

**ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009**  
**COMMITTEE STATEMENT**  
**LB224**

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**Hearing Date:** Tuesday March 03, 2009  
**Committee On:** Agriculture  
**Introducer:** Carlson  
**One Liner:** Change Nebraska State Fair and Nebraska State Fair Board provisions

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 7 Senators Carlson, Council, Dierks, Dubas, Price, Schilz, Wallman  
**Nay:** 1 Senator Karpisek  
**Absent:**  
**Present Not Voting:**

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**Proponents:**  
Senator Tom Carlson  
Tam Allan  
Jay Vavricek

**Representing:**  
Introducer  
Nebraska State Fair Board  
Grand Island Family Radio & Home Town Radio

**Opponents:**

**Representing:**

**Neutral:**  
Christine A. Jackson

**Representing:**  
University of Nebraska-Lincoln

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**Summary of purpose and/or changes:**

The primary substantive purpose of LB 224 is to provide statutory clarification regarding the notice to the most populous city of the county in which the State Fair is located (i.e. host community) of the 10% of quarterly state lottery collections available to the State Fair as directed under Article III, Sec. 24 of the state constitution. The bill in effect provides direction to the Department of Revenue and the State Treasurer as to when the recipient of the notice quarterly lottery collections and expectation of local match responsibility transfers to a new host community. LB 224 essentially directs that the transfer occurs on a calendar year basis through the following specific changes:

Amends Section 2-109 which currently directs the Department of Revenue to provide quarterly notices of state lottery collections to the most populous city of the county in which the State Fair is located. LB 224 revises that the notification is to the most populous city in the county in which the State Fair is held and further directs that, in the event the State Fair is scheduled to be held during a calendar year in a county other than county in which the most recent state fair was held, the Department of Revenue shall provide written notification of quarterly lottery collections to new host community beginning with the notification of lottery collections for the first calendar quarter of that year. The bill makes two other conforming clarifications in other statutes:

\* Inserts revisions within Section 2-110 which currently provides for the transfer of quarterly lottery collections to the State Fair Support and Improvement Cash Fund upon payment of the local match by the state fair host community. LB224 inserts a harmonizing revision to this section that the quarterly transfer of lottery funds occurs upon payment of the local match by the community that is the host community during the calendar year the fair is held or scheduled to be held there.

\* Amends Section 2-103 to provide that the appointment of representation of the business community of a new host community to replace the representative of the previous host corresponds to the transfer of host city responsibilities for purposes of the lottery match.

LB 224 also revises provisions of the pari-mutuel tax imposed pursuant to Section 2-1208.01.

Section 6 of the bill strikes a current exemption granted to the State Fair Board provided the retained funds are utilized for maintenance of the State Fairgrounds. This exemption becomes obsolete upon the anticipated transfer of the fairgrounds to the University pursuant to LB 1116. In effect, all racetracks would be subject to the same pari-mutuel tax, including racing that will continue through the 2012 live racing season at the racing facilities located at State Fair Park.

The purposes of the current exemption from the pari-mutuel tax provided retained funds are utilized for upkeep of a state fair facility are replicated by Section 5 of the bill which creates the State Fair Host Facility Maintenance Assistance Fund. New subsection (4) of Section 2-1208.01 inserted by Section 6 of the bill provides for the \$30,000 of pari-mutuel tax collections to be remitted to this cash fund. The proceeds of the fund are to be expended by the Department of Economic Development as grants in aid to the host facility of the state fair and utilized for maintenance costs. Section 5 further provides that recipients of such grants shall provide an annual accounting of the expenditure of the funds.

Section 7 provides that the operative date of the revisions to Section 2-1208.01 made by Section 6 of the bill is January 1, 2010. Finally, LB 224 includes a revisers amendment to strike an obsolete provision of Section 2-111. The deletion is unrelated to the purposes of the bill.

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**Explanation of amendments:**

The committee amendment (AM949) makes a number of revisions to the original bill as follows:

AM 949 strikes original Section 5 of the bill creating the State Fair Host Facility Maintenance Assistance Fund as well as the annual \$30,000 transfer to this fund inserted as new subsection (4) of Section 2-1208.01 by the bill as introduced. The purposes of these provisions of the bill as introduced are accomplished by insertion of new subsection 2(b) of Section 2-1208.01 which allows a credit in an amount equal to the pari-mutuel tax imposed upon the first \$70 million of pari-mutuel wagers for race meets conducted upon premises where the State Fair is located provided retained funds are invested in maintenance and upkeep of improvements at such location.

The amendment further inserts express clarification that the pari-mutuel tax that applies to racing facilities applies to racing conducted upon racetrack facilities located at what will be the former state fairgrounds after January 1, 2010.

The amendment inserts new sections that become Sections 1 and 5 of the bill as amended.

New Section 1 would insert revisions to Section 2-101 which currently states legislative intent that the State Fair be relocated to Grand Island upon the property known as Fonner Park, and authorizing the Fair Board to participate in improvements to that facility necessary to accommodate a State Fair. AM 949 makes two clarifications to this section. These include that state fair facilities need not be confined entirely to Fonner Park property but may be located in part on adjacent properties if available and necessary. Also, the amendment clarifies that improvements to Fonner Park include relocation of existing improvements upon the site.

New Section 5 amends Section 2-113 which currently provides for the transfer of the State Fairgrounds to the University upon the completion, and, pursuant to subdivision 4(a), directs that the State Fair relocate to Grand Island upon completion of certain contingencies, including that the University of Nebraska submit a master business plan for Innovation Campus no later than December 1, 2009. AM 949 revises would clarify that while the transfer of the property

to the University remains contingent upon the University satisfying this requirement, the directive that the fair relocate is not dependent upon this contingency.

Finally, the amendment omits original Section 1 which would have provided more specific direction regarding the timing of the appointment of a representative of the new host city business community representative on the State Fair Board.

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Tom Carlson, Chairperson