

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1374

Introduced by Linehan, 39.

Read first time January 17, 2024

Committee: Revenue

1 A BILL FOR AN ACT relating to economic development; to amend sections
2 13-520 and 18-2103, Reissue Revised Statutes of Nebraska, and
3 section 77-4405, Revised Statutes Supplement, 2023; to adopt the
4 Good Life District Economic Development Act; to change provisions
5 relating to restricted funds limitations; to redefine a term under
6 the Community Development Law; to change the Good Life
7 Transformational Projects Act as prescribed; to harmonize
8 provisions; to provide severability; to repeal the original
9 sections; and to declare an emergency.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 23 of this act shall be known and may be
2 cited as the Good Life District Economic Development Act.

3 Sec. 2. The Legislature finds that:

4 (1) There is a high degree of competition among states and
5 municipalities in our nation in their efforts to provide incentives for
6 businesses to expand or to locate in their respective jurisdictions; and

7 (2) Municipalities in Nebraska are unable to effectively assist the
8 development within good life districts formed pursuant to the Good Life
9 Transformational Projects Act because of their inability under Nebraska
10 law to raise sufficient capital to replace the state sales tax which is
11 reduced when a good life district is established. Without an efficient
12 replacement of such sales tax with local sources of revenue, development
13 within good life districts will fall short of reaching the full potential
14 intended by the Legislature when it enacted the Good Life
15 Transformational Projects Act, resulting in lower sales tax revenues for
16 the state. To prevent such diminished revenues for the state and to
17 promote local economic development where good life districts exist, local
18 sources of revenue must be established which are tailored to meet the
19 needs of the local community and benefit the state, if the voters in the
20 municipality determine that it is in the best interest of their community
21 to do so.

22 Sec. 3. For purposes of the Good Life District Economic Development
23 Act, unless the context otherwise requires:

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

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

28 (3) Election means any general election, primary election, or
29 special election called by the city as provided by law;

30 (4) Eligible costs means payment and reimbursement of (a) the costs
31 of acquisition, construction, improvement, rehabilitation, renewal,

1 replacement, repair, and maintenance of privately and publicly owned real
2 estate, buildings, improvements, fixtures, equipment, and other physical
3 assets within a good life district, (b) the costs of construction and
4 acquisition of publicly owned infrastructure and publicly owned property
5 rights within or related to a good life district, (c) the costs of
6 development, acquisition, maintenance, and enhancement of technology
7 assets to include hardware, software, and related intellectual property,
8 if the initial exclusive use of such property is in or related to the
9 good life district program area, and (d) city costs related to
10 implementing, operating, and funding a good life district economic
11 development program;

12 (5) Good life district means any good life district established
13 pursuant to the Good Life Transformational Projects Act;

14 (6) Good life district applicant means the person who applied for
15 the applicable good life district, which was approved by the Department
16 of Economic Development pursuant to section 77-4405;

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

22 (8) Good life district program area means the area established
23 pursuant to section 5 of this act for a good life district economic
24 development program;

25 (9) Governing body means the city council, board of trustees, or
26 other legislative body charged with governing the city;

27 (10) Local sources of revenue means the sources of revenue
28 established for a good life district economic development program
29 pursuant to section 6 of this act, and any revenue generated from grants,
30 donations, or state and federal funds received by the city for such good
31 life district economic development program subject to any restrictions of

1 the grantor, donor, or state or federal law; and

2 (11) Qualifying business means any corporation, nonprofit
3 corporation, partnership, limited liability company, or sole
4 proprietorship which owns or leases property or operates its business
5 within a good life district program area, or plans to own or lease
6 property or operate its business within a good life district program
7 area. The good life district applicant shall be deemed a qualifying
8 business pursuant to this subdivision. Qualifying business shall also
9 include a political subdivision, a state agency, or any other
10 governmental entity which includes any portion of the good life district
11 program area within its territorial boundaries.

12 Sec. 4. (1) The authority of a city to establish a good life
13 district economic development program and to appropriate local sources of
14 revenue to such program is subject to approval by a vote of a majority of
15 the registered voters of the city voting upon the question.

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

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

1 established pursuant to and as permitted by the Good Life District
2 Economic Development Act?"

3 (4) The city shall file a copy of the resolution calling the
4 election with the election commissioner or county clerk not later than
5 the eighth Friday prior to a special election or a municipal primary or
6 general election which is not held at the statewide primary or general
7 election, or not later than March 1 prior to a statewide primary election
8 or September 1 prior to a statewide general election. The election shall
9 be conducted in accordance with the Election Act.

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

20 Sec. 5. (1) Upon approval by the voters, the governing body of the
21 city may establish a good life district economic development program for
22 any area within the city which is included in a good life district
23 established pursuant to the Good Life Transformational Projects Act, and
24 the city shall appropriate the local sources of revenue established in
25 the good life district program area and pledged for such program.

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

28 (a) The boundaries of the good life district program area, which
29 shall be coterminous with the portion of the applicable good life
30 district as established pursuant to section 77-4405 which is located
31 within the city. Such boundaries of the program area may be expanded to

1 include any area annexed by the city which is also included within such
2 established good life district;

3 (b) A description of the local sources of revenue which shall be
4 established for the program pursuant to section 6 of this act, and a
5 pledge to appropriate such revenues to the program for the time period
6 during which such funds are collected;

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

11 (d) The manner in which a qualifying business will be required to
12 submit an application for assistance under the good life district
13 economic development program, including the type of information that will
14 be required from the business, the process that will be used to verify
15 the information, and the types of business information provided to the
16 city which will be kept confidential by the city, and the types of
17 agreements which will be permitted with qualifying businesses for
18 development of property within the good life district program area. No
19 additional business information shall be required from a qualifying
20 business that is the good life district applicant. The Department of
21 Economic Development shall provide a copy of the application, approval,
22 and all related documentation establishing the related good life district
23 to the city upon approval by the Department of Economic Development;

24 (e) Such restrictions on qualifying businesses, limitations on types
25 of eligible costs, and limitations on the amounts of eligible costs as
26 the city determines are in the best interests of the city and the good
27 life district economic development program. Such limitations and
28 restrictions shall include provisions intended to ensure (i) sufficient
29 infrastructure will be available to serve the program area and
30 expectations as to how such infrastructure will be constructed and
31 funded, (ii) sufficient capital investment in buildings and facilities to

1 generate enough local sources of revenue to sustain the program, and
2 (iii) substantially all of the eligible costs will be used for the
3 benefit of the program area; and

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

8 (3) All information provided with an application for assistance
9 under any good life district economic development program to the city by
10 a qualifying business shall be kept confidential by the city to the
11 extent required by the terms of the ordinance establishing the good life
12 district economic development program. The city may approve or deny any
13 application for assistance in the discretion of the city, subject to the
14 terms of any contract or agreement with a qualifying business related to
15 such program.

16 (4) Provided that the city enters into an exclusive contract with an
17 applicant approved by the Department of Economic Development for
18 development in an approved good life district, the city may enter into
19 contracts and agreements with qualifying businesses related to assistance
20 under the good life district economic development program, development of
21 property within the applicable good life district program area, use of
22 property within the good life district program area, and other agreements
23 related to the good life district economic development program or good
24 life district program area, which contracts and agreements may extend
25 over multiple years and include such undertakings and designation of
26 responsibilities as the city determines appropriate or convenient for
27 development, use, and operation of the good life district economic
28 development program and the properties in the good life district program
29 area.

30 (5) In connection with administration of a good life district
31 economic development program, a city may engage professionals,

1 consultants, and other third parties to assist and provide such services
2 to the city as determined appropriate by the city. All costs of
3 administration of the program which are charged to the program by the
4 city shall be paid from the associated good life district economic
5 development fund prior to payment of any other eligible costs or bonds
6 which may be payable from the fund.

7 (6) Each good life district economic development program shall
8 remain in effect until thirty years after the date the associated good
9 life district was established or until the program is terminated by the
10 city pursuant to subsection (7) of this section, whichever occurs first.
11 If more than one good life district is established within a city, a
12 separate good life district economic development program shall be
13 established for each such good life district.

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

20 Sec. 6. (1) Upon establishing a good life district economic
21 development program, the city is authorized to establish any one or more
22 of the following local sources of revenue for the program within the
23 applicable good life district program area:

24 (a) A local option sales and use tax of up to two and three-quarters
25 percent upon the same transactions that are sourced under the provisions
26 of sections 77-2703.01 to 77-2703.04 within the good life district
27 program area on which the State of Nebraska is authorized to impose a tax
28 pursuant to the Nebraska Revenue Act of 1967, as amended from time to
29 time. The city is authorized to impose such sales and use tax by
30 ordinance of its governing body, and such sales and use tax shall be in
31 addition to any local option sales tax imposed by the city pursuant to

1 section 77-27,142. The administration of such sales and use tax shall be
2 by the Tax Commissioner in the same manner as provided in section
3 77-27,143. The Tax Commissioner shall collect the tax imposed pursuant to
4 this subdivision concurrently with collection of a state tax in the same
5 manner as the state tax is collected. The Tax Commissioner shall remit
6 monthly the proceeds of such tax to the city levying the tax. All
7 relevant provisions of the Nebraska Revenue Act of 1967, as amended from
8 time to time, and not inconsistent with the Good Life District Economic
9 Development Act, shall govern transactions, proceedings, and activities
10 pursuant to any local option sales and use tax imposed under this
11 subdivision;

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

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

30 (2) The local option sales and use tax imposed pursuant to
31 subdivision (1)(a) of this section shall be separate and apart from any

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

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

17 Sec. 7. (1) Any city which has established a good life district
18 economic development program shall establish a separate good life
19 district economic development fund for such program, and may establish
20 subaccounts in such fund as determined appropriate. All funds derived
21 from local sources of revenue established for the program or received for
22 the program, and any earnings from the investment of such funds, shall be
23 deposited into such fund. Any proceeds from the issuance and sale of
24 bonds pursuant to the Good Life District Economic Development Act to
25 provide funds to carry out the good life district economic development
26 program, shall be deposited into the good life district economic
27 development fund, or with a bond trustee pursuant to any resolution,
28 trust indenture, or other security instrument entered into in connection
29 with the issuance of such bonds, or as otherwise provided in section 16
30 of this act. The city shall not transfer or remove funds from a good life
31 district economic development fund other than for the purposes prescribed

1 in the act, and the money in a good life district economic development
2 fund shall not be commingled with any other city funds.

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

11 (3) Any money in a good life district economic development fund not
12 currently required or committed for purposes of such good life district
13 economic development program shall be invested as provided for in section
14 77-2341.

15 (4) In the event that a good life district economic development
16 program is terminated or ends, the balance of money in such good life
17 district economic development fund not otherwise pledged for payment of
18 bonds or otherwise committed by contract under the program shall be
19 deposited in the general fund of the city. Any funds received by the city
20 by reason of a good life district economic development program after the
21 termination of such program shall be transferred from such good life
22 district economic development fund to the general fund of the city as
23 such funds are received.

24 (5) A good life district economic development fund shall not be
25 terminated until such time as all bonds, contracts, and other obligations
26 payable from such fund are no longer outstanding or are extinguished as
27 provided in section 11 of this act, and all funds related to them fully
28 accounted for, with no further city action required, and after the
29 completion of a final audit pursuant to section 9 of this act.

30 Sec. 8. All local sources of revenue established for a good life
31 district economic development program, and received for such program,

1 shall be deposited in the applicable good life district economic
2 development fund of the city when received. Any funds in the good life
3 district economic development fund may be appropriated and spent for
4 eligible costs of the good life district economic development program in
5 any amount and at any time at the discretion and direction of the
6 governing body of the city.

7 Sec. 9. The city shall provide for an annual, outside, independent
8 audit of each good life district economic development program by a
9 qualified independent accounting firm, the cost of which may be charged
10 by the city to the applicable good life district economic development
11 fund. The independent auditor shall not, at the time of the audit or for
12 any period during the term subject to the audit, have any contractual or
13 business relationship with any qualifying business receiving funds or
14 assistance under the good life district economic development program. The
15 results of such audit shall be filed with the city clerk and made
16 available for public review during normal business hours.

17 Sec. 10. The Nebraska Budget Act shall not apply to any good life
18 district economic development program or local sources of revenue
19 dedicated to such program.

20 Sec. 11. (1) Any city which has established a good life district
21 economic development program may from time to time issue bonds as
22 provided in sections 11 to 19 of this act. Such bonds shall be in such
23 principal amounts as the city's governing body authorizes to provide
24 sufficient funds to carry out any of the purposes of and powers granted
25 pursuant to the Good Life District Economic Development Act, including
26 the payment of eligible costs and all other costs or expenses of the city
27 incident to and necessary or convenient to carry out the good life
28 district economic development program, and the principal of and interest
29 on such bonds shall be payable from the local sources of revenue which
30 are dedicated to the good life district economic development fund. Bonds
31 may also be issued pursuant to the Good Life District Economic

1 Development Act to provide funds to finance or refinance one or more
2 redevelopment projects approved pursuant to the Community Development
3 Law, and the taxes authorized or collected pursuant to sections
4 18-2142.02 and 18-2147 of the Community Development Law and which are
5 permitted or required to be pledged pursuant to the Community Development
6 Law for payment of bonds for a redevelopment project may be pledged by
7 the city pursuant to the Good Life District Economic Development Act for
8 payment of bonds issued hereunder to finance or refinance such
9 redevelopment projects. Bonds may be issued by the city for such
10 combination of eligible costs and redevelopment projects and other
11 purposes permitted under the Good Life District Economic Development Act
12 as determined appropriate by the city, and may be payable from such
13 combination of local sources of revenue and taxes authorized under the
14 act as determined appropriate by the city.

15 (2) The obligations of the city with respect to the good life
16 district economic development program, including any bonds issued or
17 contracts of the city entered into under the Good Life District Economic
18 Development Act, shall not be a general obligation of the city or a
19 pledge of its credit or taxing power, nor in any event shall such bonds
20 or contracts be payable out of any funds or properties of the city, other
21 than the local sources of revenue appropriated by the city and dedicated
22 to the program pursuant to the act and the other taxes pledged for
23 payment of bonds pursuant to the act. The bonds issued under the act
24 shall not constitute an indebtedness within the meaning of any
25 constitutional or statutory debt limitation or restriction.

26 (3) Notwithstanding anything to the contrary in the Good Life
27 District Economic Development Act, any bonds, contracts, or other
28 obligations which remain outstanding or unpaid upon termination of the
29 program pursuant to section 5 of this act shall be deemed canceled and
30 extinguished after all remaining amounts held in the applicable good life
31 district economic development fund have been depleted to pay such bonds,

1 contracts, or other obligations, and the city shall have no continued
2 liability, express or implied, with respect to such bonds, contracts, or
3 other obligations thereafter.

4 Sec. 12. The members of a city's governing body and any person
5 executing bonds issued under the Good Life District Economic Development
6 Act shall not be liable personally on such bonds by reason of the
7 issuance thereof.

8 Sec. 13. (1) Bonds issued or delivered under the Good Life District
9 Economic Development Act shall be authorized by resolution of the city's
10 governing body, may be issued and secured under a resolution, trust
11 indenture, or other security instrument in one or more series, and shall
12 bear such date or dates, mature at such time or times prior to the
13 expiration of the program, bear interest at such rate or rates, be in
14 such denomination or denominations, bear such title and designation, be
15 in such form, either coupon or registered, carry such conversion or
16 registration privileges, have such rank or priority, be executed in such
17 manner, be payable in such medium of payment and at such place or places,
18 and be subject to such terms of redemption, with or without premium, as
19 such resolution, trust indenture, or other security instrument may
20 provide and without limitation by any other law limiting amounts,
21 maturities, interest rates, or redemption provisions. Any officer
22 authorized or designated to sign, countersign, execute, or attest any
23 bond may utilize a facsimile signature in lieu of his or her manual
24 signature. The bonds may be sold at public or private sale as provided by
25 the city's governing body and at such price or prices as determined or
26 directed by such governing body.

27 (2) Bonds issued or delivered under the Good Life District Economic
28 Development Act may be issued for such combination of eligible costs and
29 redevelopment projects and other purposes, and may be payable from such
30 sources as permitted under the act, as may be provided in the resolution,
31 trust indenture, or other security instrument related to the bonds. The

1 city may make any allocation or designation with respect to the
2 application of proceeds of such bonds, and any allocation or designation
3 of local sources of revenue and other sources permitted under the act to
4 the repayment of such bonds, as determined in or pursuant to such
5 resolution, trust indenture, other security instrument, or other measure
6 of the governing body of the city. To the extent a portion of such bonds
7 are issued to finance or refinance a redevelopment project, any taxes
8 collected by the city pursuant to section 18-2147 which are pledged for
9 and applied to payment of such bonds shall be deemed to be allocated and
10 applied to repayment of such bonds prior to and to the exclusion of any
11 other local sources of revenue or other repayment sources permitted under
12 the Good Life District Economic Development Act.

13 Sec. 14. If any of the officers whose signatures appear on any
14 bonds issued under the Good Life District Economic Development Act cease
15 to be such officers before the delivery of such obligations, such
16 signatures shall nevertheless be valid and sufficient for all purposes to
17 the same extent as if such officers had remained in office until such
18 delivery.

19 Sec. 15. Any city may in connection with the issuance of its bonds,
20 entry into any contract, or delivery of other obligations under the Good
21 Life District Economic Development Act:

22 (1) Redeem the bonds, covenant for their redemption, and provide the
23 terms and conditions of redemption;

24 (2) Covenant that the good life district economic development
25 program and local sources of revenue established for such program shall
26 not terminate for purposes of the act until thirty years after the date
27 the associated good life district was established or until the bonds
28 issued for such program and other contractual obligations related to such
29 program are no longer outstanding, whichever occurs first;

30 (3) Covenant to impose or levy such local sources of revenue
31 determined by the city and pledge the local sources of revenue and other

1 taxes permitted to be pledged to pay the interest and principal payments,
2 whether at maturity or upon sinking-fund redemption, on any outstanding
3 bonds of the city payable from such pledged local sources of revenue and
4 other taxes, and creation and maintenance of any reasonable reserves
5 therefor and to provide for any margins or coverages over and above debt
6 service on the bonds deemed desirable for the marketability or security
7 of the bonds;

8 (4) Covenant as to the application of the local sources of revenue
9 within the good life district economic development fund, which shall
10 include reasonable provision for the cost of operating and maintaining
11 the associated program by the city, provided that the provisions of
12 section 13 of this act shall govern the application of any taxes received
13 pursuant to section 18-2147 for payment of bonds issued under the Good
14 Life District Economic Development Act;

15 (5) Covenant and prescribe as to events of default and as to the
16 consequences of default and the remedies of bondholders;

17 (6) Covenant as to the purposes to which the proceeds from the sale
18 of any bonds may be applied and the pledge of such proceeds to secure the
19 payment of the bonds;

20 (7) Covenant as to limitations on the issuance of any additional
21 bonds, the terms upon which additional bonds may be issued and secured,
22 and the refunding of outstanding bonds;

23 (8) Covenant as to the rank or priority of any bonds with respect to
24 any lien or security;

25 (9) Covenant as to the procedure by which the terms of any contract
26 with or for the benefit of the bondholders may be amended or abrogated,
27 the amount of bonds the holders of which must consent thereto, and the
28 manner in which such consent may be given;

29 (10) Covenant as to the custody and safekeeping of a good life
30 district economic development fund;

31 (11) Covenant as to the vesting in a trustee or trustees, within or

1 outside the state, of such properties, rights, powers, and duties in
2 trust as the city may determine;

3 (12) Covenant as to the appointing and providing for the duties and
4 obligations of a paying agent or paying agents or other fiduciaries
5 within or outside the state;

6 (13) Make all other covenants and do any and all other acts and
7 things as may be necessary, convenient, or desirable in order to secure
8 its bonds or, in the absolute discretion of the city, tend to make the
9 bonds more marketable, notwithstanding that such other covenants, acts,
10 or things may not be enumerated in this section; and

11 (14) Execute all instruments necessary or convenient in the exercise
12 of the powers granted pursuant to the Good Life District Economic
13 Development Act or in the performance of covenants or duties of the city
14 incurred under the act, which instruments may contain such covenants and
15 provisions as any purchaser of bonds or other obligations may reasonably
16 require or which may be determined necessary or appropriate.

17 Sec. 16. (1) Any city which has issued bonds pursuant to the Good
18 Life District Economic Development Act or the Community Development Law,
19 and such bonds remain unpaid and are outstanding, is hereby authorized to
20 issue refunding bonds with which to call and redeem all or any part of
21 such outstanding bonds at or before the maturity or the redemption date
22 of such bonds. Such city may include various series and issues of the
23 outstanding bonds in a single issue of refunding bonds and issue
24 refunding bonds to pay any redemption premium and interest to accrue and
25 become payable on the outstanding bonds being refunded. The refunding
26 bonds may be issued and delivered at any time prior to the date of
27 maturity or the redemption date of the bonds to be refunded that the
28 governing body of such city determines to be in its best interests. The
29 proceeds derived from the sale of the refunding bonds issued pursuant to
30 this section may be invested in obligations of or guaranteed by the
31 United States Government pending the time the proceeds are required for

1 the purposes for which such refunding bonds were issued. To further
2 secure the refunding bonds, any such city may enter into a contract with
3 any bank or trust company within or without the state with respect to the
4 safekeeping and application of the proceeds of the refunding bonds and
5 the safekeeping and application of the earnings on the investment. All
6 bonds issued under the provisions of this section shall be redeemable at
7 such times and under such conditions as the governing body of the city
8 shall determine at the time of issuance.

9 (2) Any outstanding bonds issued by any such city for which
10 sufficient funds or obligations of or guaranteed by the United States
11 Government have been pledged and set aside in safekeeping to be applied
12 for the complete payment of such bonds at maturity or upon redemption
13 prior to maturity, interest thereon, and redemption premium, if any,
14 shall not be considered as outstanding and unpaid pursuant to the Good
15 Life District Economic Development Act.

16 Sec. 17. The issue of refunding bonds, the manner of sale, the
17 maturities, interest rates, form, and other details thereof, the security
18 therefor, the rights of the holders thereof, and the rights, duties, and
19 obligations of the city in respect of the same shall be governed by the
20 provisions of the Good Life District Economic Development Act relating to
21 the issue of bonds other than refunding bonds insofar as the same may be
22 applicable. The city may issue bonds for refunding and nonrefunding
23 purposes as part of the same series of bonds.

24 Sec. 18. Bonds issued pursuant to the Good Life District Economic
25 Development Act shall be securities in which all public officers and
26 instrumentalities of the state and all political subdivisions, insurance
27 companies, trust companies, banks, savings and loan associations,
28 investment companies, executors, administrators, personal
29 representatives, trustees, and other fiduciaries may properly and legally
30 invest funds, including capital in their control or belonging to them.
31 Such bonds shall be securities which may properly and legally be

1 deposited with and received by any officer or instrumentality of this
2 state or any political subdivision for any purpose for which the deposit
3 of bonds of this state or any political subdivision thereof is now or may
4 hereafter be authorized by law.

5 Sec. 19. (1) Bonds may be issued, contracts may be entered into,
6 and other obligations may be incurred, under the Good Life District
7 Economic Development Act without obtaining the consent of any department,
8 division, commission, board, bureau, or instrumentality of this state and
9 without any other proceedings or the happening of any other conditions or
10 things than those proceedings, conditions, or things which are
11 specifically required by the act, and the validity of and security for
12 any bonds, contract, or other obligations shall not be affected by the
13 existence or nonexistence of any such consent or other proceedings,
14 conditions, or things.

15 (2) No proceedings for the issuance of bonds, entering into
16 contracts, or incurring of obligations of a city under the Good Life
17 District Economic Development Act shall be required other than those
18 required by the Good Life District Economic Development Act; and the
19 provisions of all other laws and city charters, if any, relative to the
20 terms and conditions for the issuance, incurrence, payment, redemption,
21 registration, sale, or delivery of bonds, or entering into contracts, of
22 public bodies, corporations, or political subdivisions of this state
23 shall not be applicable to bonds, contracts, or other obligations issued
24 or entered into pursuant to the Good Life District Economic Development
25 Act.

26 Sec. 20. In any suit, action, or proceeding involving the validity
27 or enforceability of any bonds, contract, or agreement of a city pursuant
28 to the Good Life District Economic Development Act, or the security
29 therefor, brought after the lapse of thirty days after the authorization
30 by the governing body of such city for the issuance of such bonds or
31 entry into such contract or agreement, any such bond, contract or

1 agreement, and the security therefor and provisions therein, reciting in
2 substance that it has been authorized by the city pursuant to the Good
3 Life District Economic Development Act or to provide financing for a good
4 life district economic development program shall be conclusively deemed
5 to have been authorized for such purpose and such bonds, contracts, or
6 agreement, and security therefor and provisions therein, issued or
7 delivered pursuant to such authorization shall be conclusively deemed to
8 have been issued, entered into, provided, and carried out in accordance
9 and compliance with the purposes and provisions of the Good Life District
10 Economic Development Act, and deemed to be valid and binding obligations
11 and agreements of the city for the duration of the term of such
12 obligations and agreements as provided therein. In any suit, action, or
13 proceedings involving the validity or enforceability of any bond of the
14 city issued under the Good Life District Economic Development Act in
15 whole or in part for a redevelopment project or the security therefor,
16 any such bond reciting in substance that it has been issued by the city
17 to aid, in whole or in part, in financing or refinancing a redevelopment
18 project, as herein permitted, shall be conclusively deemed to have been
19 issued for such purpose and such project shall be conclusively deemed to
20 have been planned, located, and carried out in accordance with the
21 purposes and provisions of the Community Development Law.

22 Sec. 21. All bonds of a city issued pursuant to the Good Life
23 District Economic Development Act are declared to be issued for an
24 essential public and governmental purpose and, together with interest
25 thereon and income therefrom, shall be exempt from all taxes.

26 Sec. 22. The State of Nebraska does hereby pledge to and agree with
27 the holders of any bonds issued pursuant to the Good Life District
28 Economic Development Act and with those persons who may enter into
29 contracts with any city pursuant to the act that the state will not
30 alter, impair, or limit the rights thereby vested until the bonds,
31 together with applicable interest, are fully met and discharged and such

1 contracts are fully performed in accordance with the act. Nothing
2 contained in the act shall preclude such alteration, impairment, or
3 limitation if and when adequate provisions are made by law for the
4 protection of the holders of the bonds or persons entering into contracts
5 with a city.

6 Sec. 23. The powers conferred by the Good Life District Economic
7 Development Act shall be in addition and supplemental to the powers
8 conferred by any other law and shall be independent of and in addition to
9 any other provisions of the law of Nebraska, including, without
10 limitation, the Local Option Revenue Act, the Community Development Law,
11 the Local Option Municipal Economic Development Act, and the Good Life
12 Transformational Projects Act. The Good Life District Economic
13 Development Act and all grants of power, authority, rights, or discretion
14 to a city under the act shall be liberally construed, and all incidental
15 powers necessary to carry the act into effect are hereby expressly
16 granted to and conferred upon a city.

17 Insofar as the provisions of the Good Life District Economic
18 Development Act are inconsistent with the provisions of any other law or
19 of any city charter, if any, the provisions of the Good Life District
20 Economic Development Act shall be controlling.

21 Sec. 24. Section 13-520, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 13-520 The limitations in section 13-519 shall not apply to (1)
24 restricted funds budgeted for capital improvements, (2) restricted funds
25 expended from a qualified sinking fund for acquisition or replacement of
26 tangible personal property with a useful life of five years or more, (3)
27 restricted funds pledged to retire bonds as defined in subdivision (1) of
28 section 10-134 and approved according to law, (4) restricted funds used
29 by a public airport to retire interest-free loans from the Division of
30 Aeronautics of the Department of Transportation in lieu of bonded
31 indebtedness at a lower cost to the public airport, (5) restricted funds

1 budgeted in support of a service which is the subject of an agreement or
2 a modification of an existing agreement whether operated by one of the
3 parties to the agreement or by an independent joint entity or joint
4 public agency, (6) restricted funds budgeted to pay for repairs to
5 infrastructure damaged by a natural disaster which is declared a disaster
6 emergency pursuant to the Emergency Management Act, (7) restricted funds
7 budgeted to pay for judgments, except judgments or orders from the
8 Commission of Industrial Relations, obtained against a governmental unit
9 which require or obligate a governmental unit to pay such judgment, to
10 the extent such judgment is not paid by liability insurance coverage of a
11 governmental unit, (8) restricted funds budgeted to pay benefits under
12 the Firefighter Cancer Benefits Act, ~~or~~ (9) the dollar amount by which
13 restricted funds budgeted by a natural resources district to administer
14 and implement ground water management activities and integrated
15 management activities under the Nebraska Ground Water Management and
16 Protection Act exceed its restricted funds budgeted to administer and
17 implement ground water management activities and integrated management
18 activities for FY2003-04, or (10) restricted funds equal to the amount of
19 local option sales and use tax budgeted to be collected within a good
20 life district established pursuant to section 77-4405.

21 Sec. 25. Section 18-2103, Reissue Revised Statutes of Nebraska, is
22 amended to read:

23 18-2103 For purposes of the Community Development Law, unless the
24 context otherwise requires:

25 (1) Area of operation means and includes the area within the
26 corporate limits of the city and such land outside the city as may come
27 within the purview of sections 18-2123 and 18-2123.01;

28 (2) Authority means any community redevelopment authority created
29 pursuant to section 18-2102.01 and any community development agency
30 created pursuant to section 18-2101.01 and does not include a limited
31 community redevelopment authority;

1 (3) Blighted area means an area (a) which, by reason of the presence
2 of a substantial number of deteriorated or deteriorating structures,
3 existence of defective or inadequate street layout, faulty lot layout in
4 relation to size, adequacy, accessibility, or usefulness, insanitary or
5 unsafe conditions, deterioration of site or other improvements, diversity
6 of ownership, tax or special assessment delinquency exceeding the fair
7 value of the land, defective or unusual conditions of title, improper
8 subdivision or obsolete platting, or the existence of conditions which
9 endanger life or property by fire and other causes, or any combination of
10 such factors, substantially impairs or arrests the sound growth of the
11 community, retards the provision of housing accommodations, or
12 constitutes an economic or social liability and is detrimental to the
13 public health, safety, morals, or welfare in its present condition and
14 use and (b) in which there is at least one of the following conditions:
15 (i) Unemployment in the designated area is at least one hundred twenty
16 percent of the state or national average; (ii) the average age of the
17 residential or commercial units in the area is at least forty years;
18 (iii) more than half of the plotted and subdivided property in an area is
19 unimproved land that has been within the city for forty years and has
20 remained unimproved during that time; (iv) the per capita income of the
21 area is lower than the average per capita income of the city or village
22 in which the area is designated; or (v) the area has had either stable or
23 decreasing population based on the last two decennial censuses. In no
24 event shall a city of the metropolitan, primary, or first class designate
25 more than thirty-five percent of the city as blighted, a city of the
26 second class shall not designate an area larger than fifty percent of the
27 city as blighted, and a village shall not designate an area larger than
28 one hundred percent of the village as blighted. A redevelopment project
29 involving a formerly used defense site as authorized under section
30 18-2123.01, any area which is located within a good life district
31 established under the Good Life Transformational Projects Act, and any

1 area declared to be an extremely blighted area under section 18-2101.02
2 shall not count towards the percentage limitations contained in this
3 subdivision;

4 (4) Bonds means any bonds, including refunding bonds, notes, interim
5 certificates, debentures, or other obligations issued pursuant to the
6 Community Development Law except for bonds issued pursuant to section
7 18-2142.04;

8 (5) Business means any private business located in an enhanced
9 employment area;

10 (6) City means any city or incorporated village in the state;

11 (7) Clerk means the clerk of the city or village;

12 (8) Community redevelopment area means a substandard and blighted
13 area which the community redevelopment authority designates as
14 appropriate for a redevelopment project;

15 (9) Employee means a person employed at a business as a result of a
16 redevelopment project;

17 (10) Employer-provided health benefit means any item paid for by the
18 employer in total or in part that aids in the cost of health care
19 services, including, but not limited to, health insurance, health savings
20 accounts, and employer reimbursement of health care costs;

21 (11) Enhanced employment area means an area not exceeding six
22 hundred acres (a) within a community redevelopment area which is
23 designated by an authority as eligible for the imposition of an
24 occupation tax or (b) not within a community redevelopment area as may be
25 designated under section 18-2142.04;

26 (12) Equivalent employees means the number of employees computed by
27 (a) dividing the total hours to be paid in a year by (b) the product of
28 forty times the number of weeks in a year;

29 (13) Extremely blighted area means a substandard and blighted area
30 in which: (a) The average rate of unemployment in the area during the
31 period covered by the most recent federal decennial census or American

1 Community Survey 5-Year Estimate is at least two hundred percent of the
2 average rate of unemployment in the state during the same period; and (b)
3 the average poverty rate in the area exceeds twenty percent for the total
4 federal census tract or tracts or federal census block group or block
5 groups in the area;

6 (14) Federal government means the United States of America, or any
7 agency or instrumentality, corporate or otherwise, of the United States
8 of America;

9 (15) Governing body or local governing body means the city council,
10 board of trustees, or other legislative body charged with governing the
11 municipality;

12 (16) Limited community redevelopment authority means a community
13 redevelopment authority created pursuant to section 18-2102.01 having
14 only one single specific limited pilot project authorized;

15 (17) Mayor means the mayor of the city or chairperson of the board
16 of trustees of the village;

17 (18) New investment means the value of improvements to real estate
18 made in an enhanced employment area by a developer or a business;

19 (19) Number of new employees means the number of equivalent
20 employees that are employed at a business as a result of the
21 redevelopment project during a year that are in excess of the number of
22 equivalent employees during the year immediately prior to the year that a
23 redevelopment plan is adopted;

24 (20) Obligee means any bondholder, agent, or trustee for any
25 bondholder, or lessor demising to any authority, established pursuant to
26 section 18-2102.01, property used in connection with a redevelopment
27 project, or any assignee or assignees of such lessor's interest or any
28 part thereof, and the federal government when it is a party to any
29 contract with such authority;

30 (21) Occupation tax means a tax imposed under section 18-2142.02;

31 (22) Person means any individual, firm, partnership, limited

1 liability company, corporation, company, association, joint-stock
2 association, or body politic and includes any trustee, receiver,
3 assignee, or other similar representative thereof;

4 (23) Public body means the state or any municipality, county,
5 township, board, commission, authority, district, or other political
6 subdivision or public body of the state;

7 (24) Real property means all lands, including improvements and
8 fixtures thereon, and property of any nature appurtenant thereto, or used
9 in connection therewith, and every estate, interest and right, legal or
10 equitable, therein, including terms for years and liens by way of
11 judgment, mortgage, or otherwise, and the indebtedness secured by such
12 liens;

13 (25) Redeveloper means any person, partnership, or public or private
14 corporation or agency which enters or proposes to enter into a
15 redevelopment contract;

16 (26) Redevelopment contract means a contract entered into between an
17 authority and a redeveloper for the redevelopment of an area in
18 conformity with a redevelopment plan;

19 (27) Redevelopment plan means a plan, as it exists from time to time
20 for one or more community redevelopment areas, or for a redevelopment
21 project, which (a) conforms to the general plan for the municipality as a
22 whole and (b) is sufficiently complete to indicate such land acquisition,
23 demolition and removal of structures, redevelopment, improvements, and
24 rehabilitation as may be proposed to be carried out in the community
25 redevelopment area, zoning and planning changes, if any, land uses,
26 maximum densities, and building requirements;

27 (28) Redevelopment project means any work or undertaking in one or
28 more community redevelopment areas: (a) To acquire substandard and
29 blighted areas or portions thereof, including lands, structures, or
30 improvements the acquisition of which is necessary or incidental to the
31 proper clearance, development, or redevelopment of such substandard and

1 blighted areas; (b) to clear any such areas by demolition or removal of
2 existing buildings, structures, streets, utilities, or other improvements
3 thereon and to install, construct, or reconstruct streets, utilities,
4 parks, playgrounds, public spaces, public parking facilities, sidewalks
5 or moving sidewalks, convention and civic centers, bus stop shelters,
6 lighting, benches or other similar furniture, trash receptacles,
7 shelters, skywalks and pedestrian and vehicular overpasses and
8 underpasses, enhancements to structures in the redevelopment plan area
9 which exceed minimum building and design standards in the community and
10 prevent the recurrence of substandard and blighted conditions, and any
11 other necessary public improvements essential to the preparation of sites
12 for uses in accordance with a redevelopment plan; (c) to sell, lease, or
13 otherwise make available land in such areas for residential,
14 recreational, commercial, industrial, or other uses, including parking or
15 other facilities functionally related or subordinate to such uses, or for
16 public use or to retain such land for public use, in accordance with a
17 redevelopment plan; and may also include the preparation of the
18 redevelopment plan, the planning, survey, and other work incident to a
19 redevelopment project and the preparation of all plans and arrangements
20 for carrying out a redevelopment project; (d) to dispose of all real and
21 personal property or any interest in such property, or assets, cash, or
22 other funds held or used in connection with residential, recreational,
23 commercial, industrial, or other uses, including parking or other
24 facilities functionally related or subordinate to such uses, or any
25 public use specified in a redevelopment plan or project, except that such
26 disposition shall be at its fair value for uses in accordance with the
27 redevelopment plan; (e) to acquire real property in a community
28 redevelopment area which, under the redevelopment plan, is to be repaired
29 or rehabilitated for dwelling use or related facilities, repair or
30 rehabilitate the structures, and resell the property; (f) to carry out
31 plans for a program of voluntary or compulsory repair, rehabilitation, or

1 demolition of buildings in accordance with the redevelopment plan; and
2 (g) in a rural community or in an extremely blighted area within a
3 municipality that is not a rural community, to carry out construction of
4 workforce housing;

5 (29) Redevelopment project valuation means the valuation for
6 assessment of the taxable real property in a redevelopment project last
7 certified for the year prior to the effective date of the provision
8 authorized in section 18-2147;

9 (30) Rural community means any municipality in a county with a
10 population of fewer than one hundred thousand inhabitants as determined
11 by the most recent federal decennial census;

12 (31) Substandard area means an area in which there is a predominance
13 of buildings or improvements, whether nonresidential or residential in
14 character, which, by reason of dilapidation, deterioration, age or
15 obsolescence, inadequate provision for ventilation, light, air,
16 sanitation, or open spaces, high density of population and overcrowding,
17 or the existence of conditions which endanger life or property by fire
18 and other causes, or any combination of such factors, is conducive to ill
19 health, transmission of disease, infant mortality, juvenile delinquency,
20 and crime, (which cannot be remedied through construction of prisons),
21 and is detrimental to the public health, safety, morals, or welfare; and

22 (32) Workforce housing means:

23 (a) Housing that meets the needs of today's working families;

24 (b) Housing that is attractive to new residents considering
25 relocation to a rural community;

26 (c) Owner-occupied housing units that cost not more than two hundred
27 seventy-five thousand dollars to construct or rental housing units that
28 cost not more than two hundred thousand dollars per unit to construct.
29 For purposes of this subdivision (c), housing unit costs shall be updated
30 annually by the Department of Economic Development based upon the most
31 recent increase or decrease in the Producer Price Index for all

1 commodities, published by the United States Department of Labor, Bureau
2 of Labor Statistics;

3 (d) Owner-occupied and rental housing units for which the cost to
4 substantially rehabilitate exceeds fifty percent of a unit's assessed
5 value; and

6 (e) Upper-story housing.

7 Sec. 26. Section 77-4405, Revised Statutes Supplement, 2023, is
8 amended to read:

9 77-4405 (1) If the department finds that the project described in
10 the application meets the eligibility requirements of this section, the
11 application shall be approved.

12 (2) A project is eligible if:

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

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

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

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

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

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

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

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

31 (iii) Two hundred fifty new jobs if the project will be located in a

1 city of the first class, city of the second class, or village within a
2 county with a population of one hundred thousand inhabitants or more; or

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

6 (c)(i) For a project that will be located in a county with a
7 population of one hundred thousand inhabitants or more, the applicant
8 demonstrates that, upon completion of the project, at least twenty
9 percent of sales at the project will be made to persons residing outside
10 the State of Nebraska or the project will generate a minimum of six
11 hundred thousand visitors per year who reside outside the State of
12 Nebraska and the project will attract new-to-market retail to the state
13 and will generate a minimum of three million visitors per year; or

14 (ii) For a project that will be located in a county with a
15 population of less than one hundred thousand inhabitants, the applicant
16 demonstrates that, upon completion of the project, at least twenty
17 percent of sales at the project will be made to persons residing outside
18 the State of Nebraska.

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

23 (4) A project is not eligible if the project includes a licensed
24 racetrack enclosure or an authorized gaming operator as such terms are
25 defined in section 9-1103, except that this subsection shall not apply to
26 infrastructure or facilities that are (a) publicly owned or (b) used by
27 or at the direction of the Nebraska State Fair Board, so long as no
28 gaming devices or games of chance are expected to be operated by an
29 authorized gaming operator within any such facilities.

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

1 application as submitted pursuant to subdivision (1)(b) of section
2 77-4404. Such district shall last for thirty ~~twenty-five~~ years and shall
3 not exceed two thousand acres in size if in a city of the metropolitan
4 class or three thousand acres in size if in any other class of city or
5 village.

6 (6) Upon establishment of a good life district under this section,
7 any transactions occurring within the district shall be subject to a
8 reduced sales tax rate as provided in section 77-2701.02.

9 (7) After establishment of a good life district pursuant to this
10 section, an applicant may adjust the boundaries of the district by filing
11 an amended map with the department. The department shall approve the new
12 boundaries if the applicant provides information which (a) shows that no
13 area being removed from the district is generating material revenue that
14 has been pledged for payment of bonds issued pursuant to the Good Life
15 District Economic Development Act and (b) for any area being added to the
16 district, describes the visitation expectations and how the jobs and
17 taxes obtained from the new area will contribute to the good life
18 district and the economic development of the state and region. Nothing in
19 this subsection shall give the department the authority to revoke or
20 reduce the size of any existing good life district which has been
21 previously established pursuant to this section.

22 (8) After establishment of a good life district pursuant to this
23 section and after any modification is made to the boundaries of a good
24 life district pursuant to this section, the department shall transmit to
25 any city or village which includes such good life district within its
26 boundaries or within its extraterritorial zoning jurisdiction (a) all
27 information held by the department related to the application and
28 approval of the application, (b) all documentation which describes the
29 property included within the good life district, and (c) all
30 documentation transmitted to the applicant for such good life district
31 with approval of the application and establishment of the good life

1 district. Such city or village shall be subject to the same
2 confidentiality restrictions as provided in subsection (3) of section
3 77-4404.

4 Sec. 27. If any section in this act or any part of any section is
5 declared invalid or unconstitutional, the declaration shall not affect
6 the validity or constitutionality of the remaining portions.

7 Sec. 28. Original sections 13-520 and 18-2103, Reissue Revised
8 Statutes of Nebraska, and section 77-4405, Revised Statutes Supplement,
9 2023, are repealed.

10 Sec. 29. Since an emergency exists, this act takes effect when
11 passed and approved according to law.