

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 187

Introduced by Lindstrom, 18.

Read first time January 11, 2019

Committee: Revenue

1 A BILL FOR AN ACT relating to the Sports Arena Facility Financing
2 Assistance Act; to amend section 13-3105, Reissue Revised Statutes
3 of Nebraska, and sections 13-3102, 13-3103, 13-3104, and 13-3106,
4 Revised Statutes Cumulative Supplement, 2018; to authorize
5 assistance for sports complexes as prescribed; to define and
6 redefine terms; to change provisions relating to limitations on
7 state assistance, applications, notice, and considerations for
8 application approval; to harmonize provisions; to repeal the
9 original sections; and to declare an emergency.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 13-3102, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 13-3102 For purposes of the Sports Arena Facility Financing
4 Assistance Act:

5 (1) Board means a board consisting of the Governor, the State
6 Treasurer, the chairperson of the Nebraska Investment Council, the
7 chairperson of the Nebraska State Board of Public Accountancy, and a
8 professor of economics on the faculty of a state postsecondary
9 educational institution appointed to a two-year term on the board by the
10 Coordinating Commission for Postsecondary Education. For administrative
11 and budget purposes only, the board shall be considered part of the
12 Department of Revenue;

13 (2) Bond means a general obligation bond, redevelopment bond, lease-
14 purchase bond, revenue bond, or combination of any such bonds;

15 (3) Eligible sports arena facility means:

16 (a) Any publicly owned, enclosed, and temperature-controlled
17 building primarily used for sports that has a permanent seating capacity
18 of at least three thousand but no more than seven thousand seats and in
19 which initial occupancy occurs on or after July 1, 2010, including -
20 ~~Eligible sports arena facility includes~~ stadiums, arenas, dressing and
21 locker facilities, concession areas, parking facilities, and onsite
22 administrative offices connected with operating the facilities; ~~and~~

23 (b) Any racetrack enclosure licensed by the State Racing Commission
24 in which initial occupancy occurs on or after July 1, 2010, including
25 concession areas, parking facilities, and onsite administrative offices
26 connected with operating the racetrack; and

27 (c) Any sports complex, including concession areas, parking
28 facilities, and onsite administrative offices connected with operating
29 the sports complex;

30 (4) General obligation bond means any bond or refunding bond issued
31 by a political subdivision and which is payable from the proceeds of an

1 ad valorem tax;

2 (5) Increase in state sales tax revenue means the amount of state
3 sales tax revenue collected by a nearby retailer during the fiscal year
4 for which state assistance is calculated minus the amount of state sales
5 tax revenue collected by the nearby retailer in the fiscal year that
6 ended immediately preceding the project completion date of ~~occupancy~~ of
7 the eligible sports arena facility, except that the amount of state sales
8 tax revenue of a nearby retailer shall not be less than zero;

9 (6) Multipurpose field means a rectangular field of grass or
10 synthetic turf which is primarily used for competitive field sports,
11 including, but not limited to, soccer, football, flag football, lacrosse,
12 or rugby;

13 (7) ~~(6)~~ Nearby retailer means a retailer as defined in section
14 77-2701.32 that is located within the program area. The term includes a
15 subsequent owner of a nearby retailer operating at the same location;

16 (8) ~~(7)~~ New state sales tax revenue means:

17 (a) For nearby retailers that commenced collecting state sales tax
18 during the period of time beginning twenty-four months prior to the
19 project completion date ~~occupancy~~ of the eligible sports arena facility
20 and ending forty-eight months after the project completion date ~~occupancy~~
21 of the eligible sports arena facility or, for applications for state
22 assistance approved prior to October 1, 2016, forty-eight months after
23 October 1, 2016, one hundred percent of the state sales tax revenue
24 collected by the nearby retailer and sourced under sections 77-2703.01 to
25 77-2703.04 to the program area; and

26 (b) For nearby retailers that commenced collecting state sales tax
27 prior to twenty-four months prior to the project completion date
28 ~~occupancy~~ of the eligible sports arena facility, the increase in state
29 sales tax revenue collected by the nearby retailer and sourced under
30 sections 77-2703.01 to 77-2703.04 to the program area;

31 (9) ~~(8)~~ Political subdivision means any city, village, or county;

1 ~~(10)~~ ~~(9)~~ Program area means:

2 (a) For applications for state assistance submitted prior to October
3 1, 2016, the area that is located within six hundred yards of an eligible
4 sports arena facility, measured from any point of the exterior perimeter
5 of the facility but not from any parking facility or other structure; or

6 (b) For applications for state assistance submitted on or after
7 October 1, 2016, the area that is located within six hundred yards of an
8 eligible sports arena facility, measured from any point of the exterior
9 perimeter of the facility but not from any parking facility or other
10 structure, except that if twenty-five percent or more of such area is
11 unbuildable property, then the program area shall be adjusted so that:

12 (i) It avoids as much of the unbuildable property as is practical;
13 and

14 (ii) It contains contiguous property with the same total amount of
15 square footage that the program area would have contained had no
16 adjustment been necessary.

17 Approval of an application for state assistance by the board
18 pursuant to section 13-3106 shall establish the program area as that area
19 depicted in the map accompanying the application for state assistance as
20 submitted pursuant to subdivision (2)(c) of section 13-3104; -

21 (11) Project completion date means:

22 (a) For projects involving the acquisition or construction of an
23 eligible sports arena facility, the date of initial occupancy of the
24 facility following the completion of such acquisition or construction; or

25 (b) For all other projects, the date of completion of the project
26 for which state assistance is received;

27 ~~(12)~~ ~~(10)~~ Revenue bond means any bond or refunding bond issued by a
28 political subdivision which is limited or special rather than a general
29 obligation bond of the political subdivision and which is not payable
30 from the proceeds of an ad valorem tax; ~~and~~

31 (13) Sports complex means a facility that:

1 (a) Includes indoor areas, outdoor areas, or both;

2 (b) Is primarily used for competitive sports; and

3 (c) Contains at least:

4 (i) Twelve separate sports venues if such facility is located in a
5 city of the metropolitan class;

6 (ii) Eight separate sports venues if such facility is located in a
7 city of the primary class; or

8 (iii) Four separate sports venues if such facility is located in a
9 city of the first class, city of the second class, village, or county;

10 (14) Sports venue includes, but is not limited to:

11 (a) A baseball field;

12 (b) A softball field;

13 (c) A multipurpose field;

14 (d) An outdoor stadium primarily used for competitive sports;

15 (e) An outdoor arena primarily used for competitive sports; or

16 (f) An enclosed, temperature-controlled building primarily used for
17 competitive sports; and

18 (15) ~~(11)~~ Unbuildable property means any real property that is
19 located in a floodway, an environmentally protected area, a right-of-way,
20 or a brownfield site as defined in 42 U.S.C. 9601 that the political
21 subdivision determines is not suitable for the construction or location
22 of residential, commercial, or other buildings or facilities.

23 Sec. 2. Section 13-3103, Revised Statutes Cumulative Supplement,
24 2018, is amended to read:

25 13-3103 (1) Any political subdivision or its governing body that has
26 (a) acquired, constructed, improved, or equipped, (b) approved a revenue
27 bond issue or a general obligation bond issue to acquire, construct,
28 improve, or equip, or (c) adopted a resolution authorizing the political
29 subdivision to pursue a general obligation bond issue to acquire,
30 construct, improve, or equip an eligible sports arena facility may apply
31 to the board for state assistance. The state assistance shall only be

1 used to pay back amounts expended or borrowed through one or more issues
2 of bonds to be expended by the political subdivision to acquire,
3 construct, improve, or ~~and~~ equip the eligible sports arena facility.

4 (2) For applications for state assistance approved on or after
5 October 1, 2016, no more than fifty percent of the final cost of the
6 project ~~eligible sports arena facility~~ shall be funded by state
7 assistance received pursuant to section 13-3108.

8 Sec. 3. Section 13-3104, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 13-3104 (1) All applications for state assistance under the Sports
11 Arena Facility Financing Assistance Act shall be in writing and shall
12 include a certified copy of the approving action of the governing body of
13 the applicant describing the proposed project for which state assistance
14 is requested ~~eligible sports arena facility~~ and the anticipated
15 financing.

16 (2) The application shall contain:

17 (a) A description of the proposed financing of the project ~~eligible~~
18 ~~sports arena facility~~, including the estimated principal and interest
19 requirements for the bonds proposed to be issued in connection with the
20 project ~~facility~~ or the amounts necessary to repay the original
21 investment by the applicant in the project ~~facility~~;

22 (b) Documentation of local financial commitment to support the
23 project, including all public and private resources pledged or committed
24 to the project and including a copy of any operating agreement or lease
25 with substantial users of the eligible sports arena facility;

26 (c) For applications submitted on or after October 1, 2016, a map
27 identifying the program area, including any unbuildable property within
28 the program area or taken into account in adjusting the program area as
29 described in subdivision ~~(10)(b)~~ ~~(9)(b)~~ of section 13-3102; and

30 (d) Any other project information deemed appropriate by the board.

31 (3) Upon receiving an application for state assistance, the board

1 shall review the application and notify the applicant of any additional
2 information needed for a proper evaluation of the application.

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

5 Sec. 4. Section 13-3105, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 13-3105 (1) After reviewing an application submitted under section
8 13-3104, the board shall hold a public hearing on the application.

9 (2) The board shall give notice of the time, place, and purpose of
10 the public hearing by publication three times in a newspaper of general
11 circulation in the area where the applicant is located. Such publication
12 shall be not less than ten days prior to the hearing. The notice shall
13 describe generally the project ~~eligible sports arena facility~~ for which
14 state assistance has been requested. The applicant shall pay the cost of
15 the notice.

16 (3) At the public hearing, representatives of the applicant and any
17 other interested persons may appear and present evidence and argument in
18 support of or in opposition to the application or neutral testimony. The
19 board may seek expert testimony and may require testimony of persons whom
20 the board desires to comment on the application. The board may accept
21 additional evidence after conclusion of the public hearing.

22 Sec. 5. Section 13-3106, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 13-3106 (1) After consideration of the application and the evidence,
25 if the board finds that the facility described in the application is
26 eligible and that state assistance is in the best interest of the state,
27 the application shall be approved, except that an approval of an
28 application submitted because of the requirement in subdivision (1)(c) of
29 section 13-3103 is a temporary approval. If the general obligation bond
30 issue is subsequently approved by the voters of the political
31 subdivision, the approval by the board becomes permanent. If the general

1 obligation bond issue is not approved by such voters, the temporary
2 approval shall become void.

3 (2) In determining whether state assistance is in the best interest
4 of the state, the board shall consider the fiscal and economic capacity
5 of the applicant to finance the local share of the project facility.

6 (3) A majority of the board members constitutes a quorum for the
7 purpose of conducting business. All actions of the board shall be by a
8 majority vote of all the board members, one of whom must be the Governor.

9 Sec. 6. Original section 13-3105, Reissue Revised Statutes of
10 Nebraska, and sections 13-3102, 13-3103, 13-3104, and 13-3106, Revised
11 Statutes Cumulative Supplement, 2018, are repealed.

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