

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 707

FINAL READING

Introduced by von Gillern, 4.

Read first time January 22, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-2701.02, 77-4401, 77-4403, 77-4404, 77-4405, 77-4406, 77-4408,
3 77-4410, 77-4412, 77-4413, and 77-4414, Revised Statutes Cumulative
4 Supplement, 2024; to change provisions relating to the sales tax
5 rate, the Good Life Transformational Projects Act, and the Good Life
6 District Economic Development Act; to define and redefine terms; to
7 harmonize provisions; to provide severability; to repeal the
8 original sections; and to declare an emergency.
9 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 77-2701.02, Revised Statutes Cumulative
2 Supplement, 2024, is amended to read:

3 77-2701.02 Pursuant to section 77-2715.01:

4 (1) Until July 1, 1998, the rate of the sales tax levied pursuant to
5 section 77-2703 shall be five percent;

6 (2) Commencing July 1, 1998, and until July 1, 1999, the rate of the
7 sales tax levied pursuant to section 77-2703 shall be four and one-half
8 percent;

9 (3) Commencing July 1, 1999, and until the start of the first
10 calendar quarter after July 20, 2002, the rate of the sales tax levied
11 pursuant to section 77-2703 shall be five percent;

12 (4) Commencing on the start of the first calendar quarter after July
13 20, 2002, and until July 1, 2023, the rate of the sales tax levied
14 pursuant to section 77-2703 shall be five and one-half percent;

15 (5) Commencing July 1, 2023, and until July 1, 2024, the rate of the
16 sales tax levied pursuant to section 77-2703 shall be five and one-half
17 percent, except that such rate shall be two and three-quarters percent on
18 transactions occurring within a good life district as defined in section
19 77-4403; ~~and~~

20 (6) Commencing July 1, 2024, and until October 1, 2025, the rate of
21 the sales tax levied pursuant to section 77-2703 shall be five and one-
22 half percent, except that such rate shall be two and three-quarters
23 percent on transactions that occur within that portion of a good life
24 district established pursuant to the Good Life Transformational Projects
25 Act which is located within the corporate limits of a city or village;
26 and -

27 (7) Commencing October 1, 2025, the rate of the sales tax levied
28 pursuant to section 77-2703 shall be five and one-half percent.

29 **Sec. 2.** Section 77-4401, Revised Statutes Cumulative Supplement,
30 2024, is amended to read:

31 77-4401 Sections 77-4401 to 77-4407 and section 7 of this act shall

1 be known and may be cited as the Good Life Transformational Projects Act.

2 **Sec. 3.** Section 77-4403, Revised Statutes Cumulative Supplement,
3 2024, is amended to read:

4 77-4403 For purposes of the Good Life Transformational Projects Act:

5 (1) Additional good life district retailer means (a) a retailer that
6 opens a new location in a good life district, has less than one hundred
7 thousand square feet of retail space at the time the good life district
8 was established for any single location within the good life district or
9 within forty miles of the district with no location being equal to or
10 greater than one hundred thousand square feet, and maintains the new
11 location within the good life district plus all locations existing at the
12 time the good life district was established within the good life district
13 or within forty miles of the district at less than one hundred thousand
14 square feet for ten years from the date when the additional good life
15 district retailer first located within the good life district and (b) any
16 related person. If the number of locations within the good life district
17 or within forty miles of the district falls below the number required to
18 be an additional good life district retailer but is at least equal to the
19 number that existed at the time the good life district was established,
20 such retailer shall qualify as a relocated good life district retailer
21 subject to the restrictions and requirements of subdivision (14) of this
22 section;

23 (2) Controlling property rights means, with respect to real estate
24 in a good life district, the authority of a good life district applicant
25 or project area applicant to manage and control the development of real
26 estate, including through direct ownership or through leasehold rights,
27 joint ventures, purchase contracts, restrictive covenants, or any other
28 similar arrangement. Whenever such property rights do not include direct
29 ownership, the good life district applicant or project area applicant
30 shall not be considered to have controlling property rights unless such
31 applicant has submitted to the department a waiver and acknowledgment

1 from the property owner that (a) the owner consents to his or her
2 property being included in the good life district, (b) the owner
3 acknowledges that the applicant or city, as applicable, will have certain
4 rights with respect to how local sources of revenue from the owner's
5 property will be spent or allocated, and (c) the owner is waiving any and
6 all rights with respect to all such revenues for the duration of the good
7 life district and that such waiver will apply to all subsequent owners of
8 the property;

9 (3) ~~(1)~~ Department means the Department of Economic Development;

10 (4) Enhanced employment area good life district retailer means (a) a
11 retailer located within an enhanced employment area designated for a city
12 of the metropolitan class under the Community Development Law and within
13 a good life district who has opted to be a good life district retailer
14 and (b) any related person. A tenant of a good life district applicant
15 who has a development agreement with a city of the metropolitan class for
16 occupation tax in an enhanced employment area within a good life district
17 shall be deemed to have opted to be a good life district retailer;

18 (5) ~~(2)~~ Good life district means a district established pursuant to
19 section 77-4405; and

20 (6) Good life district applicant means (a) the person who applies
21 for the applicable good life district pursuant to section 77-4404 and (b)
22 any related person;

23 (7) Good life district retailer means (a) a retailer with taxable
24 sales that is located in a good life district, excluding any retailer
25 that moves into a good life district and is not a new business and (b)
26 any related person;

27 (8)(a) New business means (i) a new-to-market sales tax collecting
28 business that was not legally licensed and located within the good life
29 district or within forty miles of the good life district prior to the
30 creation of such district and (ii) any related person.

31 (b) New business does not include the residential portion of any

1 business.

2 (c)(i) New business does not include the location of any entity that
3 for purposes of the Nebraska Revenue Act of 1967 is either (A) not
4 subject to sales and use taxes or (B) not subject to either an income tax
5 or a franchise tax under sections 77-3801 to 77-3807, except that a
6 location owned by a political subdivision shall be allowed to the extent
7 that the political subdivision is liable for sales taxes pursuant to
8 subsection (12) of section 77-4405.

9 (ii) For purposes of this subdivision (c):

10 (A) Political subdivision includes any public corporation created
11 for the benefit of a political subdivision and any group of political
12 subdivisions forming a joint public agency, organized by interlocal
13 agreement, or utilizing any other method of joint action; and

14 (B) Any partnership that would be liable for an income tax if it
15 were to make an election under subsection (6) of section 77-2727 is
16 subject to an income tax.

17 (d) The following transactions or activities shall not be considered
18 to have created a new business:

19 (i) The acquisition of a business that (A) does not qualify as a new
20 business, (B) is continued by the purchaser, and (C) was operated within
21 the good life district during the three hundred sixty-six days prior to
22 the date of acquisition;

23 (ii) The acquisition of a business that (A) does not qualify as a
24 new business, (B) is continued by the purchaser, and (C) was operated
25 within this state and within forty miles of the good life district during
26 the three hundred sixty-six days prior to the date of acquisition;

27 (iii) The moving of a business from a location within this state and
28 within forty miles of the good life district into the good life district;
29 or

30 (iv) Any purchase or lease of property from a related person;

31 (9)(a) New development costs means development costs that:

1 (i) Are incurred as part of a project located in a good life
2 district; and

3 (ii) Are related to a new business.

4 (b) The value of the new development costs for any project shall be
5 equal to the construction and improvement costs of real property and the
6 acquisition costs of personal property that are part of such project,
7 including:

8 (i) Improvements to real property located in the good life district;

9 (ii) New construction of and additions to existing buildings;

10 (iii) Construction and acquisition of infrastructure improvements in
11 and related to the good life district; and

12 (iv) Acquisition of personal property located and used in the good
13 life district.

14 (c) The following transactions or activities shall not be considered
15 new development costs:

16 (i) The acquisition of a business that (A) does not qualify as a new
17 business, (B) is continued by the purchaser, and (C) was operated within
18 the good life district during the three hundred sixty-six days prior to
19 the date of acquisition;

20 (ii) The acquisition of a business that (A) does not qualify as a
21 new business, (B) is continued by the purchaser, and (C) was operated
22 within this state and within forty miles of the good life district during
23 the three hundred sixty-six days prior to the date of acquisition;

24 (iii) The moving of a business from a location within this state and
25 within forty miles of the good life district into the good life district;
26 or

27 (iv) Any purchase or lease of property from a related person;

28 (10) Project area means an area designated as a project within a
29 good life district pursuant to subsection (14) of section 77-4405;

30 (11) Project area applicant means (a) the person who files an
31 application for a project area designation pursuant to subsection (14) of

1 section 77-4405 and (b) any related person;

2 (12) ~~(3)~~ Qualified inland port district means an inland port
3 district created pursuant to the Municipal Inland Port Authority Act that
4 is located within a city of the metropolitan class; -

5 (13) Related persons means any corporations, partnerships, limited
6 liability companies, or joint ventures which are or would otherwise be
7 members of the same unitary group, if incorporated, or any persons who
8 are considered to be related persons under either section 267(b) and (c)
9 or section 707(b) of the Internal Revenue Code of 1986, as amended;

10 (14) Relocated good life district retailer means (a) a retailer that
11 relocates to a good life district and that has less than one hundred
12 thousand square feet of retail space at the time the good life district
13 was established for any single location that is outside of the good life
14 district but located within forty miles of the good life district with no
15 location being equal to or greater than one hundred thousand square feet
16 and (b) any related person. After ten years from the date when the
17 relocated good life district retailer first located within the good life
18 district or exceeded one hundred thousand square feet of retail space,
19 such retailer shall no longer qualify as a relocated good life district
20 retailer; and

21 (15) Viable development means the proposed development is
22 demonstrated to be not inconsistent with the statutory requirements of
23 the good life district where the project is located.

24 **Sec. 4.** Section 77-4404, Revised Statutes Cumulative Supplement,
25 2024, is amended to read:

26 77-4404 (1) Until December 31, 2024, any person may apply to the
27 department to create a good life district. All applications shall be in
28 writing and shall contain:

29 (a) A description of the proposed project to be undertaken within
30 the good life district, including a description of any existing
31 development, an estimate of the total new development costs for the

1 project, and an estimate of the number of new jobs to be created as a
2 result of the project;

3 (b) A map identifying the good life district to be used for purposes
4 of the project;

5 (c) A description of the proposed financing of the project;

6 (d) Documentation of local financial commitment to support the
7 project, including all public and private resources pledged or committed
8 to the project and including a copy of any operating agreement or lease
9 with substantial users of the project area; and

10 (e) Sufficient documents, plans, and specifications as required by
11 the department to define the project, including the following:

12 (i) A statement of how the jobs and taxes obtained from the project
13 will contribute significantly to the economic development of the state
14 and region;

15 (ii) Visitation expectations and a plan describing how the number of
16 visitors to the good life district will be tracked and reported on an
17 annual basis;

18 (iii) Any unique qualities of the project;

19 (iv) An economic impact study, including the anticipated effect of
20 the project on the regional and statewide economies;

21 (v) Project accountability, measured according to best industry
22 practices;

23 (vi) The expected return on state and local investment the project
24 is anticipated to produce; and

25 (vii) A summary of community involvement, participation, and support
26 for the project.

27 (2) Upon receiving an application, the department shall review the
28 application and notify the good life district applicant of any additional
29 information needed for a proper evaluation of the application.

30 (3) The application and all supporting information shall be
31 confidential except for the location of the project, the total new

1 development costs estimated for the project, and the number of new jobs
2 estimated to be created as a result of the project.

3 (4) No more than five good life districts may be created statewide.
4 No more than one good life district may be created in any county with a
5 population of five hundred thousand inhabitants or more, excluding any
6 good life district created within a qualified inland port district.

7 **Sec. 5.** Section 77-4405, Revised Statutes Cumulative Supplement,
8 2024, is amended to read:

9 77-4405 (1) If the department finds that creation of the good life
10 district would not exceed the limits prescribed in subsection (4) of
11 section 77-4404 and the project described in the application meets the
12 eligibility requirements of this section, the application shall be
13 approved.

14 (2) A project is eligible if:

15 (a) The good life district applicant demonstrates that the total new
16 development costs of the project will exceed:

17 (i) One billion dollars if the project will be located in a city of
18 the metropolitan class;

19 (ii) Seven hundred fifty million dollars if the project will be
20 located in a city of the primary class;

21 (iii) Five hundred million dollars if the project will be located in
22 a city of the first class, city of the second class, or village within a
23 county with a population of one hundred thousand inhabitants or more; or

24 (iv) One hundred million dollars if the project will be located in a
25 city of the first class, city of the second class, village, or sanitary
26 and improvement district within a county with a population of less than
27 one hundred thousand inhabitants;

28 (b) The good life district applicant demonstrates that the project
29 will directly or indirectly result in the creation of:

30 (i) One thousand new jobs if the project will be located in a city
31 of the metropolitan class;

1 (ii) Five hundred new jobs if the project will be located in a city
2 of the primary class;

3 (iii) Two hundred fifty new jobs if the project will be located in a
4 city of the first class, city of the second class, or village within a
5 county with a population of one hundred thousand inhabitants or more; or

6 (iv) Fifty new jobs if the project will be located in a city of the
7 first class, city of the second class, village, or sanitary and
8 improvement district within a county with a population of less than one
9 hundred thousand inhabitants; and

10 (c)(i) For a project that will be located in a county with a
11 population of one hundred thousand inhabitants or more, the good life
12 district applicant demonstrates that, upon completion of the project, at
13 least twenty percent of sales at the project will be made to persons
14 residing outside the State of Nebraska or the project will generate a
15 minimum of six hundred thousand visitors per year who reside outside the
16 State of Nebraska and the project will attract new-to-market retail to
17 the state and will generate a minimum of three million visitors per year
18 in total. Students from another state who attend a Nebraska public or
19 private university shall not be counted as out-of-state residents for
20 purposes of this subdivision; or

21 (ii) For a project that will be located in a county with a
22 population of less than one hundred thousand inhabitants, the good life
23 district applicant demonstrates that, upon completion of the project, at
24 least twenty percent of sales at the project will be made to persons
25 residing outside the State of Nebraska. Students from another state who
26 attend a Nebraska public or private university shall not be counted as
27 out-of-state residents for purposes of this subdivision.

28 (3) The good life district applicant must certify that any
29 anticipated diversion of state sales tax revenue will be offset or
30 exceeded by sales tax paid on anticipated development costs, including
31 construction to real property, during the same period.

1 (4) Beginning on the effective date of this act, before an
2 application may be approved, the good life district applicant shall
3 submit a report to the department and to any city or village that will
4 include the good life district. Such report shall:

5 (a) Provide evidence satisfactory to the department and such city or
6 village that such applicant has sufficient financing for the project and
7 the project is financially viable;

8 (b) Provide evidence that such applicant has land ownership within
9 the proposed boundaries of the good life district or a contract giving
10 the applicant an option to purchase land within the proposed boundaries
11 of the good life district within one hundred eighty days of contract
12 signing; and

13 (c) Provide information regarding any ownership interest held by
14 such applicant in any existing retail business within the proposed good
15 life district.

16 (5) ~~(4)~~ A project is not eligible if:

17 (a) The project includes a licensed racetrack enclosure or an
18 authorized gaming operator as such terms are defined in section 9-1103,
19 except that this subdivision shall not apply to infrastructure or
20 facilities that are (i) publicly owned or (ii) used by or at the
21 direction of the Nebraska State Fair Board, so long as no gaming devices
22 or games of chance are expected to be operated by an authorized gaming
23 operator within any such facilities;

24 (b) The project received funds pursuant to the Shovel-Ready Capital
25 Recovery and Investment Act or the Economic Recovery Act, except that
26 this subdivision shall not apply to any project located in a qualified
27 inland port district; or

28 (c) The project includes any portion of a public or private
29 university.

30 (6) ~~(5)~~ Approval of an application under this section shall
31 establish the good life district as that area depicted in the map

1 accompanying the application as submitted pursuant to subdivision (1)(b)
2 of section 77-4404 or, for any application approved on or after the
3 effective date of this act, the map as approved by the department. Such
4 district shall last for thirty years and shall not exceed two thousand
5 acres in size if in a city of the metropolitan class, three thousand
6 acres in size if in any other class of city or village, or, for any good
7 life district created within a qualified inland port district, the size
8 of the qualified inland port district. All property within a good life
9 district shall be contiguous.

10 (7)(a) ~~(6)(a)~~ Prior to July 1, 2024, any transactions occurring
11 within a good life district shall be subject to a reduced state sales tax
12 rate as provided in subdivision (5) of section 77-2701.02.

13 (b) On and after July 1, 2024, and until October 1, 2025, any
14 transactions occurring within a good life district shall be subject to a
15 reduced state sales tax rate as provided in subdivision (6) of section
16 77-2701.02.

17 (c) On and after October 1, 2025, any transactions, excluding sales
18 of aircraft, all-terrain vehicles, barges, motor vehicles, motorboats,
19 railroad rolling stock, semitrailers, and trailers, by a good life
20 district applicant or an enhanced employment area good life district
21 retailer that physically occur within a good life district and within the
22 corporate limits of a city of the metropolitan class shall be subject to
23 a state sales tax rate that is fifty percent of the state sales tax rate
24 provided in section 77-2701.02.

25 (d) On and after July 1, 2025, and until October 1, 2025, any
26 transactions occurring within a good life district and within a city or
27 village that has implemented an occupation tax pursuant to section
28 77-4413 shall be subject to a state sales tax rate that is fifty percent
29 of the state sales tax rate provided in section 77-2701.02.

30 (e) On and after October 1, 2025, a good life district applicant or
31 good life district retailer shall be eligible for a state refund of fifty

1 percent of the state sales tax paid on new development costs for a new
2 business.

3 (f) After the amount of sales tax collected in the portion of the
4 good life district located within the boundaries of a city of the
5 metropolitan class by a good life district applicant or good life
6 district retailer that is not a new business reaches an aggregate total
7 of five million dollars per year, the state shall offset from the city's
8 local sales tax remittance, pursuant to the Local Option Revenue Act, any
9 additional amount of lost state sales tax pursuant to subdivision (c) of
10 this subsection, and such amount shall be credited to the General Fund,
11 except that relocated good life district retailers or additional good
12 life district retailers shall be allowed to exceed the five-million-
13 dollar cap to the extent there are, as calculated by the Department of
14 Revenue, taxes received by the state from new businesses net of any
15 allocation or refund reduction from allocated amounts within the good
16 life district in the amount of five million dollars plus the excess
17 allocation or reduction over five million dollars. The city may take
18 funds collected from the enhanced employment area occupation tax to
19 offset the obligation. The Tax Commissioner shall inform the city of the
20 amount of the monthly offset.

21 (8) ~~(7)~~ After establishment of a good life district pursuant to this
22 section, a good life district applicant or the city or village in which
23 all or a portion of the good life district is located may request that
24 the size of the good life district be reduced ~~may adjust the boundaries~~
25 ~~of the district~~ by filing an amended map with the department and updates
26 or supplements to the application materials originally submitted by the
27 good life district applicant to demonstrate the eligibility criteria in
28 subsection (2) of this section will be met after the boundaries are
29 adjusted. The department ~~may shall~~ approve the new boundaries if on the
30 following conditions are met:

31 (a) The department determines that the eligibility criteria in

1 subsection (2) of this section will continue to be met after the proposed
2 boundary adjustment based on the materials submitted by the party
3 requesting the boundary adjustment; good life district applicant; and

4 (b) The adjustment is mutually agreed to by the good life district
5 applicant and the city or village in which all or a portion of the good
6 life district is located;

7 ~~(b) For any area being removed from the district:~~

8 (c) (i) The department shall solicit and receive from the city or
9 village in which all or a portion of the good life district is located
10 confirmation that no area being removed is attributable to local sources
11 of revenue which have been pledged for payment of bonds issued pursuant
12 to the Good Life District Economic Development Act. Confirmation may
13 include resolutions, meeting minutes, or other official measures adopted
14 or taken by the city council or village board of trustees; ~~and~~

15 (d) (ii) Either the department has received written consent from the
16 owners of real estate proposed to be removed from the good life district,
17 or a hearing is held by the department in the manner described in this
18 subdivision and the department finds that the removal of the affected
19 property is in the best interests of the state and that the removal is
20 consistent with the goals and purposes of the approved application for
21 the good life district. In determining whether removal of the affected
22 property is consistent with the goals and purposes of the approved
23 application for the good life district, the department may consider any
24 formal action taken by the city council or village board of trustees.
25 Proof of such formal action may include resolutions, meeting minutes, or
26 other official measures adopted or taken. Such hearing must be held at
27 least ninety days after delivering written notice via certified mail to
28 the owners of record for the affected real estate proposed to be removed
29 from the good life district. The hearing must be open to the public and
30 for the stated purpose of hearing testimony regarding the proposed
31 removal of property from the good life district. Attendees must be given

1 the opportunity to speak and submit documentary evidence at, prior to, or
2 contemporaneously with such hearing for the department to consider in
3 making its findings; and -

4 (e) The department shall not remove an approved project area from a
5 good life district.

6 (9) (8) After establishment of a good life district pursuant to this
7 section, no property shall be added to the good life district and its
8 boundaries shall not be expanded. but within twelve months after the
9 approval of the original application or after any modification is made to
10 the boundaries of a good life district pursuant to this section, a city
11 or village in which any part of the applicable good life district is
12 located may file a supplemental request to the department to increase the
13 size of the good life district by up to one thousand acres. Such
14 supplemental request shall be accompanied by such materials and
15 certifications necessary to demonstrate that such increase would not
16 negatively impact the criteria that were necessary for the original
17 establishment of such good life district.

18 (10) (9) After establishment of a good life district pursuant to
19 this section and after any reduction modification is made to the
20 boundaries of a good life district pursuant to this section, the
21 department shall transmit to any city or village which includes such good
22 life district within its boundaries or within its extraterritorial zoning
23 jurisdiction (a) all information held by the department related to the
24 application and approval of the application, (b) all documentation which
25 describes the property included within the good life district, and (c)
26 all documentation transmitted to the applicant for such good life
27 district with approval of the application and establishment of the good
28 life district. Such city or village shall be subject to the same
29 confidentiality restrictions as provided in subsection (3) of section
30 77-4404, except that all such documents, plans, and specifications
31 included in the application which the city or village determine define or

1 describe the project may be provided upon written request of any person
2 who owns property in the applicable good life district. The department
3 shall also transmit a copy of the map of the good life district, a list
4 of all known good life district retailers and enhanced employment area
5 good life district retailers, and any ownership updates to the Department
6 of Revenue.

7 (11) ~~(10)~~ After establishment of a good life district that exceeds
8 one thousand acres in size, the good life district applicant may apply to
9 the city or village in which all or a portion of the good life district
10 is located ~~department~~ to establish development and design standards for
11 the good life district. Such standards may include, but are not limited
12 to, standards for architectural design, landscape design, construction
13 materials, and sustainability, but may not require property owners to
14 utilize specific contractors, professionals, suppliers, or service
15 providers. The city or village ~~department~~ may approve the standards after
16 holding a hearing after one hundred eighty days' notice to all property
17 owners in the district if the city or village ~~department~~ finds that the
18 standards will ensure a comprehensive and cohesive character and
19 aesthetic for development in the good life district, and that the
20 standards will further the purposes of the Good Life Transformational
21 Projects Act. The development and design standards must be commercially
22 reasonable and consistent with terminology and accepted practices in the
23 architecture industry, must not conflict with any building code or other
24 similar law or regulation, and must not impose an undue burden on
25 property owners in the district. If approved, the standards shall apply
26 to all new construction inside of the good life district. Any
27 ~~Notwithstanding the foregoing, any such standards established by the~~
28 ~~department~~ shall be in addition and supplemental to any local zoning,
29 building code, comprehensive plan, or similar requirements of the city or
30 village, ~~which requirements of the city or village shall control to the~~
31 ~~extent of any conflict with any design standards established by the~~

1 department.

2 (12) If the good life district applicant for an approved good life
3 district is a political subdivision, such political subdivision shall not
4 be exempt from sales tax as provided in section 77-2704.15 on building
5 material purchases for a new business that will or is intended to offer
6 taxable sales in the good life district. For purposes of this subsection,
7 political subdivision includes any public corporation created for the
8 benefit of a political subdivision and any group of political
9 subdivisions forming a joint public agency, organized by interlocal
10 agreement, or utilizing any other method of joint action.

11 (13) After establishment of a good life district pursuant to this
12 section, the good life district applicant and any other recipient of
13 allocated sales taxes, as defined in section 77-4410, or reduced sales
14 taxes shall submit an annual report to the department and to any city or
15 village that includes any portion of the good life district. Such report
16 shall be submitted by December 31 of each year that the good life
17 district is in existence. Such report shall include the same information
18 required under subsection (4) of this section.

19 (14)(a) After establishment of a good life district that is located
20 in a city of the first class, city of the second class, or village within
21 a county with a population of one hundred thousand inhabitants or more
22 and establishment of a good life district economic development program in
23 such city or village, up to six project areas may be established in the
24 good life district as provided in this subsection.

25 (b) Any good life district applicant who does not have controlling
26 property rights over the entirety of the property in the good life
27 district may submit an application to the department to designate a
28 portion of the good life district as a project area. The application
29 shall include (i) evidence of the applicant's controlling property rights
30 for the proposed project area within the good life district, (ii) a map
31 of the proposed project area, (iii) a description of the development to

1 be pursued within the proposed project area, and (iv) a description of
2 how the project area is a viable development. A good life district
3 applicant may amend the project area application any time after it is
4 submitted. Any amendment must include an amended map of the proposed
5 project area. An application for a project area shall be subject to the
6 same confidentiality restrictions as provided in subsection (3) of
7 section 77-4404.

8 (c) The department may only approve an application for a project
9 area if, based on the evidence submitted to and considered by the
10 department, the department concludes that a viable development is
11 included in the project area application. The department shall provide
12 notice of its decision to the project area applicant and the city or
13 village that includes any portion of the applicable good life district.

14 (d) Approval of the project area shall establish the project area as
15 that area depicted in the map accompanying the application. An approved
16 project area shall last for the duration of the underlying good life
17 district unless the project area applicant requests termination of the
18 project area or assigns the project area to another project area
19 applicant.

20 (e) Upon approval of a project area, the project area applicant, the
21 department, and the city or village that includes any part of the
22 applicable good life district shall enter into a memorandum of
23 understanding as described in subsection (8) of section 77-4412. Such
24 memorandum of understanding shall require that the local sources of
25 revenue, as defined in section 77-4410, derived from within a project
26 area shall be used for eligible costs incurred within or related to the
27 project area, including payment of debt service for bonds issued pursuant
28 to the Good Life District Economic Development Act, and to pay other
29 costs of the city's or village's good life district economic development
30 program created under such act.

31 (f) A good life district applicant may submit an application for a

1 project area under this subsection within ninety days after the effective
2 date of this act. Subject to subdivision (g) of this subsection, any
3 other person or entity may submit an application for a project area
4 beginning ninety days after the effective date of this act. Such other
5 person or entity shall follow the same application process as described
6 in this subsection for a good life district applicant. Project areas
7 shall not overlap.

8 (g) The department shall not approve any other person's or entity's
9 project area application until one of the following occurs:

10 (i) The department approves the good life district applicant's
11 project area application and the applicant, department, and city or
12 village enter into a memorandum of understanding pursuant to subsection
13 (8) of section 77-4412; or

14 (ii) The good life district applicant fails to submit an application
15 within ninety days after the effective date of this act.

16 (h) The department shall adopt and promulgate rules and regulations
17 or publish guidance regarding the process and timeline for approving
18 project areas. Any such rules and regulations or published guidance shall
19 further the state's goal of maximizing transformative development
20 outcomes in a timely way.

21 (i) An approved project area shall not be considered a separate good
22 life district for purposes of subsection (4) of section 77-4404.

23 (j) After the establishment of a project area, the project area
24 applicant may apply to expand its project area with approval from the
25 department. The department may only approve an expansion if (i) the
26 project area applicant has controlling property rights with respect to
27 property proposed to be added to the project area and submits evidence of
28 such controlling property rights to the department and the city or
29 village in which the good life district is located and (ii) all of the
30 property proposed to be added to the project area is within the
31 boundaries of the good life district.

1 (k) The department may remove property from a project area if the
2 project area applicant no longer has controlling property rights with
3 respect to such property.

4 (l) The department may adopt and promulgate rules and regulations
5 governing the expansion of and removal of property from project areas.

6 (m) After the establishment of a project area, the project area
7 applicant shall submit an annual report to the department and to any city
8 or village that includes any portion of the good life district. Such
9 report shall be submitted by December 31 of each year that the good life
10 district is in existence. Such report shall include the same information
11 required under subsection (4) of this section.

12 (15) ~~(11)~~ Demonstration of meeting the required new development
13 costs for purposes of subdivision (2)(a) of this section may be
14 established by evidence submitted by the good life district applicant,
15 the city or village where the good life district is located, or any other
16 person ~~that~~ ~~which~~ submits satisfactory evidence to the department.

17 **Sec. 6.** Section 77-4406, Revised Statutes Cumulative Supplement,
18 2024, is amended to read:

19 77-4406 (1) The department shall terminate a good life district
20 established pursuant to section 77-4405 if:

21 (a) Commitments for ten percent of the investment threshold required
22 under subdivision (2)(a) of section 77-4405 have not been made within
23 three years after establishment of such district;

24 (b) Commitments for fifty percent of the investment threshold
25 required under subdivision (2)(a) of section 77-4405 have not been made
26 within seven years after establishment of such district; ~~or~~

27 (c) Commitments for seventy-five percent of the investment threshold
28 required under subdivision (2)(a) of section 77-4405 have not been made
29 within ten years after establishment of such district; or -

30 (d) The city or village in which all or a portion of the good life
31 district is located has not established a good life district economic

1 development program as provided in section 77-4412 within three years
2 after establishment of such district, except that this subdivision shall
3 not apply if the city or village is the good life district applicant.

4 (2) The department shall measure the amount of commitments for such
5 investment from evidence submitted by the good life district applicant,
6 the city or village in which all or a portion of the district is located,
7 or any other source determined appropriate by the department. The
8 department shall accept evidence of such commitments from any source so
9 long as the evidence relates to any portion of the project described in
10 the application, as amended or supplemented. Certification by the city or
11 village in which all or a portion of the good life district is located
12 that the evidence submitted represents commitments for investment in the
13 project described in the application shall be conclusive and accepted by
14 the department, and such commitments shall be counted toward the
15 applicable threshold. Any such certification by a city or village shall
16 not limit or restrict the department's acceptance of evidence of
17 commitments from the good life district applicant or any other source.

18 (3) The department may terminate a good life district prior to the
19 establishment of a good life district economic development program
20 pursuant to section 77-4412 upon the request of the good life district
21 applicant or the city or village in which all or a portion of the good
22 life district is located.

23 (4)(a) Any termination of a good life district pursuant to this
24 section shall require the recapture of any unencumbered amounts remaining
25 in a good life district economic development fund established under
26 section 77-4414 for the good life district being terminated. Such amounts
27 shall be remitted to the State Treasurer for credit to the General Fund.

28 (b) The recapture required by this subsection shall not occur if the
29 failure to meet the requirements in subsection (1) of this section was
30 caused by an act of God or a national emergency.

31 **Sec. 7.** (1) The Department of Economic Development and the

1 Department of Revenue may share information, including information of a
2 confidential nature, as needed to properly administer the Good Life
3 Transformational Projects Act.

4 (2) The Department of Economic Development may adopt and promulgate
5 rules and regulations to carry out the Good Life Transformational
6 Projects Act.

7 **Sec. 8.** Section 77-4408, Revised Statutes Cumulative Supplement,
8 2024, is amended to read:

9 77-4408 Sections 77-4408 to 77-4430 and section 13 of this act shall
10 be known and may be cited as the Good Life District Economic Development
11 Act.

12 **Sec. 9.** Section 77-4410, Revised Statutes Cumulative Supplement,
13 2024, is amended to read:

14 77-4410 For purposes of the Good Life District Economic Development
15 Act, unless the context otherwise requires:

16 (1) Allocated sales taxes means state sales taxes that are allocated
17 by the Tax Commissioner to the city in which all or a portion of the good
18 life district is located pursuant to subsection (2) of section 77-4413;

19 (2) Bond has the same meaning as in section 10-134;

20 (3) {1} City means any city of the metropolitan class, city of the
21 primary class, city of the first class, city of the second class, or
22 village, including any city operated under a home rule charter;

23 (4) Department means the Department of Economic Development;

24 ~~(2) Bond has the same meaning as in section 10-134;~~

25 (5) {3} Election means any general election, primary election, or
26 special election called by the city as provided by law;

27 (6) {4} Eligible costs means payment and reimbursement of (a) the
28 costs of acquisition, planning, engineering, designing, financing,
29 construction, improvement, rehabilitation, renewal, replacement, repair,
30 landscaping, irrigation, and maintenance of privately and publicly owned
31 real estate, buildings, improvements, fixtures, equipment, and other

1 physical assets within a good life district and debt service on such real
2 estate, buildings, improvements, fixtures, equipment, and other physical
3 assets, (b) the costs of construction and acquisition of publicly owned
4 infrastructure and publicly owned property rights within or related to a
5 good life district, (c) costs of and related to the public right-of-way,
6 including streets, signage, lighting, refuse services, and landscaping,
7 (d) the costs of new development, acquisition, maintenance, and
8 enhancement of technology assets, including to include hardware,
9 software, and related intellectual property, (e) if the initial exclusive
10 use of such property is in or related to the good life district program
11 area, (d) the costs of marketing, and tenant improvement allowances, and
12 tenant and customer acquisition and retention, and (f) (e) city costs
13 related to implementing, operating, and funding a good life district
14 economic development program;

15 (7) (5) Good life district means any good life district established
16 pursuant to the Good Life Transformational Projects Act;

17 (8) (6) Good life district applicant means (a) the person who
18 applied for the applicable good life district, which was approved by the
19 department Department of Economic Development pursuant to section 77-4405
20 and (b) any related person;

21 (9) (7) Good life district economic development program or program
22 means a program established pursuant to the Good Life District Economic
23 Development Act to utilize funds derived from local sources of revenue
24 for the purpose of paying eligible costs, and for paying principal of and
25 interest on bonds issued pursuant to the act;

26 (10) (8) Good life district program area means the area established
27 pursuant to section 77-4412 for a good life district economic development
28 program;

29 (11) Good life district retailer has the same meaning as in section
30 77-4403;

31 (12) (9) Governing body means the city council, board of trustees,

1 or other legislative body charged with governing the city;

2 (13) (10) Local sources of revenue means the sources of revenue
3 established for a good life district economic development program
4 pursuant to section 77-4413, and any revenue generated from grants,
5 donations, or state and federal funds received by the city for such good
6 life district economic development program subject to any restrictions of
7 the grantor, donor, or state or federal law; and

8 (14) Nonrevenue producing costs means eligible costs paid from the
9 good life district economic development program for (a) construction or
10 acquisition of privately owned real and personal property which is not
11 expected to generate local sources of revenue for the program through the
12 use of such property in the operation of one or more businesses located
13 in the good life district program area or (b) operating expenses or other
14 noncapital expenditures of a qualifying business which is not a
15 governmental entity;

16 (15) Project area has the same meaning as in section 77-4403;

17 (16) Project area applicant has the same meaning as in section
18 77-4403; and

19 (17) (11) Qualifying business means (a) any corporation, nonprofit
20 corporation, partnership, limited liability company, or sole
21 proprietorship which owns or leases property or operates its business
22 within a good life district program area, or plans to own or lease
23 property or operate its business within a good life district program area
24 and (b) any related person. The good life district applicant shall be
25 deemed a qualifying business pursuant to this subdivision. Qualifying
26 business shall also include a political subdivision, a state agency, or
27 any other governmental entity which includes any portion of the good life
28 district program area within its territorial boundaries.

29 **Sec. 10.** Section 77-4412, Revised Statutes Cumulative Supplement,
30 2024, is amended to read:

31 77-4412 (1) Upon approval by the voters, the governing body of the

1 city may establish a good life district economic development program for
2 any area within the city which is included in a good life district
3 established pursuant to the Good Life Transformational Projects Act, and
4 the city shall appropriate the local sources of revenue established in
5 the good life district program area and pledged for such program.

6 (2) A good life district economic development program shall be
7 established by ordinance, which shall include the following provisions:

8 (a) The boundaries of the good life district program area, which
9 shall be coterminous with the portion of the applicable good life
10 district as established pursuant to section 77-4405 which is located
11 within the city. Such boundaries of the program area may be expanded to
12 include any area annexed by the city which is also included within such
13 established good life district;

14 (b) A description of the local sources of revenue which shall be
15 established for the program pursuant to section 77-4413, and a pledge to
16 appropriate such local sources of revenue ~~revenues~~ to the program for the
17 time period during which such funds are collected;

18 (c) The time period within which the funds from local sources of
19 revenue are to be collected within the good life district program area,
20 and the time period during which the good life district economic
21 development program will be in existence;

22 (d) The manner in which a qualifying business will be required to
23 submit an application for assistance under the good life district
24 economic development program, including the type of information that will
25 be required from the business, the process that will be used to verify
26 the information, and the types of business information provided to the
27 city which will be kept confidential by the city, and the types of
28 agreements which will be permitted with qualifying businesses for
29 development of property within the good life district program area. No
30 additional business information shall be required from a qualifying
31 business that is the good life district applicant. The department

1 ~~Department of Economic Development~~ shall provide a copy of the
2 application, approval, and all related documentation establishing the
3 related good life district to the city upon approval by the department
4 ~~Department of Economic Development~~;

5 (e) Such restrictions on qualifying businesses, limitations on types
6 of eligible costs, and limitations on the amounts of eligible costs as
7 the city determines are in the best interests of the city and the good
8 life district economic development program. Such limitations and
9 restrictions shall include provisions intended to ensure (i) sufficient
10 infrastructure will be available to serve the program area and
11 expectations as to how such infrastructure will be constructed and
12 funded, (ii) sufficient capital investment in buildings and facilities to
13 generate enough local sources of revenue to sustain the program, ~~and~~
14 (iii) substantially all of the eligible costs will be used for the
15 benefit of the program area, and (iv) not more than twenty percent of
16 disbursements from the program will be for nonrevenue producing costs;
17 and

18 (f) A description of the administrative system that will be
19 established by the city to administer the good life district economic
20 development program, including a description of any personnel structure
21 and the duties and responsibilities of the personnel involved.

22 (3) All information provided with an application for assistance
23 under any good life district economic development program to the city by
24 a qualifying business shall be kept confidential by the city to the
25 extent required by the terms of the ordinance establishing the good life
26 district economic development program. The city may approve or deny any
27 application for assistance in the discretion of the city, subject to the
28 terms of any contract or agreement with a qualifying business related to
29 such program.

30 (4) The city may enter into contracts and agreements with qualifying
31 businesses related to assistance under the good life district economic

1 development program, development of property within the applicable good
2 life district program area, use of property within the good life district
3 program area, and other agreements related to the good life district
4 economic development program or good life district program area, which
5 contracts and agreements may extend over multiple years and include such
6 undertakings and designation of responsibilities as the city determines
7 appropriate or convenient for development, use, and operation of the good
8 life district economic development program and the properties in the good
9 life district program area. The city shall not enter into a contract or
10 agreement with a qualifying business for assistance that uses local
11 sources of revenue collected from property owned by the good life
12 district applicant unless the contract or agreement is approved by the
13 good life district applicant. This subsection shall not be construed to
14 provide a city with any power it would not otherwise have by law to
15 restrict a business lawfully permitted to operate in this state from
16 locating in a good life district.

17 (5) In connection with administration of a good life district
18 economic development program, a city may engage professionals,
19 consultants, and other third parties to assist and provide such services
20 to the city as determined appropriate by the city. All costs of
21 administration of the program which are charged to the program by the
22 city shall be paid from the associated good life district economic
23 development fund prior to payment of any other eligible costs or bonds
24 which may be payable from the fund.

25 (6) Each good life district economic development program shall
26 remain in effect until thirty years after the date the associated good
27 life district was established or until the program is terminated by the
28 city pursuant to subsection (7) of this section, whichever occurs first.
29 If more than one good life district is established within a city, a
30 separate good life district economic development program shall be
31 established for each such good life district.

1 (7) The governing body of a city may, at any time after the adoption
2 of the ordinance establishing the good life district economic development
3 program by a two-thirds vote of the members of the governing body, amend
4 or repeal the ordinance in its entirety, subject only to the provisions
5 of any outstanding bonds or existing contracts relating to such program
6 and the rights of any third parties arising from such bonds or contracts.

7 (8)(a) For any good life district that includes a project area
8 established pursuant to section 77-4405, the following provisions shall
9 apply to the portion of such project area located within the good life
10 district program area:

11 (i) Prior to disbursement of any funds from the good life district
12 economic development program to a project area applicant for eligible
13 costs in a project area, the city, the project area applicant, and the
14 department shall enter into a memorandum of understanding with respect to
15 the following matters related to development of property in the project
16 area and local sources of revenue attributable to the project area, and
17 the following provisions shall govern with respect to such matters
18 included in the memorandum of understanding from and after the date of
19 execution by all such parties:

20 (A) A trustee bank shall be identified and established for the
21 project area, and the remittance of funds by the Tax Commissioner
22 pursuant to subdivision (2)(d) of section 77-4413 that are sourced to the
23 project area shall be deposited in an account held by the trustee bank
24 and established for such project area. The Tax Commissioner shall only
25 remit funds collected from within the established project area to the
26 correlating trustee bank;

27 (B) Funds held by the trustee bank with respect to such project area
28 shall only be disbursed for payment or reimbursement of eligible costs
29 incurred on or after the date of establishment of such project area,
30 including payment of debt service for bonds issued pursuant to the Good
31 Life District Economic Development Act and to pay other costs of the

1 city's good life district economic development program. Prior to the
2 disbursement of funds, the trustee bank shall require evidence that the
3 disbursement is to pay or reimburse eligible costs incurred on or after
4 the date of establishment of the project area and shall maintain records
5 with respect to all such disbursements and provide copies to the city,
6 the department, and the project area applicant annually;

7 (C) The development and financing obligations for the project area
8 shall be addressed in the memorandum of understanding. The development
9 obligations for the project area shall include, but not be limited to,
10 roadwork, utilities, and other improvements. The financing obligations
11 shall include, but not be limited to, anticipated bond financing
12 supported by local sources of revenue, including anticipated timing and
13 phasing of the financing and development obligations; and

14 (D) An addendum between the city and the applicant shall be included
15 as part of the memorandum of understanding. In such addendum, the parties
16 shall agree to comply with the city's good life district economic
17 development program ordinances; and

18 (ii) The memorandum of understanding may include additional
19 provisions with respect to the project area and funds held by the trustee
20 bank with respect to such project area as determined appropriate by the
21 parties. Such additional provisions may include, without limitation, the
22 following:

23 (A) Creation of multiple subaccounts to be managed by the trustee
24 bank, and provisions for distribution of funds among subaccounts,
25 including a special services account to be used for management costs and
26 costs of and related to the public right-of-way, including streets,
27 signage, lighting, refuse services, and landscaping;

28 (B) Provision for specific entities to have the exclusive right to
29 request disbursements from specified subaccounts;

30 (C) A record keeping and financial accountability framework to
31 determine that taxpayer funds are used for permitted purposes;

1 (D) Provisions intended to streamline permitting, zoning, and
2 similar development issues; and

3 (E) Additional conditions for disbursement of funds held by the
4 trustee bank or of bond proceeds intended to ensure project viability and
5 to protect local taxpayers of the city.

6 (b) The department may adopt and promulgate rules and regulations to
7 govern the content of and procedures relating to the memorandum of
8 understanding.

9 (c) This subsection shall not apply to local sources of revenue
10 attributable to a project area that have been pledged for payment of
11 bonds or otherwise committed by contract under the good life district
12 economic development program prior to the city receiving notice of
13 establishment of a project area.

14 (d) The funds and accounts established with a trustee bank for a
15 project area shall be part of the good life district economic development
16 fund of the city and distributed pursuant to the agreements made in
17 accordance with this subsection.

18 (9) Nothing in the Good Life District Economic Development Act
19 authorizes the use of eminent domain to acquire property within a good
20 life district for the purpose of giving or selling such property to a
21 private individual or corporation.

22 **Sec. 11.** Section 77-4413, Revised Statutes Cumulative Supplement,
23 2024, is amended to read:

24 77-4413 (1)(a) (1) Upon establishing a good life district economic
25 development program, the city is authorized to establish a general
26 business occupation tax as a local source of revenue. Such occupation tax
27 may be imposed upon the businesses and users of space located within the
28 good life district program area. any one or more of the following local
29 sources of revenue for the program within the applicable good life
30 district program area:

31 (a) A local option sales and use tax of up to the greater of (i) the

1 ~~difference between the state sales tax rate levied in general and the~~
2 ~~state sales tax rate levied on transactions occurring within a good life~~
3 ~~district or (ii) two and three-quarters percent upon the same~~
4 ~~transactions that are sourced under the provisions of sections 77-2703.01~~
5 ~~to 77-2703.04 within the good life district program area on which the~~
6 ~~State of Nebraska is authorized to impose a tax pursuant to the Nebraska~~
7 ~~Revenue Act of 1967, as amended from time to time. The city is authorized~~
8 ~~to impose such sales and use tax by ordinance of its governing body, and~~
9 ~~such sales and use tax shall be in addition to any local option sales tax~~
10 ~~imposed by the city pursuant to section 77-27,142. The administration of~~
11 ~~such sales and use tax shall be by the Tax Commissioner in the same~~
12 ~~manner as provided in section 77-27,143. The Tax Commissioner shall~~
13 ~~collect the tax imposed pursuant to this subdivision concurrently with~~
14 ~~collection of a state tax in the same manner as the state tax is~~
15 ~~collected. The Tax Commissioner shall remit monthly the proceeds of such~~
16 ~~tax to the city levying the tax. All relevant provisions of the Nebraska~~
17 ~~Revenue Act of 1967, as amended from time to time, and not inconsistent~~
18 ~~with the Good Life District Economic Development Act, shall govern~~
19 ~~transactions, proceedings, and activities pursuant to any local option~~
20 ~~sales and use tax imposed under this subdivision;~~

21 (b) ~~A general business occupation tax upon the businesses and users~~
22 ~~of space within the good life district program area. The city is~~
23 ~~authorized to impose such occupation tax by ordinance of its governing~~
24 ~~body, and any occupation tax imposed pursuant to this subsection~~
25 ~~subdivision shall make a reasonable classification of businesses, users~~
26 ~~of space, or kinds of transactions for purposes of imposing such tax. The~~
27 ~~collection of a tax imposed pursuant to this subsection ~~subdivision~~ shall~~
28 ~~be made and enforced in such a manner as the governing body of the city~~
29 ~~shall determine in such ordinance to produce the required revenue. The~~
30 ~~governing body may provide that failure to pay the tax imposed pursuant~~
31 ~~to this subsection ~~subdivision~~ shall constitute a violation of the~~

1 ordinance and subject the violator to a fine or other punishment as
2 provided by such ordinance. ~~;~~

3 (2)(a) Upon establishing a good life district economic development
4 program or upon establishing a good life district when a city is the good
5 life district applicant, the Tax Commissioner shall allocate the state
6 sales taxes described in subdivision (b) of this subsection, excluding
7 the taxes on sales of aircraft, all-terrain vehicles, barges, motor
8 vehicles, motorboats, railroad rolling stock, semitrailers, and trailers,
9 to the city in which all or a portion of the good life district is
10 located. Such state sales taxes shall be known as allocated sales taxes
11 and shall constitute a local source of revenue for the city's good life
12 district economic development program, if one has been established.

13 (b) The following state sales taxes shall be allocated under this
14 subsection:

15 (i) Fifty percent of the state sales taxes collected by a new
16 business as defined in section 77-4403 on transactions physically
17 occurring in the portion of the good life district located within the
18 boundaries of the city;

19 (ii) Fifty percent of the state sales taxes that were not allocated
20 under subdivision (b)(i) of this subsection and that were collected on
21 transactions physically occurring in the portion of the good life
22 district located within the boundaries of the city by a good life
23 district applicant or good life district retailer that was operating in
24 the good life district when the good life district was established, not
25 to exceed an aggregate total of five million dollars per year, except
26 that relocated good life district retailers or additional good life
27 district retailers, as such terms are defined in section 77-4403, shall
28 be allowed to exceed the five-million-dollar cap to the extent there are,
29 as calculated by the Department of Revenue, taxes received by the state
30 from new businesses net of any allocation or refund reduction from
31 allocated amounts within the good life district in the amount of five

1 million dollars plus the excess allocation or reduction over five million
2 dollars; and

3 (iii) Fifty percent of the state sales taxes that were not subject
4 to allocation under subdivision (b)(i) or (ii) of this subsection or a
5 reduced rate under subsection (7) of section 77-4405 and that were paid
6 by a good life district applicant, project area applicant, or good life
7 district retailer on new development costs as defined in section 77-4403.

8 (c) Allocated sales taxes shall not include any state sales taxes
9 collected pursuant to subdivision (7)(c) or (d) of section 77-4405.

10 (d) The Tax Commissioner shall remit the allocated sales taxes,
11 after deducting the amount of refunds from allocated amounts, to the
12 appropriate city on a monthly basis in the manner prescribed in the Local
13 Option Revenue Act. Any refunds not covered by allocated sales taxes
14 shall be offset from local sales tax remittance pursuant to the Local
15 Option Revenue Act.

16 (e) The Tax Commissioner shall provide a detailed report to the
17 applicable city with each such monthly remittance which includes the real
18 estate parcel, the good life district applicant, the good life district
19 retailer, the aggregate amount of taxable sales, and the amount of
20 remittance attributable to the good life district applicant and each good
21 life district retailer for such remittance period. The Tax Commissioner
22 shall also provide each such report to the department. The details of
23 each such report shall be kept confidential by the city, provided that
24 the city may disclose the aggregate total of taxable sales and remittance
25 for the entire good life district and for each project area, if any have
26 been established.

27 (f) Any amount of allocated sales taxes remitted to a city under
28 this subsection which is unencumbered and in such city's good life
29 district economic development fund shall be subject to the recapture
30 provisions of section 77-4406.

31 (3) Upon establishing a good life district economic development

1 program, the city may designate, by ordinance, a portion of the city's
2 local option sales and use tax established pursuant to section 77-27,142
3 as a local source of revenue. The designated portion shall only include
4 amounts collected on transactions occurring within the good life district
5 program area and may be further restricted by the city in such ordinance
6 or dedicated to pay such expenses as agreed to by the city and the good
7 life district applicant.

8 ~~(c) Such portion of a city's local option sales and use tax~~
9 ~~established pursuant to section 77-27,142 which has been designated by~~
10 ~~the city for such purpose pursuant to an ordinance, which may only~~
11 ~~include amounts collected on transactions occurring within the good life~~
12 ~~district program area, and which may be further restricted by the city in~~
13 ~~such ordinance, or dedicated to pay such expenses as agreed to between~~
14 ~~the city and the good life district applicant.~~

15 ~~(2) The local option sales and use tax imposed pursuant to~~
16 ~~subdivision (1)(a) of this section shall be separate and apart from any~~
17 ~~sales and use tax imposed by the city pursuant to the Local Option~~
18 ~~Revenue Act and shall not be considered imposed by or pursuant to the~~
19 ~~Local Option Revenue Act for any purpose under Nebraska law. The local~~
20 ~~option sales and use tax imposed pursuant to subdivision (1)(a) of this~~
21 ~~section shall not be subject to deduction for any refunds made pursuant~~
22 ~~to section 77-4105, 77-4106, 77-5725, or 77-5726, and shall not be~~
23 ~~affected by or included in the tax incentives available under the~~
24 ~~Employment and Investment Growth Act, the Nebraska Advantage Act, the~~
25 ~~Imagine Nebraska Act, the Nebraska Advantage Transformational Tourism and~~
26 ~~Redevelopment Act, the Urban Redevelopment Act, or any other tax~~
27 ~~incentive act which affects the local option sales tax imposed by a city~~
28 ~~pursuant to the Local Option Revenue Act.~~

29 ~~(4) (3)~~ All local sources of revenue which have been established for
30 a good life district shall remain in effect and shall not end or
31 terminate until the associated good life district economic development

1 program terminates.

2 **Sec. 12.** Section 77-4414, Revised Statutes Cumulative Supplement,
3 2024, is amended to read:

4 77-4414 (1) Any city which has established a good life district
5 economic development program shall establish a separate good life
6 district economic development fund for such program, and may establish
7 subaccounts in such fund as determined appropriate. All funds derived
8 from local sources of revenue established for the program or received for
9 the program, and any earnings from the investment of such funds, shall be
10 deposited into such fund. Any proceeds from the issuance and sale of
11 bonds pursuant to the Good Life District Economic Development Act to
12 provide funds to carry out the good life district economic development
13 program, shall be deposited into the good life district economic
14 development fund, or with a bond trustee pursuant to any resolution,
15 trust indenture, or other security instrument entered into in connection
16 with the issuance of such bonds, or as otherwise provided in section
17 77-4423. The city shall not transfer or remove funds from a good life
18 district economic development fund other than for the purposes prescribed
19 in the act, and the money in a good life district economic development
20 fund shall not be commingled with any other city funds.

21 (2) Distribution of any funds from a good life district economic
22 development fund, including from proceeds of bonds issued pursuant to the
23 Good Life District Economic Development Act, to a qualifying business
24 shall be made only upon receipt of evidence that such distribution is for
25 the payment or reimbursement of eligible costs. A city may establish
26 processes for any such approval in the ordinance establishing the
27 applicable program, with a bond trustee under a bond resolution or trust
28 indenture, or as may otherwise be determined appropriate by the city.

29 (3) Any money in a good life district economic development fund not
30 currently required or committed for purposes of such good life district
31 economic development program shall be invested as provided for in section

1 77-2341.

2 (4) In the event that a good life district economic development
3 program is terminated or ends, the balance of money in such good life
4 district economic development fund not otherwise pledged for payment of
5 bonds or otherwise committed by contract under the program and not
6 required to be transferred to the state General Fund pursuant to
7 subdivision (4)(a) of section 77-4406 shall be deposited in the general
8 fund of the city. Any funds received by the city by reason of a good life
9 district economic development program after the termination of such
10 program shall be transferred from such good life district economic
11 development fund to the general fund of the city as such funds are
12 received.

13 (5) A good life district economic development fund shall not be
14 terminated until such time as all bonds, contracts, and other obligations
15 payable from such fund are no longer outstanding or are extinguished as
16 provided in section 77-4418, and all funds related to them fully
17 accounted for, with no further city action required, and after the
18 completion of a final audit pursuant to section 77-4416.

19 **Sec. 13.** (1) The Department of Economic Development and the
20 Department of Revenue may share information, including information of a
21 confidential nature, as needed to properly administer the Good Life
22 District Economic Development Act.

23 (2) The Department of Economic Development may adopt and promulgate
24 rules and regulations to carry out the Good Life District Economic
25 Development Act.

26 **Sec. 14.** If any section in this act or any part of any section is
27 declared invalid or unconstitutional, the declaration shall not affect
28 the validity or constitutionality of the remaining portions.

29 **Sec. 15.** Original sections 77-2701.02, 77-4401, 77-4403, 77-4404,
30 77-4405, 77-4406, 77-4408, 77-4410, 77-4412, 77-4413, and 77-4414,
31 Revised Statutes Cumulative Supplement, 2024, are repealed.

1 **Sec. 16.** Since an emergency exists, this act takes effect when
2 passed and approved according to law.