

AMENDMENTS TO LB 551

(Amendments to E & R amendments, ER8112)

Introduced by Flood, 19

1 1. Strike amendment 1 and insert the following new
2 amendment:

3 1. Strike the original sections and all amendments
4 thereto and insert the following new sections:

5 Section 1. Section 13-2602, Revised Statutes Cumulative
6 Supplement, 2006, is amended to read:

7 13-2602 (1) The Legislature finds that it will be
8 beneficial to the economic well-being of the people of this
9 state that there be convention and meeting center facilities and
10 sports arena facilities of appropriate size and quality to host
11 regional, national, or international events. Regional refers to
12 states that border Nebraska; national refers to states other than
13 those that border Nebraska; and international refers to nations
14 other than the United States.

15 (2) The Legislature further finds that such facilities
16 may (a) generate new economic activity as well as additional state
17 and local taxes from persons residing within and outside the state
18 and (b) create new economic opportunities for residents.

19 (3) In order that the state may receive any long-term
20 economic and fiscal benefits from such facilities, a need exists to
21 provide some state ~~financial~~ assistance to political subdivisions
22 endeavoring to construct, acquire, substantially reconstruct,

1 expand, operate, improve, or equip such facilities.

2 (4) Therefor, it is deemed to be in the best interest of
3 both the state and its political subdivisions that the state assist
4 political subdivisions in financing the construction, acquisition,
5 substantial reconstruction, expansion, operation, improvement, or
6 equipping of such facilities.

7 (5) The amount of state ~~financial~~ assistance shall be
8 limited to a designated portion of ~~new~~ state sales tax revenue
9 ~~attributed to such facilities and defined events hosted at such~~
10 ~~facilities, collected by retailers and operators doing business~~
11 at such facilities on sales at such facilities, state sales
12 tax revenue collected on primary and secondary box office sales
13 of admissions to such facilities, and state sales tax revenue
14 collected by associated hotels.

15 Sec. 2. Section 13-2603, Revised Statutes Cumulative
16 Supplement, 2006, is amended to read:

17 13-2603 For purposes of the Convention Center Facility
18 Financing Assistance Act:

19 (1) ~~Attributable revenue means new state tax revenue~~
20 ~~generated due to the construction of the eligible facility,~~
21 ~~employment at the eligible facility, and spending by participants,~~
22 ~~increased by the applicable investment multiplier;~~

23 (1) Associated hotel means any facility in which the
24 public may, for a consideration, obtain sleeping accommodations and
25 which is located within two hundred yards of an eligible facility;

26 (2) Board means a board consisting of the Governor,
27 the State Treasurer, the chairperson of the Nebraska Investment

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

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

10 (4) Convention and meeting center facility means ~~any~~
11 ~~real or~~ a temperature-controlled building and personal property
12 ~~necessary for~~ primarily used as a convention and meeting center,
13 including an auditorium, an exhibition hall, a facility for onsite
14 food preparation and serving, an onsite, directly connected parking
15 facility for the use of the convention and meeting center facility,
16 and an onsite administrative office of the convention and meeting
17 center facility;

18 (5) Eligible facility means any ~~publicly owned~~ convention
19 and meeting center facility approved for state assistance on or
20 before the effective date of this act, any sports arena facility
21 attached to such convention and meeting center facility, or any
22 convention and meeting center facility or sports arena facility
23 ~~acquired, constructed, improved, or equipped after January 1, 1999,~~
24 the effective date of this act;

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

1 ~~(7)~~ Investment multiplier means the number of times
2 spending induces additional spending on goods and services;

3 ~~(8)~~ New regional, national, or international event means
4 a convention, meeting, trade show, or other educational function
5 at which at least fifty percent of the participants are registered
6 from a location outside Nebraska and which was not held in Nebraska
7 during the three years prior to the completion of construction of
8 the convention and meeting center facilities;

9 ~~(9)~~ Participant means a person registered to attend and
10 shown to have attended a new regional, national, or international
11 event at a convention and meeting center facility financed under
12 the act;

13 ~~(10)~~ (7) Political subdivision means any local
14 governmental body formed and organized under state law and any
15 joint entity or joint public agency created under state law to act
16 on behalf of political subdivisions which has statutory authority
17 to issue general obligation bonds;

18 ~~(11)~~ (8) Revenue bond means any bond or refunding bond
19 issued by a political subdivision which is limited or special
20 rather than a general obligation bond of the political subdivision
21 and which is not payable from the proceeds of an ad valorem tax;
22 and

23 (9) Sports arena facility means any enclosed
24 temperature-controlled building primarily used for competitive
25 sports, including arenas, dressing and locker facilities,
26 concession areas, parking facilities, and onsite administrative
27 offices connected with operating the facilities. ~~(12)~~ State tax

1 revenue means the Nebraska income tax imposed pursuant to the
2 Nebraska Revenue Act of 1967, the Nebraska sales and use tax
3 imposed pursuant to the Nebraska Revenue Act of 1967, and the state
4 tax imposed by section 81-1253.

5 Sec. 3. Section 13-2605, Revised Statutes Cumulative
6 Supplement, 2006, is amended to read:

7 13-2605 (1) All applications for state assistance under
8 the Convention Center Facility Financing Assistance Act shall be in
9 writing and shall include a certified copy of the approving action
10 of the governing body of the applicant describing the proposed
11 eligible facility and the anticipated financing.

12 (2) The application shall contain:

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

18 (b) The estimated number of participants and the
19 estimated amount of the spending impact of these participants on
20 attributable revenue;

21 (c) A specific listing of the investment multipliers
22 suggested for use in evaluating the application;

23 (d) Estimates of attributable revenue based on the
24 investment multipliers;

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

1 ~~(f)~~ (c) Any other project information deemed appropriate
2 by the board.

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

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

9 Sec. 4. Section 13-2607, Revised Statutes Cumulative
10 Supplement, 2006, is amended to read:

11 13-2607 (1) After consideration of the application and
12 the evidence, the board shall issue a finding of whether the
13 convention and meeting center facility or sports arena facility
14 described in the application is eligible for state assistance.

15 (2) If the board finds that the facility described in the
16 application is an eligible facility and that state assistance is in
17 the best interest of the state, the application shall be approved.

18 (3) In determining whether state assistance is in the
19 best interest of the state, the board shall consider ~~the amount~~
20 ~~of attributable revenue estimated to be derived by the state from~~
21 ~~the eligible facility~~ and the fiscal and economic capacity of the
22 applicant to finance the local share of the eligible facility.

23 (4) A majority of the board members constitutes a quorum
24 for the purpose of conducting business. All actions of the board
25 shall be by a majority vote of all the board members, one of whom
26 must be the Governor.

27 Sec. 5. Section 13-2609, Revised Statutes Cumulative

1 Supplement, 2006, is amended to read:

2 13-2609 (1) If an application is approved, the ~~board~~ Tax
3 Commissioner shall; annually;

4 ~~(1)~~ (a) Audit or review audits of the approved convention
5 and meeting center facility, sports arena facility, or associated
6 hotel to determine the state sales tax revenue collected by
7 retailers and operators doing business at such facilities on sales
8 at such facilities, state sales tax revenue collected on primary
9 and secondary box office sales of admissions to such facilities,
10 and state sales tax revenue collected by associated hotels; and
11 number of participants at the facility that are registered from a
12 location outside Nebraska and to assure the number of conventions
13 which were not held in the state during the three years prior to
14 the construction of the facility;

15 ~~(2)~~ Determine the amount of attributable revenue with
16 regard to construction, improvement, or equipping of the eligible
17 facility, employment at the eligible facility, and participants
18 attending a new regional, national, or international event for
19 which at least one-half of the participants were registered from a
20 location outside Nebraska; and

21 (b) ~~(3)~~ Certify annually the amount of state sales tax
22 revenue collected by retailers and operators doing business at such
23 facilities on sales at such facilities, state sales tax revenue
24 collected on primary and secondary box office sales of admissions
25 to such facilities, and state sales tax revenue collected by
26 associated hotels, attributable revenue to the State Treasurer.

27 (2) State sales tax revenue collected by retailers and

1 operators that are not eligible facilities but are doing business
2 at eligible facilities shall be reported on informational returns
3 developed by the Department of Revenue and provided to any such
4 retailers and operators by the eligible facility. The informational
5 returns shall be submitted to the department by the retailer or
6 operator by the twenty-fifth day of the month following the month
7 the sales taxes are collected. The Tax Commissioner shall use
8 the data from the informational returns and sales tax returns
9 of eligible facilities and associated hotels to determine the
10 appropriate amount of state sales tax revenue.

11 (3) Changes made to the Convention Center Facility
12 Financing Assistance Act by this legislative bill shall apply
13 to state sales tax revenue collected commencing on July 1, 2006.

14 Sec. 6. Section 13-2610, Revised Statutes Cumulative
15 Supplement, 2006, is amended to read:

16 13-2610 (1) Upon the annual certification under section
17 13-2609, the State Treasurer shall transfer after the audit
18 the amount certified to the Convention Center Support Fund. The
19 Convention Center Support Fund is created. Any money in the fund
20 available for investment shall be invested by the state investment
21 officer pursuant to the Nebraska Capital Expansion Act and the
22 Nebraska State Funds Investment Act.

23 ~~(2)~~ (2)(a) It is the intent of the Legislature to
24 appropriate from the fund to any political subdivision for which
25 an application for state assistance under the Convention Center
26 Facility Financing Assistance Act has been approved an amount
27 not to exceed (i) seventy percent of the ~~attributable revenue,~~

1 state sales tax revenue collected by retailers and operators doing
2 business at such facilities on sales at such facilities, state
3 sales tax revenue collected on primary and secondary box office
4 sales of admissions to such facilities, and state sales tax revenue
5 collected by associated hotels, (ii) seventy-five million dollars
6 for any one approved project, or (iii) the total cost of acquiring,
7 constructing, improving, or equipping the eligible facility. The
8 money State assistance shall not be used for an operating subsidy
9 or other ancillary facility.

10 (b) Ten percent of such funds appropriated to a city of
11 the metropolitan class under this subsection shall be utilized for
12 projects in areas with a high concentration of poverty to promote,
13 enhance, or increase tourism opportunities.

14 (c) Each city of the metropolitan class that has been
15 appropriated funds under this subsection shall establish a tourism
16 development fund and form a committee which shall identify and
17 research potential tourism projects and make final determinations
18 on the use of state sales tax revenue received for such projects in
19 areas with a high concentration of poverty.

20 (d) The committee formed in subdivision (c) of this
21 subsection shall include the following nine members:

22 (i) Three members of the city council of the city of
23 the metropolitan class whose district includes an area with a high
24 concentration of poverty. Such members shall be appointed by a
25 majority of the members of the city council; and

26 (ii) Six public members who each reside in an area with
27 a high concentration of poverty. Each member of the city council

1 appointed in subdivision (d)(i) of this subsection shall appoint
2 two public members from his or her district.

3 (e) The committee formed in subdivision (c) of this
4 subsection shall solicit tourism project ideas from the public
5 and shall hold a public hearing in each city council district
6 containing an area with a high concentration of poverty. Notice
7 of a proposed hearing shall be provided in accordance with the
8 procedures for notice of a public hearing pursuant to section
9 18-2115. The committee shall research potential tourism projects
10 in areas with a high concentration of poverty and make the
11 final determination regarding the distribution of funding to such
12 projects.

13 (f) For purposes of this subsection, an area with a high
14 concentration of poverty means an area within the corporate limits
15 of a city of the metropolitan class located within five miles
16 of an eligible facility receiving state assistance under the act
17 consisting of one or more contiguous census tracts, as determined
18 by the most recent federal decennial census, which each contain
19 a percentage of families below the poverty line of greater than
20 twenty percent, as determined by the most recent federal decennial
21 census.

22 (3) State assistance to the political subdivision shall
23 no longer be available upon the retirement of the bonds issued
24 to acquire, construct, improve, or equip the facility or any
25 subsequent bonds that refunded the original issue or when the cost
26 of acquiring, constructing, improving, or equipping the eligible
27 facility exceeds seventy-five million dollars, state assistance

1 reaches the amount determined under subdivision (2)(a) of this
2 section, whichever comes first.

3 (4) It is the intent of the Legislature that the The
4 remaining thirty percent of attributable revenue state sales tax
5 revenue collected by retailers and operators doing business at such
6 facilities on sales at such facilities, state sales tax revenue
7 collected on primary and secondary box office sales of admissions
8 to such facilities, and state sales tax revenue collected by
9 associated hotels, shall be appropriated by the Legislature to the
10 Local Civic, Cultural, and Convention Center Financing Fund.

11 (5) Any municipality that has applied for and received a
12 grant of assistance under the Local Civic, Cultural, and Convention
13 Center Financing Act may not receive state assistance under the
14 Convention Center Facility Financing Assistance Act.

15 Sec. 7. Section 13-2612, Revised Statutes Cumulative
16 Supplement, 2006, is amended to read:

17 13-2612 The board shall not accept applications
18 for assistance under the Convention Center Facility Financing
19 Assistance Act shall terminate on after June 1, 2010. 2002, if no
20 applications for assistance have been approved prior to such date.

21 Sec. 8. Section 13-2706, Revised Statutes Cumulative
22 Supplement, 2006, is amended to read:

23 13-2706 Any municipality, except a city of the
24 metropolitan class, that has received funding under the Convention
25 Center Facility Financing Assistance Act, may apply for a grant
26 of assistance from the fund. Application shall be made on forms
27 developed by the department.

1 Sec. 9. Original sections 13-2602, 13-2603, 13-2605,
2 13-2607, 13-2609, 13-2610, 13-2612, and 13-2706, Revised Statutes
3 Cumulative Supplement, 2006, are repealed.

4 Sec. 10. The following section is outright repealed:
5 Section 13-2608, Revised Statutes Cumulative Supplement, 2006.

6 Sec. 11. Since an emergency exists, this act takes effect
7 when passed and approved according to law.