

8 (22) ~~(20)~~ Unbuildable property means any real property that is
9 located in a floodway, an environmentally protected area, a right-of-way,
10 or a brownfield site as defined in 42 U.S.C. 9601 that the political
11 subdivision determines is not suitable for the construction or location
12 of residential, commercial, or other buildings or facilities.

13 Sec. 2. Section 13-3103, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 13-3103 (1) Any applicant that has (a) acquired, constructed,
16 improved, or equipped, (b) approved a revenue bond issue or a general
17 obligation bond issue to acquire, construct, improve, or equip, or (c)
18 adopted a resolution authorizing the applicant to pursue a general
19 obligation bond issue to acquire, construct, improve, or equip an
20 eligible sports arena facility may apply to the board for state
21 assistance.

22 (2) The state assistance shall only be used to pay back amounts
23 expended or borrowed through one or more issues of bonds to be expended
24 by the applicant to acquire, construct, improve, or equip the eligible
25 sports arena facility and to acquire, construct, improve, or equip nearby
26 parking facilities.

27 (3)(a) Except as provided in subdivision (3)(b) of this section, for
28 ~~(3) For~~ applications for state assistance approved on or after October 1,
29 2016, no more than fifty percent of the final cost of the project shall
30 be funded by state assistance received pursuant to section 13-3108.

31 (b) For any application for state assistance for a large public

1 stadium approved on or after the effective date of this act, up to one
2 hundred percent of the final cost of the project may be funded by state
3 assistance received pursuant to section 13-3108.

4 Sec. 3. Section 13-3104, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 13-3104 (1) All applications for state assistance under the Sports
7 Arena Facility Financing Assistance Act shall be in writing and shall
8 include a certified copy of the approving action of the governing body of
9 the applicant describing the proposed project for which state assistance
10 is requested and the anticipated financing.

11 (2) The application shall contain:

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

17 (b) Documentation of local financial commitment to support the
18 project, including all public and private resources pledged or committed
19 to the project and including a copy of any operating agreement or lease
20 with substantial users of the eligible sports arena facility;

21 (c) ~~A For applications submitted on or after October 1, 2016, a map~~
22 identifying the program area, including any covered property or
23 unbuildable property within the program area or taken into account in
24 adjusting the program area as described in subdivisions (17)(a)(ii) and
25 (17)(c) subdivision (15)(a)(ii) of section 13-3102; and

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

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

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

1 Sec. 4. Original sections 13-3102, 13-3103, and 13-3104, Reissue
2 Revised Statutes of Nebraska, are repealed.