



Hundredth Legislature - First Session - 2007
Committee Statement
LB 551

Hearing Date: February 15, 2007
Committee On: Revenue

Introducer(s): (Flood)

Title: Provide for sales tax revenue appropriations under the Convention Center Facility Financing Assistance Act

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

6	Yes	Senators Cornett, Dierks, Janssen, Langemeier, Preister and White
1	No	Senator Burling
1	Present, not voting	Senator Raikes
0	Absent	

Proponents:

Senator Mike Flood
Carol Ebdon
Roger Dixon
Vicki Gilpin
Kaleena Reeves
Don Herz
Deb Skinner
Lynn Rex

Representing:

Introducer
City of Omaha
MECA/Qwest Center
NE Association of Convention & Visitors Bureau
Hastings Convention & Visitors Bureau
City of Lincoln
Nebraska Travel Association
League of Nebraska Municipalities

Opponents:

None

Representing:

Neutral:

None

Representing:

Summary of purpose and/or changes:

LB 551 would amend several sections of the Convention Center Facility Financing Assistance Act to significantly change the way state assistance is provided to convention centers under the act. The only beneficiary of the act at this time is the Qwest Center in Omaha.

Currently, the act requires a board, with the assistance of the Department of Revenue, to calculate the increased economic activity due to new conventions attended mostly by out-of-state attendees. An economic model calculates the “attributable revenue” of conventions that are new to Nebraska, and are attended at least 50 percent by participants registered from an out-of-state location. “Attributable revenue” is state tax revenue attributed to the construction of the facility and new convention events. The revenue is both sales and income tax proceeds. Seventy percent of the attributable revenue is returned to the public entity that built the facility and thirty percent is distributed to the Local Civic, Cultural, and Convention Center Financing Fund to provide grants for other cities seeking to build facilities.

Under LB 551, the amount of state financial assistance would be seventy percent of state sales tax revenue collected by retailers doing business at such facilities. LB 551 would also add sports arena facilities and hotels to the act so that the state financial assistance includes sales tax revenue collected in all three facilities.

Explanation of amendments, if any:

The Committee amendments clarify the sales for which the financial assistance is calculated and add an emergency clause.

Senator Ray Janssen, Chairperson