

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 224

FINAL READING

Introduced by Carlson, 38.

Read first time January 13, 2009

Committee: Agriculture

A BILL

1 FOR AN ACT relating to the Nebraska State Fair; to amend sections
2 2-109, 2-110, 2-111, and 2-1208.01, Reissue Revised
3 Statutes of Nebraska, and sections 2-101 and 2-113,
4 Revised Statutes Cumulative Supplement, 2008; to change
5 and eliminate provisions relating to relocation, matching
6 funds, reports, studies, and taxes on horseracing; to
7 provide operative dates; to repeal the original sections;
8 to outright repeal section 2-131, Reissue Revised
9 Statutes of Nebraska; and to declare an emergency.

10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 2-101, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 2-101 (1) The Nebraska State Fair Board, formerly known
4 as the State Board of Agriculture, shall hold an annual meeting for
5 the purpose of deliberating and consulting as to the wants,
6 prospects, and conditions of the agricultural, horticultural,
7 industrial, mechanical, and other interests throughout the state,
8 as well as those interests in the encouragement and perpetuation of
9 the arts, skilled crafts, and sciences.

10 (2) The Nebraska State Fair Board may provide in its
11 constitution and bylaws for the qualification and participation
12 of delegates at the annual meeting from such associations
13 incorporated under the laws of the state for purposes of promoting
14 and furthering the interests of participants in agricultural,
15 horticultural, industrial, mechanical, or other pursuits or for the
16 encouragement and perpetuation of the arts, skilled crafts, and
17 sciences, and from such associations as provide for the training,
18 encouragement, and competition of the youth of Nebraska in such
19 endeavors. The annual meeting shall be held in every odd-numbered
20 year at the capital of the state and in every even-numbered year at
21 such location as the board determines. The chairperson of the board
22 shall also have the power to call meetings of the board whenever he
23 or she may deem it expedient. All meetings of the board shall be
24 conducted in accordance with the Open Meetings Act.

25 (3) The Nebraska State Fair shall be under the direction

1 and supervision of the Nebraska State Fair Board. The board may, at
2 its discretion, hold or dispense with the holding of the fair, in
3 any year.

4 (4) (a) It is the intent of the Legislature that no later
5 than 2010 the Nebraska State Fair be permanently located within
6 the city of Grand Island upon the site and tract of land owned
7 by the Hall County Livestock Improvement Association and known as
8 Fonner Park ~~no later than 2010.~~ and, as available and necessary,
9 upon other parcels of land adjacent to Fonner Park. The Nebraska
10 State Fair Board shall cooperate and coordinate with the Hall
11 County Livestock Improvement Association, the city of Grand Island,
12 and other appropriate entities to provide for and carry out any
13 plan of improvements to ~~Fonner Park,~~ such location, including
14 the construction of buildings, and other capital facilities,
15 the relocation of existing improvements, and other enhancements,
16 necessary to develop the site as a location suitable for conducting
17 the Nebraska State Fair. Such cooperation and coordination may
18 include financial participation in the costs of site development,
19 new construction, and other capital improvements upon ~~Fonner Park~~
20 such location and includes the execution of any agreement for site
21 governance, revenue sharing, and facility utilization between and
22 among the Nebraska State Fair Board, the Hall County Livestock
23 Improvement Association, and other appropriate entities.

24 (b) The Nebraska State Fair Board, the Department of
25 Administrative Services, and the Board of Regents of the University

1 of Nebraska shall cooperate with each other and with other
2 appropriate entities to provide for and carry out the plan to
3 relocate the Nebraska State Fair and transfer the Nebraska State
4 Fairgrounds in Lancaster County to the Board of Regents, including
5 activities by the Board of Regents to obtain due diligence surveys,
6 reports, and site assessments at the Nebraska State Fairgrounds in
7 Lancaster County and by the Nebraska State Fair Board in connection
8 with providing marketable title to the same in a form acceptable to
9 the Board of Regents.

10 Sec. 2. Section 2-109, Reissue Revised Statutes of
11 Nebraska, is amended to read:

12 2-109 The Department of Revenue shall, ~~on a quarterly~~
13 ~~basis,~~ at the conclusion of each calendar quarter, provide to
14 the most populous city within the county in which the state
15 ~~fair~~ Nebraska State Fair is located, held written notification of
16 the amount estimated by the department to equal ten percent of
17 the lottery revenue collected during the calendar quarter to be
18 transferred to the Nebraska State Fair Support and Improvement Cash
19 Fund. If the state fair is scheduled to be held in a different
20 county from that in which the most recent state fair was held, the
21 written notification required by this section shall be made to the
22 most populous city within the county in which the state fair is
23 scheduled to be held beginning with the written notification made
24 at the conclusion of the first calendar quarter during the calendar
25 year in which the state fair is held or scheduled to be held in

1 such county. The department shall provide a copy of the written
2 notification to the Department of Administrative Services.

3 Sec. 3. Section 2-110, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 2-110 The most populous city within the county in
6 which the ~~state fair is located~~ Nebraska State Fair is held
7 or scheduled to be held that calendar year shall remit quarterly
8 payments to the State Treasurer in amounts equal to the matching
9 fund requirement established by the Department of Revenue under
10 section 2-109. The State Treasurer shall credit the matching funds
11 to the Nebraska State Fair Support and Improvement Cash Fund.
12 The city shall provide written notification to the Department
13 of Administrative Services regarding its compliance with the
14 matching fund requirement. Upon verification by the Department
15 of Administrative Services that a quarterly transfer of lottery
16 proceeds to the Nebraska State Fair Support and Improvement Cash
17 Fund has been executed and that the full amount of the matching
18 funds requirement has been received from the city, the Department
19 of Administrative Services shall authorize the expenditure of the
20 fund by the Nebraska State Fair Board. Matching fund requirements
21 shall not apply to investment income accruing to the fund and
22 investment income may be expended by the board.

23 Sec. 4. Section 2-111, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 2-111 ~~(1)~~ The Nebraska State Fair Board shall, no later

1 than November 1 of each year, provide an annual report to the
2 Governor and the Legislature regarding the use of the Nebraska
3 State Fair Support and Improvement Cash Fund. The report shall
4 include ~~(a)~~ (1) a detailed listing of how the proceeds of the
5 fund were expended in the prior fiscal year and ~~(b)~~ (2) any
6 distributions from the fund that remain unexpended and on deposit
7 in Nebraska State Fair accounts.

8 ~~(2) The Nebraska State Fair Board shall cooperate with a~~
9 ~~study by the Agriculture Committee of the Legislature of capital~~
10 ~~facilities and infrastructure requirements to serve the purposes~~
11 ~~and goals of the Nebraska State Fair and other uses of the Nebraska~~
12 ~~State Fairgrounds as a year-round multipurpose facility sufficient~~
13 ~~to host and accommodate events and attractions of local, state, and~~
14 ~~regional interest and attendance. The Nebraska State Fair Board may~~
15 ~~utilize available funds, not to exceed one hundred fifty thousand~~
16 ~~dollars, including funds disbursed from the Nebraska State Fair~~
17 ~~Support and Improvement Cash Fund and other resources, to assist in~~
18 ~~completion of such study. This subsection terminates on January 1,~~
19 ~~2008.~~

20 Sec. 5. Section 2-113, Revised Statutes Cumulative
21 Supplement, 2008, is amended to read:

22 2-113 (1) Upon completion of the conditions specified
23 in subsection (2) of this section, the Director of Administrative
24 Services shall, on or before December 31, 2009, transfer by
25 warranty deed the site and tract of land in Lancaster County known

1 as the Nebraska State Fairgrounds, to the Board of Regents of the
2 University of Nebraska. Such transfer shall occur notwithstanding
3 sections 72-811 to 72-818 or any other provision of law.

4 (2) The transfer described in subsection (1) of this
5 section shall be contingent upon:

6 (a) Funds for the purpose of carrying out subsection
7 (4) of section 2-101 having been provided by or on behalf of the
8 University of Nebraska in a total amount of no less than twenty-one
9 million five hundred thousand dollars in cash or legally binding
10 commitments. Such funds may be provided over time, but they shall
11 in cumulative increments equal at least seven million five hundred
12 thousand dollars by October 1, 2008, fourteen million five hundred
13 thousand dollars by February 1, 2009, and twenty-one million five
14 hundred thousand dollars by July 1, 2009;

15 (b) The University of Nebraska providing a master plan
16 and business plan to carry out the master plan for the Innovation
17 Campus to the Department of Administrative Services and to the
18 Clerk of the Legislature on or before December 1, 2009, and
19 a commitment to provide on or before December 1 of each year
20 thereafter an annual update of the master plan and business plan to
21 the Clerk of the Legislature; and

22 (c) Funds for the purpose of carrying out subsection
23 (4) of section 2-101 having been provided by or on behalf of the
24 city of Grand Island in a total amount of no less than eight
25 million five hundred thousand dollars in cash or legally binding

1 commitments. Up to one million five hundred thousand dollars in
2 cash or legally binding commitments provided by or on behalf
3 of the city of Grand Island for the purpose of relocating and
4 reconstructing recreational facilities displaced by the relocation
5 of the Nebraska State Fair to Grand Island may be considered
6 part of the eight-million-five-hundred-thousand-dollar contribution
7 required by this subdivision. Such funds may be provided over
8 time, but they shall in cumulative increments equal at least three
9 million dollars by October 1, 2008, six million dollars by February
10 1, 2009, and eight million five hundred thousand dollars by July 1,
11 2009.

12 (3) The University of Nebraska and the city of
13 Grand Island shall provide certification to the Department of
14 Administrative Services on October 1, 2008, February 1, 2009, and
15 July 1, 2009, of all funds provided to carry out subsection (4) of
16 section 2-101. All amounts as certified in subdivisions (2)(a) and
17 (c) of this section shall be held and expended as determined by
18 agreement between the Hall County Livestock Improvement Association
19 and the Nebraska State Fair Board.

20 (4)(a) The Nebraska State Fair shall be relocated to
21 the city of Grand Island pursuant to subsection (4) of section
22 2-101 contingent upon completion of the conditions specified in
23 ~~subsection (2)~~ subdivisions (2)(a) and (c) of this section.

24 (b) The Nebraska State Fair Board shall be responsible
25 for any remaining costs associated with site improvements for

1 relocating the Nebraska State Fair, not to exceed seven million
2 dollars.

3 (c) On or before December 31, 2009, the Nebraska
4 State Fair Board shall provide written release or other written
5 instrument acceptable to the State Building Administrator in
6 consultation with the President of the University of Nebraska
7 in connection with the transfer of the Nebraska State Fairgrounds
8 to the Board of Regents.

9 Sec. 6. Section 2-1208.01, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 2-1208.01 (1) There is hereby imposed a tax on the gross
12 sum wagered by the parimutuel method at each race enclosure during
13 a calendar year as follows:

14 ~~(1) For meets conducted on the Nebraska State~~
15 ~~Fairgrounds, no tax shall be imposed, but the licensee shall apply~~
16 ~~two percent of any amount in excess of ten million dollars for the~~
17 ~~purpose of maintenance of buildings, streets, utilities, and other~~
18 ~~existing improvements on the Nebraska State Fairgrounds, and~~

19 ~~(2) For all other meets:~~

20 (a) The first ten million dollars shall not be taxed;

21 (b) Any amount over ten million dollars but less than or
22 equal to seventy-three million dollars shall be taxed at the rate
23 of two and one-half percent; and

24 (c) Any amount in excess of seventy-three million dollars
25 shall be taxed at the rate of four percent. + ~~and~~

1 ~~(d) As~~ (2) (a) Except as provided in subdivision (2) (b) of
2 this section, an amount equal to two percent of the first taxable
3 seventy million dollars at each race meeting shall be retained by
4 the licensee for capital improvements and for maintenance of the
5 premises within the licensed racetrack enclosure and shall be a
6 credit against the tax levied in subsection (1) of this section.
7 This subdivision includes each race meeting held after January 1,
8 2010, within the licensed racetrack enclosure located in Lancaster
9 County where the Nebraska State Fair was held prior to 2010.

10 (b) For race meetings conducted at the location where
11 the Nebraska State Fair is held, an amount equal to two and
12 one-half percent of the first taxable seventy million dollars at
13 each race meeting shall be retained by the licensee for the purpose
14 of maintenance of the premises within the licensed racetrack
15 enclosure and maintenance of other buildings, streets, utilities,
16 and existing improvements at the location where the Nebraska State
17 Fair is held. Such amount shall be a credit against the tax levied
18 in subsection (1) of this section.

19 (3) A return as required by the Tax Commissioner shall be
20 filed for a racetrack enclosure for each month during which wagers
21 are accepted at the enclosure. The return shall be filed with and
22 the net tax due pursuant to this section shall be paid to the
23 Department of Revenue on the tenth day of the following month.

24 Sec. 7. Sections 6 and 9 of this act become operative on
25 January 1, 2010. The other sections of this act become operative on

1 their effective date.

2 Sec. 8. Original sections 2-109, 2-110, and 2-111,
3 Reissue Revised Statutes of Nebraska, and sections 2-101 and
4 2-113, Revised Statutes Cumulative Supplement, 2008, are repealed.

5 Sec. 9. Original section 2-1208.01, Reissue Revised
6 Statutes of Nebraska, is repealed.

7 Sec. 10. The following section is outright repealed:
8 Section 2-131, Reissue Revised Statutes of Nebraska.

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