

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 783

Introduced by Lathrop, 12.

Read first time January 10, 2014

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Sports Arena Facility Financing Assistance
2 Act; to amend sections 13-3107 and 13-3108, Reissue
3 Revised Statutes of Nebraska, and section 13-2709,
4 Revised Statutes Supplement, 2013; to provide for
5 quarterly estimated distributions and for annual
6 reconciliation; to harmonize provisions; to provide an
7 operative date; to repeal the original sections; and to
8 declare an emergency.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-2709, Revised Statutes Supplement,
2 2013, is amended to read:

3 13-2709 The department shall submit, as part of the
4 department's annual status report under section 81-1201.11, the
5 following information regarding the Civic and Community Center
6 Financing Act:

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

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

11 (3) The amount of sales tax revenue generated for the
12 fund pursuant to subsection (4) of section 13-2610 and subsection ~~(6)~~
13 (7) of section 13-3108, the total amount of grants applied for under
14 the act, the year-end fund balance, and, if all available funds have
15 not been committed to funding grants under the act, an explanation of
16 the reasons why all such funds have not been so committed;

17 (4) The amount of appropriated funds actually expended by
18 the department for the year;

19 (5) The department's current budget for administration of
20 the act and the department's planned use and distribution of funds,
21 including details on the amount of funds to be expended on grants and
22 the amount of funds to be expended by the department for
23 administrative purposes; and

24 (6) Grant summaries, including the applicant
25 municipality, project description, grant amount requested, amount and

1 type of matching funds, and reasons for approval or denial based on
2 evaluation criteria from section 13-2707 or 13-2707.01 for every
3 application seeking assistance under the act.

4 Sec. 2. Section 13-3107, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 13-3107 (1) If an application is approved, the Tax
7 Commissioner shall:

8 (a) Audit or review audits of the approved eligible
9 sports arena facility to determine the (i) state sales tax revenue
10 collected by retailers doing business at such facility on sales at
11 such facility, (ii) state sales tax revenue collected on primary and
12 secondary box office sales of admissions to such facility, and (iii)
13 new state sales tax revenue collected by nearby retailers;

14 (b) Estimate quarterly the amount of state sales tax
15 revenue and new state sales tax revenue that will be determined under
16 subdivision (a) of this subsection and certify such amount to the
17 State Treasurer.

18 ~~(b)-(c)~~ Certify annually the amount of state sales tax
19 revenue and new state sales tax revenue determined under subdivision
20 (a) of this subsection to the State Treasurer; and

21 ~~(e)-(d)~~ Determine if more than one facility is eligible
22 for state assistance from state sales tax revenue collected by the
23 same nearby retailers. If the Tax Commissioner has made such a
24 determination, the facility that was first determined to be eligible
25 for state assistance shall be the only facility eligible to receive

1 such funds.

2 (2) State sales tax revenue collected by retailers that
3 are doing business at an eligible sports arena facility and new state
4 sales tax revenue collected by nearby retailers shall be reported on
5 informational returns developed by the Department of Revenue and
6 provided to any such retailers by the facility. The informational
7 returns shall be submitted to the department by the retailer by the
8 twentieth day of the month following the month the sales taxes are
9 collected. The Tax Commissioner shall use the data from the
10 informational returns and sales tax returns of both such categories
11 of retailers and the sports arena facility to determine the
12 appropriate amount of state sales tax revenue.

13 (3) The Department of Revenue may adopt and promulgate
14 rules and regulations to carry out the Sports Arena Facility
15 Financing Assistance Act.

16 Sec. 3. Section 13-3108, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 13-3108 (1) Upon the ~~annual~~ quarterly certification under
19 subdivision (1)(b) of section 13-3107, the State Treasurer shall
20 transfer ~~after the audit~~ the amount certified to the Sports Arena
21 Facility Support Fund which is hereby created. Any money in the fund
22 available for investment shall be invested by the state investment
23 officer pursuant to the Nebraska Capital Expansion Act and the
24 Nebraska State Funds Investment Act.

25 (2) Upon the annual certification under subdivision (1)

1 (c) of section 13-3107, the State Treasurer shall transfer after the
2 audit the amount necessary to reconcile the quarterly estimated
3 transfers with the annual certification either to or from the fund.

4 ~~(2)(a)~~(3)(a) It is the intent of the Legislature to
5 appropriate from the fund money to be distributed quarterly to any
6 political subdivision for which an application for state assistance
7 under the Sports Arena Facility Financing Assistance Act has been
8 approved an amount not to exceed seventy percent of the (i) state
9 sales tax revenue collected by retailers doing business at eligible
10 sports arena facilities on sales at such facilities, (ii) state sales
11 tax revenue collected on primary and secondary box office sales of
12 admissions to such facilities, and (iii) new state sales tax revenue
13 collected by nearby retailers and sourced under sections 77-2703.01
14 to 77-2703.04 to a location within six hundred yards of the eligible
15 facility.

16 (b) The amount to be appropriated for distribution as
17 state assistance to a political subdivision under this subsection for
18 any one year after the tenth year shall not exceed the highest such
19 amount appropriated under subdivision ~~(2)(a)~~(3)(a) of this section
20 during any one year of the first ten years of such appropriation. If
21 seventy percent of the state sales tax revenue as described in
22 subdivision ~~(2)(a)~~(3)(a) of this section exceeds the amount to be
23 appropriated under this subdivision, such excess funds shall be
24 transferred to the General Fund.

25 ~~(3)~~(4) The total amount of state assistance approved for

1 an eligible sports arena facility shall not (a) exceed fifty million
2 dollars or (b) be paid out for more than twenty years after the
3 issuance of the first bond for the sports arena facility.

4 ~~(4)~~(5) State assistance to the political subdivision
5 shall no longer be available upon the retirement of the bonds issued
6 to acquire, construct, improve, or equip the facility or any
7 subsequent bonds that refunded the original issue or when state
8 assistance reaches the amount determined under subsection ~~(3)~~(4) of
9 this section, whichever comes first.

10 ~~(5)~~(6) State assistance shall not be used for an
11 operating subsidy or other ancillary facility.

12 ~~(6)~~(7) The thirty percent of state sales tax revenue
13 remaining after the appropriation and transfer in subsection ~~(2)~~(3)
14 of this section shall be appropriated by the Legislature to the Civic
15 and Community Center Financing Fund.

16 ~~(7)~~(8) Except as provided in subsection ~~(8)~~(9) of this
17 section for a city of the primary class, any municipality that has
18 applied for and received a grant of assistance under the Civic and
19 Community Center Financing Act shall not receive state assistance
20 under the Sports Arena Facility Financing Assistance Act for the same
21 project for which the grant was awarded under the Civic and Community
22 Center Financing Act.

23 ~~(8)~~(9) A city of the primary class shall not be eligible
24 to receive a grant of assistance from the Civic and Community Center
25 Financing Act if the city has applied for and received a grant of

1 assistance under the Sports Arena Facility Financing Assistance Act.

2 Sec. 4. This act becomes operative on July 1, 2014.

3 Sec. 5. Original sections 13-3107 and 13-3108, Reissue
4 Revised Statutes of Nebraska, and section 13-2709, Revised Statutes
5 Supplement, 2013, are repealed.

6 Sec. 6. Since an emergency exists, this act takes effect
7 when passed and approved according to law.