

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 510

Introduced by Holdcroft, 36.

Read first time January 21, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-2701.02, 77-4405, 77-4406, and 77-4411, Revised Statutes
3 Cumulative Supplement, 2024; to change provisions relating to the
4 sales tax rate, the Good Life Transformational Projects Act, and the
5 Good Life District Economic Development Act; to repeal the original
6 sections; and to declare an emergency.
7 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 July 1, 2025, the rate of the
21 sales tax levied pursuant to section 77-2703 shall be five and one-half
22 percent, except that such rate shall be two and three-quarters percent on
23 transactions that occur within that portion of a good life district
24 established pursuant to the Good Life Transformational Projects Act which
25 is located within the corporate limits of a city or village; ~~and -~~

26 (7) Commencing July 1, 2025, the rate of the sales tax levied
27 pursuant to section 77-2703 shall be five and one-half percent, except
28 that such rate shall be two and three-quarters percent on transactions
29 that occur within that portion of a good life district established
30 pursuant to the Good Life Transformational Projects Act which is located
31 within the corporate limits of a city or village, but only after such

1 city or village has imposed a sales tax or occupation tax equal to at
2 least two and three-quarters percent on transactions that occur within
3 such portion of a good life district established pursuant to the Good
4 Life Transformational Projects Act which is located within the corporate
5 limits of a city or village.

6 **Sec. 2.** Section 77-4405, Revised Statutes Cumulative Supplement,
7 2024, is amended to read:

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

13 (2) A project is eligible if:

14 (a) The applicant demonstrates that the total new development costs
15 of the project will exceed:

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

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

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

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

27 (b) The applicant demonstrates that the project will directly or
28 indirectly result in the creation of:

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

31 (ii) Five hundred new jobs if the project will be located in a city

1 of the primary class;

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

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

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

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

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

31 (4) A project is not eligible if:

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

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

12 (c) The project includes any portion of a public or private
13 university.

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

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

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

29 (c) On and after July 1, 2025, any transactions occurring within a
30 good life district shall be subject to a reduced state sales tax rate as
31 provided in subdivision (7) of section 77-2701.02.

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

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) For any area being removed from the district:

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

22 (ii) Either the department has received written consent from the
23 owners of real estate proposed to be removed from the good life district,
24 or a hearing is held by the department in the manner described in this
25 subdivision and the department finds that the removal of the affected
26 property is in the best interests of the state and that the removal is
27 consistent with the goals and purposes of the approved application for
28 the good life district. In determining whether removal of the affected
29 property is consistent with the goals and purposes of the approved
30 application for the good life district, the department may consider any
31 formal action taken by the city council or village board of trustees.

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

11 (8) After establishment of a good life district pursuant to this
12 section, but within twelve months after the approval of the original
13 application or after any modification is made to the boundaries of a good
14 life district pursuant to subsection (7) of this section, a city or
15 village in which any part of the applicable good life district is located
16 may file a supplemental request to the department to increase the size of
17 the good life district by up to one thousand acres, which area shall be
18 in addition to the acreage limit provided in subsection (5) of this
19 section. The area requested by such city or village may include multiple
20 separate parcels and such parcels shall be (a) adjacent to the existing
21 good life district or (b) if not adjacent to the existing good life
22 district, within or adjacent to the existing corporate limits of the
23 requesting city or village. Such supplemental request shall be
24 accompanied by such materials and certifications necessary to demonstrate
25 that such increase would not negatively impact the criteria that were
26 necessary for the original establishment of such good life district. Such
27 request and accompanying materials shall be subject to the same
28 confidentiality restrictions as provided in subsection (3) of section
29 77-4404 for applications submitted pursuant to such section.

30 (9) After establishment of a good life district pursuant to this
31 section and after any modification is made to the boundaries of a good

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

15 (10) After establishment of a good life district that exceeds one
16 thousand acres in size, but only after written approval of the city or
17 village which includes such good life district within its boundaries or
18 within its extraterritorial zoning jurisdiction, the good life district
19 applicant may apply to the department to establish development and design
20 standards for the good life district. Such standards may include, but are
21 not limited to, standards for architectural design, landscape design,
22 construction materials, and sustainability, but may not require property
23 owners to utilize specific contractors, professionals, suppliers, or
24 service providers. The department may approve the standards after holding
25 a hearing after one hundred eighty days' notice to all property owners in
26 the district if the department finds that the standards will ensure a
27 comprehensive and cohesive character and aesthetic for development in the
28 good life district, and that the standards will further the purposes of
29 the Good Life Transformational Projects Act. The development and design
30 standards must be commercially reasonable and consistent with terminology
31 and accepted practices in the architecture industry, must not conflict

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

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

15 **Sec. 3.** Section 77-4406, Revised Statutes Cumulative Supplement,
16 2024, is amended to read:

17 77-4406 (1) The department shall only terminate a good life district
18 established pursuant to section 77-4405 if:

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

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

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

28 (2) The department shall measure the amount of commitments for such
29 investment from evidence submitted by the good life district applicant,
30 the city or village in which all or a portion of the district is located,
31 or any other source. The department shall accept evidence from other

1 sources so long as the expenditure evidence submitted is related to any
2 portion of the project described in the application as amended or
3 supplemented. All evidence shall be certified by the good life district
4 applicant or such city or village in which all or a portion of the
5 district is located stating that the evidence submitted represents
6 commitments for investment in the project described in the application.
7 All such evidence of commitments for investment shall be accepted by the
8 department and counted toward the applicable threshold. Within thirty
9 days after the end of each calendar quarter, the department shall provide
10 a summary of the total commitments for investment received by the
11 department and counted toward the investment threshold required under
12 subdivision (2)(a) of section 77-4405 to the good life district applicant
13 and to the city or village in which all or a portion of the district is
14 located until the investment threshold required under subdivision (2)(a)
15 of section 77-4405 has been met for the applicable good life district.
16 determined appropriate by the department.

17 (3) Prior to terminating a good life district as provided in this
18 section, the department shall provide written notice to all property
19 owners within the approved good life district and the city or village
20 which includes such good life district within its boundaries or within
21 its extraterritorial zoning jurisdiction that the department intends to
22 terminate such district. Such property owners, city or village shall have
23 ninety days after receipt of such written notice from the department to
24 assume the statutory role and responsibilities of the applicable good
25 life district applicant. If a property owner or owners or the city or
26 village assumes such role and responsibilities, the measurement
27 thresholds provided in subsection (1) of this section shall each be
28 extended by two hundred and seventy-five days or two hundred and seventy-
29 five days beyond the date of such assumption of role and
30 responsibilities, whichever is later. Upon a property owner or owners or
31 the city or village assuming the role and responsibilities of the good

1 life district applicant, such property owner or owners or city or village
2 shall be deemed the good life district applicant for all purposes of the
3 Good Life Transformational Projects Act, the Good Life District Economic
4 Development Act, and any other applicable provision of Nebraska law.

5 (4) The department shall not terminate a good life district prior to
6 three years after the establishment of a good life district.

7 **Sec. 4.** Section 77-4411, Revised Statutes Cumulative Supplement,
8 2024, is amended to read:

9 77-4411 (1) The authority of a city to establish a good life
10 district economic development program and to appropriate local sources of
11 revenue to such program is subject to approval by a vote of a majority of
12 the registered voters of the city voting upon the question.

13 (2) The question may be submitted to the voters at a special
14 election or such question may be voted on at an election held in
15 conjunction with the statewide primary or statewide general election. The
16 question may be submitted to the voters before or after any application
17 is submitted to establish a good life district pursuant to the Good Life
18 Transformational Projects Act.

19 (3) A city shall order submission of the question to the registered
20 voters by resolution. The resolution shall contain the entire wording of
21 the ballot question, which shall state the question as follows: "Shall
22 the [city or village] of [name of the city or village] be authorized to
23 establish a good life district economic development program for any area
24 within the [city or village] which is included in a good life district
25 established pursuant to the Good Life Transformational Projects Act, and
26 shall the [city or village] be authorized to appropriate the local
27 sources of revenue collected within such good life district program area,
28 which may include local option sales and use taxes and occupation taxes,
29 established pursuant to and as permitted by the Good Life District
30 Economic Development Act?"

31 (4) The city shall file a copy of the resolution calling the

1 election with the election commissioner or county clerk not later than
2 the eighth Friday prior to a special election or a municipal primary or
3 general election which is not held at the statewide primary or general
4 election, or not later than March 1 prior to a statewide primary election
5 or September 1 prior to a statewide general election. The election shall
6 be conducted in accordance with the Election Act.

7 (5) If a majority of those voting on the issue vote in favor of the
8 question, the governing body may establish and implement a good life
9 district economic development program upon the terms contained in the
10 Good Life District Economic Development Act. If a majority of those
11 voting on the issue vote against the question, the governing body shall
12 not establish or implement any good life district economic development
13 program. When the question of establishing a good life district economic
14 development program is defeated at an election, resubmission of the
15 question and an election on the question shall not be held until at least
16 five months have passed from and after the date of such election.

17 (6) Notwithstanding a favorable vote to establish an economic
18 development program, a city or village may not use eminent domain to
19 acquire property within a good life district for the purpose of giving or
20 selling such property to a private individual or corporation.

21 **Sec. 5.** Original sections 77-2701.02, 77-4405, 77-4406, and
22 77-4411, Revised Statutes Cumulative Supplement, 2024, are repealed.

23 **Sec. 6.** Since an emergency exists, this act takes effect when
24 passed and approved according to law.