

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 803

Introduced by von Gillern, 4; Lippincott, 34.

Read first time January 18, 2023

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Sports Arena Facility Financing
- 2 Assistance Act; to amend sections 13-3102 and 13-3108, Reissue
- 3 Revised Statutes of Nebraska; to redefine terms; to change
- 4 provisions relating to the Sports Arena Facility Support Fund; to
- 5 repeal the original sections; and to declare an emergency.
- 6 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) Date that the project commenced means the date when a project
23 starts as specified by a contract, resolution, or formal public
24 announcement;

25 (6) Economic redevelopment area means an area in the State of
26 Nebraska in which:

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

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

3 (7) Eligible sports arena facility means:

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

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

16 (c) Any sports complex, including concession areas, parking
17 facilities, and onsite administrative offices connected with operating
18 the sports complex;

19 (8) General obligation bond means any bond or refunding bond issued
20 by a political subdivision and which is payable from the proceeds of an
21 ad valorem tax;

22 (9) Increase in state sales tax revenue means the amount of state
23 sales tax revenue collected by a nearby retailer during the fiscal year
24 for which state assistance is calculated minus the amount of state sales
25 tax revenue collected by the nearby retailer in the fiscal year that
26 ended immediately preceding the project completion date of the eligible
27 sports arena facility, except that the amount of state sales tax revenue
28 of a nearby retailer shall not be less than zero;

29 (10) Multipurpose field means a rectangular field of grass or
30 synthetic turf which is primarily used for competitive field sports,
31 including, but not limited to, soccer, football, flag football, lacrosse,

1 or rugby;

2 (11) Nearby parking facility means any parking lot, parking garage,
3 or other parking structure that is not directly connected to an eligible
4 sports arena facility but which is located, in whole or in part, within
5 seven hundred yards of an eligible sports arena facility, measured from
6 any point of the exterior perimeter of such facility but not from any
7 other parking facility or other structure;

8 (12) Nearby retailer means a retailer as defined in section
9 77-2701.32 that is located within the program area. The term includes a
10 subsequent owner of a nearby retailer operating at the same location;

11 (13) New state sales tax revenue means:

12 (a) For any eligible sports arena facility that is not a sports
13 complex:

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

23 (ii) The increase in state sales tax revenue that (A) is collected
24 by a nearby retailer that commenced collecting state sales tax prior to
25 twenty-four months prior to the project completion date of the eligible
26 sports arena facility and (B) is sourced under sections 77-2703.01 to
27 77-2703.04 to the program area; or

28 (b) For any eligible sports arena facility that is a sports complex,
29 one hundred percent of the state sales tax revenue that (i) is collected
30 by a nearby retailer that commenced collecting state sales tax during the
31 period of time beginning on the date that the project commenced and

1 ending forty-eight months after the project completion date of the
2 eligible sports arena facility and (ii) is sourced under sections
3 77-2703.01 to 77-2703.04 to the program area;

4 (14) Political subdivision means (a) any city, village, or county or
5 (b) a joint entity formed under the Interlocal Cooperation Act which
6 includes a city, village, or county as a member;

7 (15) Program area means:

8 (a) For any eligible sports arena facility that is not a sports
9 complex:

10 (i) For applications for state assistance submitted prior to October
11 1, 2016, the area that is located within six hundred yards of an eligible
12 sports arena facility, measured from any point of the exterior perimeter
13 of the facility but not from any parking facility or other structure; or

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

20 (A) It avoids as much of the unbuildable property as is practical;
21 and

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

25 (b) For any eligible sports arena facility that is a sports complex,
26 the area that is located within six hundred yards of an eligible sports
27 arena facility, measured from any point of the exterior boundary or
28 property line of the facility.

29 Approval of an application for state assistance by the board
30 pursuant to section 13-3106 shall establish the program area as that area
31 depicted in the map accompanying the application for state assistance as

1 submitted pursuant to subdivision (2)(c) of section 13-3104;

2 (16) Project completion date means:

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

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

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

12 (18) Sports complex means a facility that:

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

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

15 (c) Contains at least:

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

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

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

26 (19) Sports venue includes, but is not limited to:

27 (a) A baseball field;

28 (b) A softball field;

29 (c) A multipurpose field;

30 (d) An outdoor stadium primarily used for competitive sports;

31 (e) An outdoor arena primarily used for competitive sports; or

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

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

11 Sec. 2. Section 13-3108, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 13-3108 (1) The Sports Arena Facility Support Fund is created. Any
14 money in the fund available for investment shall be invested by the state
15 investment officer pursuant to the Nebraska Capital Expansion Act and the
16 Nebraska State Funds Investment Act.

17 (2)(a) Upon receiving the certification described in subsection (3)
18 of section 13-3107, the State Treasurer shall transfer the amount
19 certified to the fund.

20 (b) Upon receiving the quarterly certification described in
21 subsection (4) of section 13-3107, the State Treasurer shall transfer the
22 amount certified to the fund.

23 (3)(a) It is the intent of the Legislature to appropriate from the
24 fund money to be distributed as provided in subsections (4) and (5) of
25 this section to any political subdivision for which an application for
26 state assistance under the Sports Arena Facility Financing Assistance Act
27 has been approved an amount not to exceed seventy percent of the (i)
28 state sales tax revenue collected by retailers doing business at eligible
29 sports arena facilities on sales at such facilities, (ii) state sales tax
30 revenue collected on primary and secondary box office sales of admissions
31 to such facilities, and (iii) new state sales tax revenue collected by

1 nearby retailers and sourced under sections 77-2703.01 to 77-2703.04 to
2 the program area.

3 (b) The amount to be appropriated for distribution as state
4 assistance to a political subdivision under this subsection for any one
5 year after the tenth year shall not exceed the highest such amount
6 appropriated under subdivision (3)(a) of this section during any one year
7 of the first ten years of such appropriation. If seventy percent of the
8 state sales tax revenue as described in subdivision (3)(a) of this
9 section exceeds the amount to be appropriated under this subdivision,
10 such excess funds shall be transferred to the General Fund.

11 (4) The amount certified under subsection (3) of section 13-3107
12 shall be distributed as state assistance on or before April 15, 2014.

13 (5) Beginning in 2014, quarterly distributions and associated
14 transfers of state assistance shall be made. Such quarterly distributions
15 and transfers shall be based on the certifications provided under
16 subsection (4) of section 13-3107 and shall occur within fifteen days
17 after receipt of such certification.

18 (6) The total amount of state assistance approved for an eligible
19 sports arena facility shall not exceed one hundred million dollars.

20 (7) State assistance to the political subdivision shall no longer be
21 available upon the retirement of the bonds issued to acquire, construct,
22 improve, or equip the facility or any subsequent bonds that refunded the
23 original issue or when state assistance reaches the amount determined
24 under subsection (6) of this section, whichever comes first.

25 (8) State assistance shall not be used for an operating subsidy.

26 (9) The thirty percent of state sales tax revenue remaining after
27 the appropriation and transfer in subsection (3) of this section shall be
28 appropriated by the Legislature and transferred quarterly as follows:

29 (a) If the revenue relates to an eligible sports arena facility that
30 is a sports complex and that is approved for state assistance under
31 section 13-3106 on or after May 26, 2021, but prior to the effective date

1 of this act, eighty-three percent of such revenue shall be transferred to
2 the Support the Arts Cash Fund and seventeen percent of such revenue
3 shall be transferred to the Convention Center Support Fund; and

4 (b) If the revenue relates to any other eligible sports arena
5 facility, such revenue shall be transferred to the Civic and Community
6 Center Financing Fund.

7 (10) Except as provided in subsection (11) of this section for a
8 city of the primary class, any municipality that has applied for and
9 received a grant of assistance under the Civic and Community Center
10 Financing Act shall not receive state assistance under the Sports Arena
11 Facility Financing Assistance Act for the same project for which the
12 grant was awarded under the Civic and Community Center Financing Act.

13 (11) A city of the primary class shall not be eligible to receive a
14 grant of assistance from the Civic and Community Center Financing Act if
15 the city has applied for and received a grant of assistance under the
16 Sports Arena Facility Financing Assistance Act.

17 Sec. 3. Original sections 13-3102 and 13-3108, Reissue Revised
18 Statutes of Nebraska, are repealed.

19 Sec. 4. Since an emergency exists, this act takes effect when
20 passed and approved according to law.