

LEGISLATURE OF NEBRASKA
 ONE HUNDRED SECOND LEGISLATURE
 FIRST SESSION
LEGISLATIVE BILL 297

Final Reading

Introduced by Dubas, 34; Heidemann, 1.

Read first time January 12, 2011

Committee: Revenue

A BILL

1 FOR AN ACT relating to the Local Civic, Cultural, and Convention
 2 Center Financing Act; to amend sections 13-2701, 13-2702,
 3 13-2703, 13-2707, and 13-2710, Reissue Revised Statutes
 4 of Nebraska, and sections 13-2610, 13-2704, 13-2705,
 5 13-3108, and 77-5601, Revised Statutes Cumulative
 6 Supplement, 2010; to rename the act and a fund; to define
 7 and redefine terms; to provide funding for community
 8 centers; to change limits on grant requests; to eliminate
 9 obsolete language; to harmonize provisions; and to repeal
 10 the original sections.

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

1 Section 1. Section 13-2610, Revised Statutes Cumulative
2 Supplement, 2010, is amended to read:

3 13-2610 (1) Upon the annual certification under section
4 13-2609, the State Treasurer shall transfer after the audit the
5 amount certified to the Convention Center Support Fund. The
6 Convention Center Support Fund is created. Any money in the fund
7 available for investment shall be invested by the state investment
8 officer pursuant to the Nebraska Capital Expansion Act and the
9 Nebraska State Funds Investment Act.

10 (2)(a) It is the intent of the Legislature to appropriate
11 from the fund to any political subdivision for which an application
12 for state assistance under the Convention Center Facility Financing
13 Assistance Act has been approved an amount not to exceed (i) seventy
14 percent of the state sales tax revenue collected by retailers and
15 operators doing business at such facilities on sales at such
16 facilities, state sales tax revenue collected on primary and
17 secondary box office sales of admissions to such facilities, and
18 state sales tax revenue collected by associated hotels, (ii) seventy-
19 five million dollars for any one approved project, or (iii) the total
20 cost of acquiring, constructing, improving, or equipping the eligible
21 facility. State assistance shall not be used for an operating subsidy
22 or other ancillary facility.

23 (b) Ten percent of such funds appropriated to a city of
24 the metropolitan class under this subsection shall be equally
25 distributed to areas with a high concentration of poverty to (i)

1 showcase important historical aspects of such areas or areas within
2 close geographic proximity of the area with a high concentration of
3 poverty or (ii) assist with the reduction of street and gang violence
4 in such areas.

5 (c) Each area with a high concentration of poverty that
6 has been distributed funds under subdivision (b) of this subsection
7 shall establish a development fund and form a committee which shall
8 identify and research potential projects to be completed in the area
9 with a high concentration of poverty or in an area within close
10 geographic proximity of such area if the project would have a
11 significant or demonstrable impact on such area and make final
12 determinations on the use of state sales tax revenue received for
13 such projects.

14 (d) A committee formed in subdivision (c) of this
15 subsection shall include the following three members:

16 (i) The member of the city council whose district
17 includes a majority of the census tracts which each contain a
18 percentage of persons below the poverty line of greater than thirty
19 percent, as determined by the most recent federal decennial census,
20 within the area with a high concentration of poverty;

21 (ii) The commissioner of the county whose district
22 includes a majority of the census tracts which each contain a
23 percentage of persons below the poverty line of greater than thirty
24 percent, as determined by the most recent federal decennial census,
25 within the area with a high concentration of poverty; and

1 (iii) A resident of the area with a high concentration of
2 poverty, appointed by the other two members of the committee.

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

11 (f) For purposes of this subsection, an area with a high
12 concentration of poverty means an area within the corporate limits of
13 a city of the metropolitan class consisting of one or more contiguous
14 census tracts, as determined by the most recent federal decennial
15 census, which contain a percentage of persons below the poverty line
16 of greater than thirty percent, and all census tracts contiguous to
17 such tract or tracts, as determined by the most recent federal
18 decennial census.

19 (3) State assistance to the political subdivision shall
20 no longer be available upon the retirement of the bonds issued to
21 acquire, construct, improve, or equip the facility or any subsequent
22 bonds that refunded the original issue or when state assistance
23 reaches the amount determined under subdivision (2)(a) of this
24 section, whichever comes first.

25 (4) The remaining thirty percent of state sales tax

1 revenue collected by retailers and operators doing business at such
2 facilities on sales at such facilities, state sales tax revenue
3 collected on primary and secondary box office sales of admissions to
4 such facilities, and state sales tax revenue collected by associated
5 hotels, shall be appropriated by the Legislature to the ~~Local Civic,~~
6 ~~Cultural, and Convention Civic and Community Center~~ Financing Fund.

7 (5) Any municipality that has applied for and received a
8 grant of assistance under the ~~Local Civic, Cultural, and Convention~~
9 ~~Civic and Community Center~~ Financing Act may not receive state
10 assistance under the Convention Center Facility Financing Assistance
11 Act.

12 Sec. 2. Section 13-2701, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 13-2701 Sections 13-2701 to 13-2710 shall be known and
15 may be cited as the ~~Local Civic, Cultural, and Convention Civic and~~
16 ~~Community Center~~ Financing Act.

17 Sec. 3. Section 13-2702, Reissue Revised Statutes of
18 Nebraska, is amended to read:

19 13-2702 The purpose of the ~~Local Civic, Cultural, and~~
20 ~~Convention Civic and Community Center~~ Financing Act is to support the
21 development of ~~civic, cultural, and convention civic and community~~
22 centers throughout Nebraska. Furthermore, the act is intended to
23 support projects that ~~attract new civic, cultural, and convention~~
24 ~~activity to Nebraska from outside of Nebraska. foster maintenance or~~
25 ~~growth of communities.~~

1 Sec. 4. Section 13-2703, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 13-2703 For purposes of the ~~Local Civic, Cultural, and~~
4 ~~Convention Civic and Community Center Financing Act:~~

5 ~~(1) Center means a civic, cultural, or convention~~
6 ~~facility or area;~~

7 (1) Civic center means a facility that is primarily used
8 to host conventions, meetings, and cultural events and a library;

9 (2) Community center means the traditional center of a
10 community, typically comprised of a cohesive core of residential,
11 civic, religious, and commercial buildings, arranged around a main
12 street and intersecting streets;

13 ~~(2)—(3)~~ Department means the Department of Economic
14 Development; and

15 ~~(3)—(4)~~ Fund means the ~~Local Civic, Cultural, and~~
16 ~~Convention Civic and Community Center Financing Fund; and -~~

17 (5) Historic building means a building eligible for
18 listing on or currently listed on the National Register of Historic
19 Places.

20 Sec. 5. Section 13-2704, Revised Statutes Cumulative
21 Supplement, 2010, is amended to read:

22 13-2704 (1) The ~~Local Civic, Cultural, and Convention~~
23 Civic and Community Center Financing Fund is created. The fund shall
24 be administered by the department. Transfers may be made from the
25 fund to the General Fund at the direction of the Legislature. Any

1 money in the ~~Local Civic, Cultural, and Convention~~ Civic and
2 Community Center Financing Fund available for investment shall be
3 invested by the state investment officer pursuant to the Nebraska
4 Capital Expansion Act and the Nebraska State Funds Investment Act.
5 The fund may be used for assistance for the construction of new civic
6 centers, or the renovation or expansion of existing civic or
7 community centers, or the conversion, rehabilitation, or reuse of
8 historic buildings for purposes consistent with this section. The
9 fund may not be used for ~~planning,~~ programming, marketing,
10 advertising, and related activities. Transfers may be made from the
11 fund to the Department of Revenue Enforcement Fund at the direction
12 of the Legislature.

13 ~~(2) On July 1, 2010, or as soon thereafter as is~~
14 ~~administratively possible the State Treasurer shall transfer seventy-~~
15 ~~nine thousand three hundred dollars from the Local Civic, Cultural,~~
16 ~~and Convention Center Financing Fund to the Department of Revenue~~
17 ~~Enforcement Fund.~~

18 ~~(3)-(2)~~ It is the intent of the Legislature that on July
19 1, 2011, or as soon thereafter as is administratively possible the
20 State Treasurer shall transfer forty-two thousand nine hundred
21 dollars from the ~~Local Civic, Cultural, and Convention~~ Civic and
22 Community Center Financing Fund to the Department of Revenue
23 Enforcement Fund.

24 Sec. 6. Section 13-2705, Revised Statutes Cumulative
25 Supplement, 2010, is amended to read:

1 13-2705 The department may conditionally approve grants
2 of assistance from the fund to eligible and competitive applicants
3 within the following limits:

4 (1) ~~A—Except as provided in subdivision (2) of this~~
5 ~~section, a grant request shall be at least twenty-ten thousand~~
6 dollars but no more than:

7 (a) For a city of the primary class, one million five
8 hundred thousand dollars;

9 (b) For a municipality with a population of forty
10 thousand but less than one hundred thousand, seven hundred fifty
11 thousand dollars;

12 (c) For a municipality with a population of twenty
13 thousand but less than forty thousand, five hundred thousand dollars;

14 (d) For a municipality with a population of ten thousand
15 but less than twenty thousand, four hundred thousand dollars; and

16 (e) For a municipality with a population of less than ten
17 thousand, two hundred fifty thousand dollars;

18 (2) ~~Upon the balance of the fund reaching two million~~
19 ~~five hundred thousand dollars, and until the balance of the fund~~
20 ~~falls below one million dollars, a grant request shall be at least~~
21 ~~ten thousand dollars but no more than:~~

22 (a) ~~For a city of the primary class, two million two~~
23 ~~hundred fifty thousand dollars;~~

24 (b) ~~For a municipality with a population of forty~~
25 ~~thousand but less than one hundred thousand, one million one hundred~~

1 twenty-five thousand dollars;

2 (c) For a municipality with a population of twenty
3 thousand but less than forty thousand, seven hundred fifty thousand
4 dollars;

5 (d) For a municipality with a population of ten thousand
6 but less than twenty thousand, six hundred thousand dollars; and

7 (e) For a municipality with a population of less than ten
8 thousand, three hundred seventy-five thousand dollars;

9 ~~(2)-(3)~~ Assistance from the fund shall not amount to more
10 than fifty percent of the cost of construction, renovation, or
11 expansion; and

12 ~~(3)-(4)~~ A municipality shall not be awarded more than one
13 grant in any five-year period.

14 Sec. 7. Section 13-2707, Reissue Revised Statutes of
15 Nebraska, is amended to read:

16 13-2707 The department shall evaluate all applications
17 for grants of assistance based on the following criteria:

18 (1) Attraction impact. Funding decisions by the
19 department shall be based in part on the likelihood of the project
20 attracting new ~~cultural, civic, or convention~~ civic or community
21 activity to Nebraska from outside of Nebraska. A project with greater
22 out-of-state draw shall be preferred over a project with less impact;

23 (2) Socioeconomic impact. The project's potential for
24 long-term positive impacts on the local and regional economy and
25 society;

1 (3) Financial support. Assistance from the fund shall be
2 matched at least equally from local sources. At least ~~eighty~~fifty
3 percent of the local match must be in cash. Projects with a higher
4 level of local matching funds shall be preferred as compared to those
5 with a lower level of matching funds;

6 (4) Readiness. The applicant's fiscal and economic
7 capacity to finance the local share and ability to proceed and
8 implement its plan and operate the ~~convention~~civic or community
9 center; ~~and~~

10 (5) Project location. A project shall be located in the
11 municipality that applies for the grant; and -

12 (6) Project planning. Projects with completed technical
13 assistance and feasibility studies shall be preferred to those with
14 no prior planning.

15 Sec. 8. Section 13-2710, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 13-2710 The department shall adopt and promulgate rules
18 and regulations to carry out the ~~Local Civic, Cultural, and~~
19 ~~Convention Civic and Community Center Financing Act.~~

20 Sec. 9. Section 13-3108, Revised Statutes Cumulative
21 Supplement, 2010, is amended to read:

22 13-3108 (1) Upon the annual certification under section
23 13-3107, the State Treasurer shall transfer after the audit the
24 amount certified to the Sports Arena Facility Support Fund which is
25 hereby created. Any money in the fund available for investment shall

1 be invested by the state investment officer pursuant to the Nebraska
2 Capital Expansion Act and the Nebraska State Funds Investment Act.

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

14 (b) The amount to be appropriated for distribution as
15 state assistance to a political subdivision under this subsection for
16 any one year after the tenth year shall not exceed the highest such
17 amount appropriated under subdivision (2)(a) of this section during
18 any one year of the first ten years of such appropriation. If seventy
19 percent of the state sales tax revenue as described in subdivision
20 (2)(a) of this section exceeds the amount to be appropriated under
21 this subdivision, such excess funds shall be transferred to the
22 General Fund.

23 (3) The total amount of state assistance approved for an
24 eligible sports arena facility shall not (a) exceed fifty million
25 dollars or (b) be paid out for more than twenty years after the

1 issuance of the first bond for the sports arena facility.

2 (4) State assistance to the political subdivision shall
3 no longer be available upon the retirement of the bonds issued to
4 acquire, construct, improve, or equip the facility or any subsequent
5 bonds that refunded the original issue or when state assistance
6 reaches the amount determined under subsection (3) of this section,
7 whichever comes first.

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

10 (6) The thirty percent of state sales tax revenue
11 remaining after the appropriation and transfer in subsection (2) of
12 this section shall be appropriated by the Legislature to the ~~Local~~
13 ~~Civic, Cultural, and Convention~~ Civic and Community Center Financing
14 Fund.

15 (7) Any municipality that has applied for and received a
16 grant of assistance under the ~~Local Civic, Cultural, and Convention~~
17 Civic and Community Center Financing Act shall not receive state
18 assistance under the Sports Arena Facility Financing Assistance Act.

19 Sec. 10. Section 77-5601, Revised Statutes Cumulative
20 Supplement, 2010, is amended to read:

21 77-5601 (1) From August 1, 2004, through October 31,
22 2004, there shall be conducted a tax amnesty program with regard to
23 taxes due and owing that have not been reported to the Department of
24 Revenue. Any person applying for tax amnesty shall pay all unreported
25 taxes that were due on or before April 1, 2004. Any person that

1 applies for tax amnesty and is accepted by the Tax Commissioner shall
2 have any penalties and interest waived on unreported and delinquent
3 taxes notwithstanding any other provisions of law to the contrary.

4 (2) To be eligible for the tax amnesty provided by this
5 section, the person shall apply for amnesty within the amnesty
6 period, file a return for each taxable period for which the amnesty
7 is requested by December 31, 2004, if no return has been filed, and
8 pay in full all taxes for which amnesty is sought with the return or
9 within thirty days after the application if a return was filed prior
10 to the amnesty period. Tax amnesty shall not be available for any
11 person that is under civil or criminal audit, investigation, or
12 prosecution for unreported or delinquent taxes by this state or the
13 United States Government on or before April 16, 2004.

14 (3) The department shall not seek civil or criminal
15 prosecution against any person for any taxable period for which
16 amnesty has been granted. The Tax Commissioner shall develop forms
17 for applying for the tax amnesty program, develop procedures for
18 qualification for tax amnesty, and conduct a public awareness
19 campaign publicizing the program.

20 (4) If a person elects to participate in the amnesty
21 program, the election shall constitute an express and irrevocable
22 relinquishment of all administrative and judicial rights to challenge
23 the imposition of the tax or its amount. Nothing in this section
24 shall prohibit the department from adjusting a return as a result of
25 any state or federal audit.

1 (5)(a) Except for any local option sales tax collected
2 and returned to the appropriate municipality and any motor vehicle
3 fuel, diesel fuel, and compressed fuel taxes, which shall be
4 deposited in the Highway Trust Fund or Highway Allocation Fund as
5 provided by law, no less than eighty percent of all revenue received
6 pursuant to the tax amnesty program shall be deposited in the General
7 Fund; ten percent, not to exceed five hundred thousand dollars, shall
8 be deposited in the Department of Revenue Enforcement Fund; and ten
9 percent, not to exceed five hundred thousand dollars, shall be
10 deposited in the Department of Revenue Enforcement Technology Fund.
11 Any amount that would otherwise be deposited in the Department of
12 Revenue Enforcement Fund or the Department of Revenue Enforcement
13 Technology Fund that is in excess of the five-hundred-thousand-dollar
14 limitation shall be deposited in the General Fund.

15 (b) For fiscal year 2005-06, all proceeds in the
16 Department of Revenue Enforcement Fund shall be appropriated to the
17 department for purposes of employing investigators, agents, and
18 auditors and otherwise increasing personnel for enforcement of the
19 Nebraska Revenue Act of 1967. For fiscal year 2005-06, all proceeds
20 in the Department of Revenue Enforcement Technology Fund shall be
21 appropriated to the department for the purposes of acquiring lists,
22 software, programming, computer equipment, and other technological
23 methods for enforcing the act.

24 (c) For fiscal years after fiscal year 2005-06, twenty
25 percent of all proceeds received during the previous calendar year

1 due to the efforts of auditors and investigators hired pursuant to
2 subdivision (5)(b) of this section, not to exceed seven hundred fifty
3 thousand dollars, shall be deposited in the Department of Revenue
4 Enforcement Fund for purposes of employing investigators and auditors
5 or continuing such employment for purposes of increasing enforcement
6 of the act.

7 (6)(a) The department shall prepare a report by April 1,
8 2005, and by February 1 of each year thereafter detailing the results
9 of the tax amnesty program and the subsequent enforcement efforts.
10 For the report due April 1, 2005, the report shall include (i) the
11 amount of revenue obtained as a result of the tax amnesty program
12 broken down by tax program, (ii) the amount obtained from instate
13 taxpayers and from out-of-state taxpayers, and (iii) the amount
14 obtained from individual taxpayers and from business enterprises.

15 (b) For reports due in subsequent years, the report shall
16 include (i) the number of personnel hired for purposes of subdivision
17 (5)(b) of this section and their duties, (ii) a description of lists,
18 software, programming, computer equipment, and other technological
19 methods acquired pursuant to such subdivision and the purposes of
20 each, and (iii) the amount of new revenue obtained as a result of the
21 new personnel and acquisitions during the prior calendar year, broken
22 down into the same categories as described in subdivision (6)(a) of
23 this section.

24 (7) The Department of Revenue Enforcement Fund and the
25 Department of Revenue Enforcement Technology Fund are created.

1 Transfers may be made from the Department of Revenue Enforcement Fund
2 to the General Fund at the direction of the Legislature. The
3 Department of Revenue Enforcement Fund may receive transfers from the
4 ~~Local Civic, Cultural, and Convention~~ Civic and Community Center
5 Financing Fund at the direction of the Legislature for the purpose of
6 administering the Sports Arena Facility Financing Assistance Act. Any
7 money in the Department of Revenue Enforcement Fund and the
8 Department of Revenue Enforcement Technology Fund available for
9 investment shall be invested by the state investment officer pursuant
10 to the Nebraska Capital Expansion Act and the Nebraska State Funds
11 Investment Act. The Department of Revenue Enforcement Technology Fund
12 shall terminate on July 1, 2006. Any unobligated money in the fund at
13 that time shall be deposited in the General Fund.

14 (8) For purposes of this section, taxes mean any taxes
15 collected by the department, including, but not limited to state and
16 local sales and use taxes, individual and corporate income taxes,
17 financial institutions deposit taxes, motor vehicle fuel, diesel
18 fuel, and compressed fuel taxes, cigarette taxes, transfer taxes, and
19 charitable gaming taxes.

20 Sec. 11. Original sections 13-2701, 13-2702, 13-2703,
21 13-2707, and 13-2710, Reissue Revised Statutes of Nebraska, and
22 sections 13-2610, 13-2704, 13-2705, 13-3108, and 77-5601, Revised
23 Statutes Cumulative Supplement, 2010, are repealed.