

AMENDMENTS TO LB707
(Amendments to AM1560)

Introduced by Bostar, 29.

1 1. Strike section 5 and insert the following new section:

2 **Sec. 5.** Section 77-4405, Revised Statutes Cumulative Supplement,
3 2024, is amended to read:

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

9 (2) A project is eligible if:

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

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

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

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

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

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

25 (i) One thousand new jobs if the project will be located in a city
26 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 July 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 July 1, 2025, any transactions, excluding sales of
18 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, a good life district applicant or
26 good life district retailer shall be eligible for a state refund of fifty
27 percent of the state sales tax paid on new development costs for a new
28 business.

29 (e) After the amount of sales tax collected in the portion of the
30 good life district located within the boundaries of a city of the
31 metropolitan class by a good life district applicant or good life

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

15 (8) (7) After establishment of a good life district pursuant to this
16 section, a good life district applicant or the city or village in which
17 all or a portion of the good life district is located may request that
18 the size of the good life district be reduced may adjust the boundaries
19 of the district by filing an amended map with the department and updates
20 or supplements to the application materials originally submitted by the
21 good life district applicant to demonstrate the eligibility criteria in
22 subsection (2) of this section will be met after the boundaries are
23 adjusted. The department may shall approve the new boundaries if on the
24 following conditions are met:

25 (a) The department determines that the eligibility criteria in
26 subsection (2) of this section will continue to be met after the proposed
27 boundary adjustment based on the materials submitted by the party
28 requesting the boundary adjustment; good life district applicant; and

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

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

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

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

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

31 (9) (8) After establishment of a good life district pursuant to this

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

12 (10) (9) After establishment of a good life district pursuant to
13 this section and after any reduction ~~modification~~ is made to the
14 ~~boundaries~~ of a good life district pursuant to this section, the
15 department shall transmit to any city or village which includes such good
16 life district within its boundaries or within its extraterritorial zoning
17 jurisdiction (a) all information held by the department related to the
18 application and approval of the application, (b) all documentation which
19 describes the property included within the good life district, and (c)
20 all documentation transmitted to the applicant for such good life
21 district with approval of the application and establishment of the good
22 life district. Such city or village shall be subject to the same
23 confidentiality restrictions as provided in subsection (3) of section
24 77-4404, except that all such documents, plans, and specifications
25 included in the application which the city or village determine define or
26 describe the project may be provided upon written request of any person
27 who owns property in the applicable good life district. The department
28 shall also transmit a copy of the map of the good life district, a list
29 of all known good life district retailers and enhanced employment area
30 good life district retailers, and any ownership updates to the Department
31 of Revenue.

1 (11) (10) After establishment of a good life district that exceeds
2 one thousand acres in size, the good life district applicant may apply to
3 the city or village in which all or a portion of the good life district
4 is located ~~department~~ to establish development and design standards for
5 the good life district. Such standards may include, but are not limited
6 to, standards for architectural design, landscape design, construction
7 materials, and sustainability, but may not require property owners to
8 utilize specific contractors, professionals, suppliers, or service
9 providers. The city or village ~~department~~ may approve the standards after
10 holding a hearing after one hundred eighty days' notice to all property
11 owners in the district if the city or village ~~department~~ finds that the
12 standards will ensure a comprehensive and cohesive character and
13 aesthetic for development in the good life district, and that the
14 standards will further the purposes of the Good Life Transformational
15 Projects Act. The development and design standards must be commercially
16 reasonable and consistent with terminology and accepted practices in the
17 architecture industry, must not conflict with any building code or other
18 similar law or regulation, and must not impose an undue burden on
19 property owners in the district. If approved, the standards shall apply
20 to all new construction inside of the good life district. Any
21 ~~Notwithstanding the foregoing, any such standards established by the~~
22 ~~department~~ shall be in addition and supplemental to any local zoning,
23 building code, comprehensive plan, or similar requirements of the city or
24 village , ~~which requirements of the city or village shall control to the~~
25 ~~extent of any conflict with any design standards established by the~~
26 ~~department.~~

27 (12) If the good life district applicant for an approved good life
28 district is a political subdivision, such political subdivision shall not
29 be exempt from sales tax as provided in section 77-2704.15 on building
30 material purchases for a new business that will or is intended to offer
31 taxable sales in the good life district. For purposes of this subsection,

1 political subdivision includes any public corporation created for the
2 benefit of a political subdivision and any group of political
3 subdivisions forming a joint public agency, organized by interlocal
4 agreement, or utilizing any other method of joint action.

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

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

19 (b) Any good life district applicant who does not have controlling
20 property rights over the entirety of the property in the good life
21 district may submit an application to the department to designate a
22 portion of the good life district as a project area. The application
23 shall include (i) evidence of the applicant's controlling property rights
24 for the proposed project area within the good life district, (ii) a map
25 of the proposed project area, (iii) a description of the development to
26 be pursued within the proposed project area, and (iv) a description of
27 how the project area is a viable development. A good life district
28 applicant may amend the project area application any time after it is
29 submitted. Any amendment must include an amended map of the proposed
30 project area. An application for a project area shall be subject to the
31 same confidentiality restrictions as provided in subsection (3) of

1 section 77-4404.

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

8 (d) Approval of the project area shall establish the project area as
9 that area depicted in the map accompanying the application. An approved
10 project area shall last for the duration of the underlying good life
11 district unless the project area applicant requests termination of the
12 project area or assigns the project area to another project area
13 applicant.

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

25 (f) A good life district applicant may submit an application for a
26 project area under this subsection within ninety days after the effective
27 date of this act. Subject to subdivision (g) of this subsection, any
28 other person or entity may submit an application for a project area
29 beginning ninety days after the effective date of this act. Such other
30 person or entity shall follow the same application process as described
31 in this subsection for a good life district applicant. Project areas

1 shall not overlap.

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

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

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

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

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

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

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

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

31 (m) After the establishment of a project area, the project area

1 applicant shall submit an annual report to the department and to any city
2 or village that includes any portion of the good life district. Such
3 report shall be submitted by December 31 of each year that the good life
4 district is in existence. Such report shall include the same information
5 required under subsection (4) of this section.

6 (15) ~~(11)~~ Demonstration of meeting the required new development
7 costs for purposes of subdivision (2)(a) of this section may be
8 established by evidence submitted by the good life district applicant,
9 the city or village where the good life district is located, or any other
10 person that ~~which~~ submits satisfactory evidence to the department.

11 2. On page 29, line 11, after the semicolon insert "and"; in line 14
12 strike "; and" and insert an underscored period; and strike lines 15 and
13 16.

14 3. On page 32, lines 3 and 4, strike "or the boundaries were
15 expanded".