

**ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025**  
**COMMITTEE STATEMENT**  
**LB707**

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**Hearing Date:** Wednesday March 19, 2025  
**Committee On:** Revenue  
**Introducer:** von Gillern  
**One Liner:** Change provisions relating to project eligibility under the Good Life Transformational Projects Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators von Gillern, Bostar, Dungan, Ibach, Jacobson, Kauth, Sorrentino, Murman  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Testimony:**

**Proponents:**

Senator R. Brad von Gillern  
Paul Younes  
Brenda Jensen

**Representing:**

Opening Presenter  
Younes Hospitality  
City of Kearney

**Opponents:**

Rusty Hike

**Representing:**

City of Bellevue

**Neutral:**

Mike Hilgers  
Laura McAloon

**Representing:**

Attorney General of Nebraska  
City of Grand Island

\* ADA Accommodation Written Testimony

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**Summary of purpose and/or changes:**

LB 707 amends Neb. Rev. Stat. § 77-4405 of the Good Life Transformational Projects Act to add "sufficiently" to the job creation demonstration requirement for good life districts.

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**Explanation of amendments:**

AM 1336 is a white copy amendment adopted by the Revenue Committee which strikes and replaces the original sections of the bill. AM 1336 makes several changes regarding the operation of a good life district, including provisions with language regarding more coordination between an applicant and an associated city or village; additional requirements for an applicant for a good life district; the ability to request termination of a good life district by the applicant or associated city or village; the ability to create a project area and requirements surrounding such project area within a good life district; the ability to create a business occupation tax in the good life district;

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elimination of the fifty percent (50%) sales tax rate across a good life district; and creation of a turnback tax for the good life district of fifty percent (50%) of the state sales tax.

Section by Section Summary:

Section 1. Amends Neb. Rev. Stat. § 77-2701.02 to change the state sales tax to five and one-half percent (5.5%) across the entire state, effective July 1, 2025.

Section 2. Amends Neb. Rev. Stat. § 77-4403 to add the following defined terms to the definitions statute under the Good Life Transformational Projects Act: controlling property rights, enhanced employment area good life district retailer, good life district applicant, good life district retailer, new business, new development costs, project area, project area applicant, and related persons.

Section 3. Amends Neb. Rev. Stat. § 77-4404 to harmonize provisions with changes made to Neb. Rev. Stat. § 77-4403 in Section 2 of this bill.

Section 4. Amends Neb. Rev. Stat. § 77-4405 to harmonize provisions with changes made to Neb. Rev. Stat. § 77-4403 in Section 2 of this bill and also:

- adds area requirements for different sized cities and villages;
- adds a requirement that at least twenty-five percent (25%) of the taxable retail options be from a business not legally licensed, operated, or located within the good life district or within forty miles of the good life district during the three hundred and sixty-five days preceding the creation of the district;
- adds a provision that the preceding two requirements shall apply to all good life districts, whenever created;
- adds a requirement that before a good life district can be approved, a report shall be submitted to the Department of Economic Development and any applicable town or village providing that the applicant has sufficient funding and the project is fiscally viable, that the applicant has land or the option to purchase land within the good life district, and information regarding current business interests of the applicant within the good life district;
- adds a provision for applications approved on or after the effective date of the bill, that the map used shall be one approved by the Department of Economic Development, and that the lands in the good life district shall be contiguous;
- adds a requirement that transactions by an enhanced employment area good life district retailer within a good life district and within a city or village shall be subject to a fifty percent sales tax rate from the normal sales tax rate;
- adds the capability of a city or village to request an adjustment to the boundaries of the district, including requiring that the city makes the Department of Economic Development's approval permissive;
- adds eligibility criteria for a boundary adjustment;
- adds a requirement that the Department of Economic Development shall not remove an approved project area from a good life district, increases the timeframe that a city or village has to request a boundary adjustment from twelve months to twenty-four months after an initial boundary adjustment, and adds a requirement that such additional adjustment must be contiguous;



-- adds a requirement that the Department of Economic Development transmit a copy of the map, a list of the businesses within the good life district owned by the applicant, a list of businesses that are good life district retailers, and any ownership updates to the Department of Revenue;

-- changes the party for application for the good life district applicant setting development and design standards for the good life district from the Department of Economic Development to the associated city or village;

-- adds limitations on a political subdivision as a good life district applicant regarding reduced sales tax; and

-- establishes the ability to form project areas within good life districts established in cities of the first or second class and villages in counties over one hundred thousand residents, and provides conditions on who may apply and restrictions on the process and how the application process is conducted, and allows the Department of Economic Development to establish rules and regulations regarding such areas.

Section 5. Amends Neb. Rev. Stat. § 77-4406 to provide for termination of a good life district if the associated city or village has not established a good life district economic development program within three years after establishment of the district; to allow for termination of a good life district at the request of either the applicant or the associated city or village; and to provide for recapture of monies allocated and processes by which to do so.

Section 6. Amends Neb. Rev. Stat. § 77-4410 to add and change defined terms to the definitions section of the Good Life District Economic Development Act to define allocated sales taxes, department, good life district retailer, nonrevenue producing costs, project area, and project area applicant; to redefine eligible costs and qualifying business; and to harmonize other provisions with the changes made under this section.

Section 7. Amends Neb. Rev. Stat. § 77-4412 to harmonize provisions with changes made to Neb. Rev. Stat. § 77-4410 in Section 6 of this bill; adds a provision that not more than twenty percent (20%) of the eligible costs paid from the program and revenues allocated to any one project area be used for nonrevenue costs; establishes a requirement for the creation of, contents of, and process used to complete a memorandum of understanding between the Department of Economic Development, the city or village, and the project area applicant regarding usage of funds within the project area; and adds a provision indicating that the Good Life District Economic Development Act does not authorize the use of eminent domain for the purpose of providing such property to a private entity.

Section 8. Amends Neb. Rev. Stat. § 77-4413 to eliminate the ability of a city to charge a local sales and use tax pursuant to the Good Life District Economic Development Act in the good life district; establishes the capability to create a business occupation tax within the good life district; and creates a turnback of fifty percent (50%) of the state sales tax for good life district use of certain sales, with certain limitations.

Section 9. Amends Neb. Rev. Stat. § 77-4414 to harmonize with subdivision (4)(a) of section 77-4406 regarding monies required to be transferred to the General Fund.

Section 10. Repealer.

Section 11. Emergency Clause.

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R. Brad von Gillern, Chairperson

