

AMENDMENTS TO LB707

(Amendments to Final Reading copy)

Introduced by von Gillern, 4.

1 1. Strike sections 3, 5, 6, 9, and 11 and insert the following new
2 sections:

3 **Sec. 3.** Section 77-4403, Revised Statutes Cumulative Supplement,
4 2024, is amended to read:

5 77-4403 For purposes of the Good Life Transformational Projects Act:

6 (1) Additional good life district retailer means a for profit, as
7 described in subdivision (8)(c) of this section, retailer that opens a
8 new location in a good life district, has retail space at the time the
9 good life district was established within the good life district or
10 within forty miles of the district, and maintains the new location within
11 the good life district plus all locations existing at the time the good
12 life district was established within the good life district or within
13 forty miles of the district for three years from the date when the
14 additional good life district retailer first located within the good life
15 district. If the number of locations within the good life district or
16 within forty miles of the district falls below the number required to be
17 an additional good life district retailer but is at least equal to the
18 number that existed at the time the good life district was established
19 within three years, such retailer shall qualify as a relocated good life
20 district retailer subject to the restrictions and requirements of
21 subdivision (14) of this section. The term includes a related person;

22 (2) Controlling property rights means, with respect to real estate
23 in a good life district, the authority of a good life district applicant
24 or project area applicant to manage and control the development of real
25 estate, including through direct ownership or through leasehold rights,
26 joint ventures, purchase contracts, restrictive covenants, or any other

1 similar arrangement. Whenever such property rights do not include direct
2 ownership, the good life district applicant or project area applicant
3 shall not be considered to have controlling property rights unless such
4 applicant has submitted to the department a waiver and acknowledgment
5 from the property owner that (a) the owner consents to his or her
6 property being included in the project area, (b) the owner acknowledges
7 that the applicant or city, as applicable, will have certain rights with
8 respect to how local sources of revenue from the owner's property will be
9 spent or allocated, and (c) the owner is waiving any and all rights with
10 respect to all such revenues for the duration of the good life district
11 and that such waiver will apply to all subsequent owners of the property;

12 (3) ~~(1)~~ Department means the Department of Economic Development;

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

21 (5) ~~(2)~~ Good life district means a district established pursuant to
22 section 77-4405; and

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

26 (7) Good life district retailer means a retailer with taxable sales
27 that is located in a good life district. The term includes a related
28 person;

29 (8)(a) New business means (i) a new-to-market sales tax collecting
30 business that was not legally licensed and located within the good life
31 district or within forty miles of the good life district prior to the

1 creation of such district and (ii) any related person.

2 (b) New business does not include the residential portion of any
3 business.

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

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

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

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

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

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

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

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

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

2 (9)(a) New development costs means development costs that are
3 incurred as part of a project located in a good life district.

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; or

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

26 (11) Project area applicant means (a) the person who files an
27 application for a project area designation pursuant to subsection (14) of
28 section 77-4405 and (b) any related person;

29 (12) ~~(3)~~ Qualified inland port district means an inland port
30 district created pursuant to the Municipal Inland Port Authority Act that
31 is located within a city of the metropolitan class; -

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

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

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

20 **Sec. 5.** Section 77-4405, Revised Statutes Cumulative Supplement,
21 2024, is amended to read:

22 77-4405 (1) If the department finds that creation of the good life
23 district would not exceed the limits prescribed in subsection (4) of
24 section 77-4404 and the project described in the application meets the
25 eligibility requirements of this section, the application shall be
26 approved.

27 (2) A project is eligible if:

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

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

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

3 (iii) Five hundred million dollars if the project will be located in
4 a 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) One hundred million dollars if the project will be located in a
7 city of the first class, city of the second class, village, or sanitary
8 and improvement district within a county with a population of less than
9 one hundred thousand inhabitants;

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

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

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

16 (iii) Two hundred fifty new jobs if the project will be located in a
17 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) Fifty new jobs if the project will be located in a city of the
20 first class, city of the second class, village, or sanitary and
21 improvement district within a county with a population of less than one
22 hundred thousand inhabitants; and

23 (c)(i) For a project that will be located in a county with a
24 population of one hundred thousand inhabitants or more, the good life
25 district applicant demonstrates that, upon completion of the project, at
26 least twenty percent of sales at the project will be made to persons
27 residing outside the State of Nebraska or the project will generate a
28 minimum of six hundred thousand visitors per year who reside outside the
29 State of Nebraska and the project will attract new-to-market retail to
30 the state and will generate a minimum of three million visitors per year
31 in total. Students from another state who attend a Nebraska public or

1 private university shall not be counted as out-of-state residents for
2 purposes of this subdivision; or

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

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

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

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

21 (b) Provide evidence that such applicant has land ownership within
22 the proposed boundaries of the good life district or a contract giving
23 the applicant an option to purchase land within the proposed boundaries
24 of the good life district within one hundred eighty days of contract
25 signing; and

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

29 (5) ~~(4)~~ A project is not eligible if:

30 (a) The project includes a licensed racetrack enclosure or an
31 authorized gaming operator as such terms are defined in section 9-1103,

1 except that this subdivision shall not apply to infrastructure or
2 facilities that are (i) publicly owned or (ii) used by or at the
3 direction of the Nebraska State Fair Board, so long as no gaming devices
4 or games of chance are expected to be operated by an authorized gaming
5 operator within any such facilities;

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

10 (c) The project includes any portion of a public or private
11 university.

12 (6) (5) Approval of an application under this section shall
13 establish the good life district as that area depicted in the map
14 accompanying the application as submitted pursuant to subdivision (1)(b)
15 of section 77-4404 or, for any application approved on or after the
16 effective date of this act, the map as approved by the department. Such
17 district shall last for thirty years and shall not exceed two thousand
18 acres in size if in a city of the metropolitan class, three thousand
19 acres in size if in any other class of city or village, or, for any good
20 life district created within a qualified inland port district, the size
21 of the qualified inland port district. All property within a good life
22 district shall be contiguous.

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

26 (b) On and after July 1, 2024, and until October 1, 2025, any
27 transactions occurring within a good life district shall be subject to a
28 reduced state sales tax rate as provided in subdivision (6) of section
29 77-2701.02.

30 (c) On and after October 1, 2025, any transactions, excluding sales
31 of aircraft, all-terrain vehicles, barges, motor vehicles, motorboats,

1 railroad rolling stock, semitrailers, and trailers, by a good life
2 district applicant or an enhanced employment area good life district
3 retailer that physically occur within a good life district and within the
4 corporate limits of a city of the metropolitan class shall be subject to
5 a state sales tax rate that is fifty percent of the state sales tax rate
6 provided in section 77-2701.02.

7 (d) On and after October 1, 2025, a good life district applicant or
8 good life district retailer shall be eligible for a state refund of fifty
9 percent of the state sales tax paid on new development costs for a new
10 business, additional good life district retailer, or relocated good life
11 district retailer to the extent there is excess allocation available
12 under subdivision (e) of this subsection at the time they are placed in
13 service.

14 (e) After the amount of sales tax collected in the portion of the
15 good life district located within the boundaries of a city of the
16 metropolitan class by a good life district applicant or good life
17 district retailer that is a relocated good life district retailer reaches
18 an aggregate total of five million dollars per year, the state shall
19 offset from the city's local sales tax remittance, pursuant to the Local
20 Option Revenue Act, any additional amount of lost state sales tax
21 pursuant to subdivision (c) of this subsection, and such amount shall be
22 credited to the General Fund, except that relocated good life district
23 retailers shall exceed the five-million-dollar cap to the extent there
24 are taxes received by the state from new businesses and additional good
25 life district retailers net of any allocation or refund reduction from
26 allocated amounts within the good life district in the amount of five
27 million dollars plus the excess allocation or reduction over five million
28 dollars. The city may take funds collected from the enhanced employment
29 area occupation tax to offset the obligation. The Tax Commissioner shall
30 inform the city of the amount of the monthly offset.

31 (8) {7} After establishment of a good life district pursuant to this

1 section, a good life district applicant or the city or village in which
2 all or a portion of the good life district is located may request that
3 the size of the good life district be reduced may adjust the boundaries
4 of the district by filing an amended map with the department and updates
5 or supplements to the application materials originally submitted by the
6 good life district applicant to demonstrate the eligibility criteria in
7 subsection (2) of this section will be met after the boundaries are
8 adjusted. The department may shall approve the new boundaries if on the
9 following conditions are met:

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

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

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

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

25 (d) ~~(ii)~~ Either the department has received written consent from the
26 owners of real estate proposed to be removed from the good life district,
27 or a hearing is held by the department in the manner described in this
28 subdivision and the department finds that the removal of the affected
29 property is in the best interests of the state and that the removal is
30 consistent with the goals and purposes of the approved application for
31 the good life district. In determining whether removal of the affected

1 property is consistent with the goals and purposes of the approved
2 application for the good life district, the department may consider any
3 formal action taken by the city council or village board of trustees.
4 Proof of such formal action may include resolutions, meeting minutes, or
5 other official measures adopted or taken. Such hearing must be held at
6 least ninety days after delivering written notice via certified mail to
7 the owners of record for the affected real estate proposed to be removed
8 from the good life district. The hearing must be open to the public and
9 for the stated purpose of hearing testimony regarding the proposed
10 removal of property from the good life district. Attendees must be given
11 the opportunity to speak and submit documentary evidence at, prior to, or
12 contemporaneously with such hearing for the department to consider in
13 making its findings; and -

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

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

28 (10) (9) After establishment of a good life district pursuant to
29 this section and after any reduction modification is made to the
30 boundaries of a good life district pursuant to this section, the
31 department shall transmit to any city or village which includes such good

1 life district within its boundaries or within its extraterritorial zoning
2 jurisdiction (a) all information held by the department related to the
3 application and approval of the application, (b) all documentation which
4 describes the property included within the good life district, and (c)
5 all documentation transmitted to the applicant for such good life
6 district with approval of the application and establishment of the good
7 life district. Such city or village shall be subject to the same
8 confidentiality restrictions as provided in subsection (3) of section
9 77-4404, except that all such documents, plans, and specifications
10 included in the application which the city or village determine define or
11 describe the project may be provided upon written request of any person
12 who owns property in the applicable good life district. The department
13 shall also transmit a copy of the map of the good life district, a list
14 of all known good life district retailers and enhanced employment area
15 good life district retailers, and any ownership updates to the Department
16 of Revenue.

17 (11) ~~(10)~~ After establishment of a good life district that exceeds
18 one thousand acres in size, the good life district applicant may apply to
19 the city or village in which all or a portion of the good life district
20 is located ~~department~~ to establish development and design standards for
21 the good life district. Such standards may include, but are not limited
22 to, standards for architectural design, landscape design, construction
23 materials, and sustainability, but may not require property owners to
24 utilize specific contractors, professionals, suppliers, or service
25 providers. The city or village ~~department~~ may approve the standards after
26 holding a hearing after one hundred eighty days' notice to all property
27 owners in the district if the city or village ~~department~~ finds that the
28 standards will ensure a comprehensive and cohesive character and
29 aesthetic for development in the good life district, and that the
30 standards will further the purposes of the Good Life Transformational
31 Projects Act. The development and design standards must be commercially

1 reasonable and consistent with terminology and accepted practices in the
2 architecture industry, must not conflict with any building code or other
3 similar law or regulation, and must not impose an undue burden on
4 property owners in the district. If approved, the standards shall apply
5 to all new construction inside of the good life district. Any
6 ~~Notwithstanding the foregoing, any such standards established by the~~
7 ~~department~~ shall be in addition and supplemental to any local zoning,
8 building code, comprehensive plan, or similar requirements of the city or
9 village , ~~which requirements of the city or village shall control to the~~
10 ~~extent of any conflict with any design standards established by the~~
11 ~~department.~~

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

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

29 (14)(a) After establishment of a good life district that is located
30 in a city of the first class, city of the second class, or village within
31 a county with a population of one hundred thousand inhabitants or more

1 and establishment of a good life district economic development program in
2 such city or village, up to six project areas may be established in the
3 good life district as provided in this subsection. In a city of the
4 metropolitan class, the good life district applicant shall be the only
5 project area applicant, and the good life district applicant's project
6 area shall be the only approved project area.

7 (b) Any good life district applicant who does not have controlling
8 property rights over the entirety of the property in the good life
9 district may submit an application to the department to designate a
10 portion of the good life district as a project area. The application
11 shall include (i) evidence of the applicant's controlling property rights
12 for the proposed project area within the good life district, (ii) a map
13 of the proposed project area, (iii) a description of the development to
14 be pursued within the proposed project area, and (iv) a description of
15 how the project area is a viable development. A good life district
16 applicant may amend the project area application any time after it is
17 submitted. Any amendment must include an amended map of the proposed
18 project area. An application for a project area shall be subject to the
19 same confidentiality restrictions as provided in subsection (3) of
20 section 77-4404.

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

27 (d) Approval of the project area shall establish the project area as
28 that area depicted in the map accompanying the application. An approved
29 project area shall last for the duration of the underlying good life
30 district unless the project area applicant requests termination of the
31 project area or assigns the project area to another project area

1 applicant.

2 (e) Upon approval of a project area, the project area applicant, the
3 department, and the city or village that includes any part of the
4 applicable good life district shall enter into a memorandum of
5 understanding as described in subsection (8) of section 77-4412. Such
6 memorandum of understanding shall require that the local sources of
7 revenue, as defined in section 77-4410, derived from within a project
8 area shall be used for eligible costs incurred within or related to the
9 project area, including payment of debt service for bonds issued pursuant
10 to the Good Life District Economic Development Act, and to pay other
11 costs of the city's or village's good life district economic development
12 program created under such act.

13 (f) A good life district applicant may submit an application for a
14 project area under this subsection within ninety days after the effective
15 date of this act. Subject to subdivision (g) of this subsection, any
16 other person or entity may submit an application for a project area
17 beginning ninety days after the effective date of this act. Such other
18 person or entity shall follow the same application process as described
19 in this subsection for a good life district applicant. Project areas
20 shall not overlap.

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

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

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

29 (h) The department shall adopt and promulgate rules and regulations
30 or publish guidance regarding the process and timeline for approving
31 project areas. Any such rules and regulations or published guidance shall

1 further the state's goal of maximizing transformative development
2 outcomes in a timely way.

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

5 (j) After the establishment of a project area, the project area
6 applicant may apply to expand its project area with approval from the
7 department. The department may only approve an expansion if (i) the
8 project area applicant has controlling property rights with respect to
9 property proposed to be added to the project area and submits evidence of
10 such controlling property rights to the department and the city or
11 village in which the good life district is located and (ii) all of the
12 property proposed to be added to the project area is within the
13 boundaries of the good life district.

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

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

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

25 (15) ~~(11)~~ Demonstration of meeting the required new development
26 costs for purposes of subdivision (2)(a) of this section may be
27 established by evidence submitted by the good life district applicant,
28 the city or village where the good life district is located, or any other
29 person ~~that~~ ~~which~~ submits satisfactory evidence to the department.

30 **Sec. 6.** Section 77-4406, Revised Statutes Cumulative Supplement,
31 2024, is amended to read:

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

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

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

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

12 (d) The city or village in which all or a portion of the good life
13 district is located has not established a good life district economic
14 development program as provided in section 77-4412 within three years
15 after establishment of such district, except that this subdivision shall
16 not apply if the city or village is the good life district applicant and
17 shall not apply to any city of the metropolitan class with an enhanced
18 employment area within the good life district.

19 (2) The department shall measure the amount of commitments for such
20 investment from evidence submitted by the good life district applicant,
21 the city or village in which all or a portion of the district is located,
22 or any other source determined appropriate by the department. The
23 department shall accept evidence of such commitments from any source so
24 long as the evidence relates to any portion of the project described in
25 the application, as amended or supplemented. Certification by the city or
26 village in which all or a portion of the good life district is located
27 that the evidence submitted represents commitments for investment in the
28 project described in the application shall be conclusive and accepted by
29 the department, and such commitments shall be counted toward the
30 applicable threshold. Any such certification by a city or village shall
31 not limit or restrict the department's acceptance of evidence of

1 commitments from the good life district applicant or any other source.

2 (3) The department may terminate a good life district prior to the
3 establishment of a good life district economic development program
4 pursuant to section 77-4412 upon the request of the good life district
5 applicant. For any good life district that has one or more project areas,
6 such termination may also be requested by the city or village in which
7 all or a portion of the good life district is located.

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

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

16 **Sec. 9.** Section 77-4410, Revised Statutes Cumulative Supplement,
17 2024, is amended to read:

18 77-4410 For purposes of the Good Life District Economic Development
19 Act, unless the context otherwise requires:

20 (1) Allocated sales taxes means state sales taxes on or after
21 October 1, 2025, that are allocated by the Tax Commissioner to the city
22 in which all or a portion of the good life district is located pursuant
23 to subsection (2) of section 77-4413;

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

25 (3) {1} City means any city of the metropolitan class, city of the
26 primary class, city of the first class, city of the second class, or
27 village, including any city operated under a home rule charter;

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

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

30 (5) {3} Election means any general election, primary election, or
31 special election called by the city as provided by law;

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

20 ~~(7)~~ (5) Good life district means any good life district established
21 pursuant to the Good Life Transformational Projects Act;

22 ~~(8)~~ (6) Good life district applicant means (a) the person who
23 applied for the applicable good life district, which was approved by the
24 department Department of Economic Development pursuant to section 77-4405
25 and (b) any related person as defined in section 77-4403;

26 ~~(9)~~ (7) Good life district economic development program or program
27 means a program established pursuant to the Good Life District Economic
28 Development Act to utilize funds derived from local sources of revenue
29 for the purpose of paying eligible costs, and for paying principal of and
30 interest on bonds issued pursuant to the act;

31 ~~(10)~~ (8) Good life district program area means the area established

1 pursuant to section 77-4412 for a good life district economic development
2 program;

3 (11) Good life district retailer has the same meaning as in section
4 77-4403;

5 (12) {9} Governing body means the city council, board of trustees,
6 or other legislative body charged with governing the city;

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

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

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

22 (16) Project area applicant has the same meaning as in section
23 77-4403; and

24 (17)(a) {11} Qualifying business means any corporation, nonprofit
25 corporation, partnership, limited liability company, or sole
26 proprietorship which owns or leases property or operates its business
27 within a good life district program area, or plans to own or lease
28 property or operate its business within a good life district program
29 area. The term includes a related person as defined in section 77-4403.
30 ~~The good life district applicant shall be deemed a qualifying business~~
31 ~~pursuant to this subdivision.~~

1 (b) Qualifying business shall also include a political subdivision,
2 a state agency, or any other governmental entity which includes any
3 portion of the good life district program area within its territorial
4 boundaries.

5 **Sec. 11.** Section 77-4413, Revised Statutes Cumulative Supplement,
6 2024, is amended to read:

7 77-4413 ~~(1)(a) (1)~~ Upon establishing a good life district economic
8 development program, the city is authorized to establish a general
9 business occupation tax as a local source of revenue. Such occupation tax
10 may be imposed upon the businesses and users of space located within the
11 good life district program area. any one or more of the following local
12 sources of revenue for the program within the applicable good life
13 district program area:

14 ~~(a) A local option sales and use tax of up to the greater of (i) the~~
15 ~~difference between the state sales tax rate levied in general and the~~
16 ~~state sales tax rate levied on transactions occurring within a good life~~
17 ~~district or (ii) two and three-quarters percent upon the same~~
18 ~~transactions that are sourced under the provisions of sections 77-2703.01~~
19 ~~to 77-2703.04 within the good life district program area on which the~~
20 ~~State of Nebraska is authorized to impose a tax pursuant to the Nebraska~~
21 ~~Revenue Act of 1967, as amended from time to time. The city is authorized~~
22 ~~to impose such sales and use tax by ordinance of its governing body, and~~
23 ~~such sales and use tax shall be in addition to any local option sales tax~~
24 ~~imposed by the city pursuant to section 77-27,142. The administration of~~
25 ~~such sales and use tax shall be by the Tax Commissioner in the same~~
26 ~~manner as provided in section 77-27,143. The Tax Commissioner shall~~
27 ~~collect the tax imposed pursuant to this subdivision concurrently with~~
28 ~~collection of a state tax in the same manner as the state tax is~~
29 ~~collected. The Tax Commissioner shall remit monthly the proceeds of such~~
30 ~~tax to the city levying the tax. All relevant provisions of the Nebraska~~
31 ~~Revenue Act of 1967, as amended from time to time, and not inconsistent~~

1 ~~with the Good Life District Economic Development Act, shall govern~~
2 ~~transactions, proceedings, and activities pursuant to any local option~~
3 ~~sales and use tax imposed under this subdivision;~~

4 (b) ~~A general business occupation tax upon the businesses and users~~
5 ~~of space within the good life district program area. The city is~~
6 ~~authorized to impose such occupation tax by ordinance of its governing~~
7 ~~body, and any occupation tax imposed pursuant to this subsection~~
8 ~~subdivision shall make a reasonable classification of businesses, users~~
9 ~~of space, or kinds of transactions for purposes of imposing such tax. The~~
10 ~~collection of a tax imposed pursuant to this subsection subdivision shall~~
11 ~~be made and enforced in such a manner as the governing body of the city~~
12 ~~shall determine in such ordinance to produce the required revenue. The~~
13 ~~governing body may provide that failure to pay the tax imposed pursuant~~
14 ~~to this subsection subdivision shall constitute a violation of the~~
15 ~~ordinance and subject the violator to a fine or other punishment as~~
16 ~~provided by such ordinance. ; or~~

17 (2)(a) Upon establishing a good life district economic development
18 program or upon establishing a good life district when a city is the good
19 life district applicant, the Tax Commissioner shall allocate the state
20 sales taxes described in subdivision (b) of this subsection, excluding
21 the taxes on sales of aircraft, all-terrain vehicles, barges, motor
22 vehicles, motorboats, railroad rolling stock, semitrailers, and trailers,
23 to the city in which all or a portion of the good life district is
24 located. Such state sales taxes shall be known as allocated sales taxes
25 and shall constitute a local source of revenue for the city's good life
26 district economic development program, if one has been established.

27 (b) After October 1, 2025, the following state sales taxes shall be
28 allocated under this subsection:

29 (i) Fifty percent of the state sales taxes collected by a good life
30 district retailer that was not located in the good life district at the
31 time the district was established or expanded and is not a relocated good

1 life district retailer as defined in section 77-4403 on transactions
2 physically occurring in the portion of the good life district located
3 within the boundaries of the city;

4 (ii) Fifty percent of the state sales taxes that were not allocated
5 under subdivision (b)(i) of this subsection and that were collected on
6 transactions physically occurring in the portion of the good life
7 district located within the boundaries of the city by a good life
8 district applicant or good life district retailer that was operating in
9 the good life district when the good life district was established, not
10 to exceed an aggregate total of five million dollars per year, except
11 that relocated good life district retailers as defined in section 77-4403
12 shall exceed the five-million-dollar cap to the extent there are taxes
13 received by the state from new businesses and additional good life
14 district retailers, as such terms are defined in section 77-4403, net of
15 any 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; and

18 (iii) Fifty percent of the state sales taxes that were not subject
19 to allocation under subdivision (b)(i) or (ii) of this subsection or a
20 reduced rate under subsection (7) of section 77-4405 and that were paid
21 by a good life district applicant, project area applicant, or good life
22 district retailer on new development costs for a new business, additional
23 good life district retailer, or relocated good life district retailer, as
24 such terms are defined in section 77-4403.

25 (c) Allocated sales taxes shall not include any state sales taxes
26 collected pursuant to subdivision (7)(c) of section 77-4405.

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

1 Option Revenue Act.

2 (e) The Tax Commissioner shall provide a detailed report to the
3 applicable city with each such monthly remittance which includes the real
4 estate parcel, the good life district applicant, the good life district
5 retailer, the aggregate amount of taxable sales, and the amount of
6 remittance attributable to the good life district applicant and each good
7 life district retailer for such remittance period. The Tax Commissioner
8 shall also provide each such report to the department. The details of
9 each such report shall be kept confidential by the city, provided that
10 the city may disclose the aggregate total of taxable sales and remittance
11 for the entire good life district and for each project area, if any have
12 been established.

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

17 (3) Upon establishing a good life district economic development
18 program, the city may designate, by ordinance, a portion of the city's
19 local option sales and use tax established pursuant to section 77-27,142
20 as a local source of revenue. The designated portion shall only include
21 amounts collected on transactions occurring within the good life district
22 program area and may be further restricted by the city in such ordinance
23 or dedicated to pay such expenses as agreed to by the city and the good
24 life district applicant.

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

1 ~~(2) The local option sales and use tax imposed pursuant to~~
2 ~~subdivision (1)(a) of this section shall be separate and apart from any~~
3 ~~sales and use tax imposed by the city pursuant to the Local Option~~
4 ~~Revenue Act and shall not be considered imposed by or pursuant to the~~
5 ~~Local Option Revenue Act for any purpose under Nebraska law. The local~~
6 ~~option sales and use tax imposed pursuant to subdivision (1)(a) of this~~
7 ~~section shall not be subject to deduction for any refunds made pursuant~~
8 ~~to section 77-4105, 77-4106, 77-5725, or 77-5726, and shall not be~~
9 ~~affected by or included in the tax incentives available under the~~
10 ~~Employment and Investment Growth Act, the Nebraska Advantage Act, the~~
11 ~~Imagine Nebraska Act, the Nebraska Advantage Transformational Tourism and~~
12 ~~Redevelopment Act, the Urban Redevelopment Act, or any other tax~~
13 ~~incentive act which affects the local option sales tax imposed by a city~~
14 ~~pursuant to the Local Option Revenue Act.~~

15 (4) ~~(3)~~ All local sources of revenue which have been established for
16 a good life district shall remain in effect and shall not end or
17 terminate until the associated good life district economic development
18 program terminates.