

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 284

Introduced by Riepe, 12.

Read first time January 15, 2015

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Sports Arena Facility Financing
- 2 Assistance Act; to amend section 13-3102, Reissue Revised Statutes
- 3 of Nebraska, and section 13-3108, Revised Statutes Cumulative
- 4 Supplement, 2014; to redefine terms; to harmonize provisions; to
- 5 provide an operative date; and to repeal the original sections.
- 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) Board means a board consisting of the Governor, the State
6 Treasurer, the chairperson of the Nebraska Investment Council, the
7 chairperson of the Nebraska State Board of Public Accountancy, and a
8 professor of economics on the faculty of a state postsecondary
9 educational institution appointed to a two-year term on the board by the
10 Coordinating Commission for Postsecondary Education. For administrative
11 and budget purposes only, the board shall be considered part of the
12 Department of Revenue;

13 (2) Bond means a general obligation bond, redevelopment bond, lease-
14 purchase bond, revenue bond, or combination of any such bonds;

15 (3) Eligible sports arena facility means:

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

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

27 (4) General obligation bond means any bond or refunding bond issued
28 by a political subdivision and which is payable from the proceeds of an
29 ad valorem tax;

30 (5) Increase in state sales tax revenue means the amount of state
31 sales tax revenue collected by a nearby retailer during the fiscal year

1 for which state assistance is calculated minus the amount of state sales
2 tax revenue collected by the nearby retailer in the fiscal year that
3 ended immediately preceding the date of occupancy of the eligible sports
4 arena facility, except that the amount of state sales tax revenue of a
5 nearby retailer shall not be less than zero;

6 (6) Nearby retailer means a retailer as defined in section
7 77-2701.32 that is located within one thousand ~~six hundred~~ yards of an
8 eligible sports arena facility, measured from the facility but not from
9 any parking facility or other structure. The term includes a subsequent
10 owner of a nearby retailer operating at the same location;

11 (7) New state sales tax revenue means:

12 (a) For nearby retailers that commenced collecting state sales tax
13 during the period of time beginning twenty-four months prior to occupancy
14 of the eligible sports arena facility and ending twenty-four months after
15 the occupancy of the eligible sports arena facility, one hundred percent
16 of the state sales tax revenue collected by the nearby retailer and
17 sourced under sections 77-2703.01 to 77-2703.04 to a location within one
18 thousand ~~six hundred~~ yards of the eligible sports arena facility; and

19 (b) For nearby retailers that commenced collecting state sales tax
20 prior to twenty-four months prior to occupancy of the eligible sports
21 arena facility, the increase in state sales tax revenue collected by the
22 nearby retailer and sourced under sections 77-2703.01 to 77-2703.04 to a
23 location within one thousand ~~six hundred~~ yards of the facility;

24 (8) Political subdivision means any city, village, or county; and

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

29 Sec. 2. Section 13-3108, Revised Statutes Cumulative Supplement,
30 2014, is amended to read:

31 13-3108 (1) The Sports Arena Facility Support Fund is created. Any

1 money in the fund available for investment shall be invested by the state
2 investment officer pursuant to the Nebraska Capital Expansion Act and the
3 Nebraska State Funds Investment Act.

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

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

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

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

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

31 (5) Beginning in 2014, quarterly distributions of state assistance

1 shall be made. Such quarterly distributions shall be based on the
2 certifications provided under subsection (4) of section 13-3107 and shall
3 occur within fifteen days after receipt of such certification.

4 (6) The total amount of state assistance approved for an eligible
5 sports arena facility shall not (a) exceed fifty million dollars or (b)
6 be paid out for more than twenty years after the issuance of the first
7 bond for the sports arena facility.

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

13 (8) State assistance shall not be used for an operating subsidy or
14 other ancillary facility.

15 (9) The thirty percent of state sales tax revenue remaining after
16 the appropriation and transfer in subsection (3) of this section shall be
17 appropriated by the Legislature to the Civic and Community Center
18 Financing Fund.

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

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

29 Sec. 3. This act becomes operative on January 1, 2016.

30 Sec. 4. Original section 13-3102, Reissue Revised Statutes of
31 Nebraska, and section 13-3108, Revised Statutes Cumulative Supplement,

1 2014, are repealed.