

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 330

Introduced by Juarez, 5.

Read first time January 16, 2025

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-2701.02, 77-27,132, and 77-4405, Revised Statutes Cumulative
3 Supplement, 2024; to change provisions relating to the sales tax
4 rate and the distribution of sales and use tax revenue; to create
5 the Alcohol Addiction Prevention and Treatment Fund; to harmonize
6 provisions; and to repeal the original sections.

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 October 1, 2025, the rate of
21 the sales tax levied pursuant to section 77-2703 shall be five and one-
22 half percent, except that such rate shall be two and three-quarters
23 percent on transactions that occur within that portion of a good life
24 district established pursuant to the Good Life Transformational Projects
25 Act which is located within the corporate limits of a city or village;
26 and -

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

1 corporate limits of a city or village and (b) fifteen and one-half
2 percent on sales of alcoholic liquor as defined in section 53-103.02.

3 **Sec. 2.** Section 77-27,132, Revised Statutes Cumulative Supplement,
4 2024, is amended to read:

5 77-27,132 (1) There is hereby created a fund to be designated the
6 Revenue Distribution Fund which shall be set apart and maintained by the
7 Tax Commissioner. Revenue not required to be credited to the General Fund
8 or any other specified fund may be credited to the Revenue Distribution
9 Fund. Credits and refunds of such revenue shall be paid from the Revenue
10 Distribution Fund. The balance of the amount credited, after credits and
11 refunds, shall be allocated as provided by the statutes creating such
12 revenue.

13 (2) The Tax Commissioner shall pay to a depository bank designated
14 by the State Treasurer all amounts collected under the Nebraska Revenue
15 Act of 1967. The Tax Commissioner shall present to the State Treasurer
16 bank receipts showing amounts so deposited in the bank, and of the
17 amounts so deposited the State Treasurer shall:

18 (a)(i) For transactions occurring on or after October 1, 2014, and
19 before July 1, 2024, credit to the Game and Parks Commission Capital
20 Maintenance Fund all of the proceeds of the sales and use taxes imposed
21 pursuant to section 77-2703 on the sale or lease of motorboats as defined
22 in section 37-1204, personal watercraft as defined in section 37-1204.01,
23 all-terrain vehicles as defined in section 60-103, and utility-type
24 vehicles as defined in section 60-135.01; and

25 (ii) For transactions occurring on or after July 1, 2024, credit to
26 the Game and Parks Commission Capital Maintenance Fund all of the
27 proceeds of the sales and use taxes imposed pursuant to section 77-2703
28 on the sale or lease of motorboats as defined in section 37-1204,
29 personal watercraft as defined in section 37-1204.01, all-terrain
30 vehicles as defined in section 60-103, and utility-type vehicles as
31 defined in section 60-135.01, and from such proceeds, transfers shall be

1 made to the Nebraska Emergency Medical System Operations Fund as provided
2 in section 37-327.02;

3 (b) Credit to the Highway Trust Fund all of the proceeds of the
4 sales and use taxes derived from the sale or lease for periods of more
5 than thirty-one days of motor vehicles, trailers, and semitrailers,
6 except that the proceeds equal to a any sales tax rate of one-half of one
7 percent provided for in section 77-2701.02 that is in excess of five
8 percent derived from the sale or lease for periods of more than thirty-
9 one days of motor vehicles, trailers, and semitrailers shall be credited
10 to the Highway Allocation Fund;

11 (c) For transactions occurring on or after July 1, 2013, and before
12 July 1, 2042, of the proceeds of the sales and use taxes derived from
13 transactions other than those listed in subdivisions (2)(a), (b), and (e)
14 of this section from a sales tax rate of one-quarter of one percent,
15 credit monthly eighty-five percent to the Highway Trust Fund and fifteen
16 percent to the Highway Allocation Fund;

17 (d) Of the proceeds of the sales and use taxes derived from
18 transactions other than those listed in subdivisions (2)(a), (b), and (e)
19 of this section, credit to the Property Tax Credit Cash Fund the amount
20 certified under section 77-27,237, if any such certification is made; ~~and~~

21 (e) For transactions occurring on or after July 1, 2023, credit to
22 the Department of Transportation Aeronautics Capital Improvement Fund all
23 of the proceeds of the sales and use taxes imposed pursuant to section
24 77-2703 on the sale or lease of aircraft as defined in section 3-101;
25 and -

26 (f) For transactions occurring on or after October 1, 2025, of the
27 proceeds of the sales and use taxes derived from the sale of alcoholic
28 liquor as defined in section 53-103.02, credit fifty percent to the
29 Alcohol Addiction Prevention and Treatment Fund and fifty percent to the
30 Education Future Fund. The amount to be credited under this subdivision
31 shall be determined quarterly by the Tax Commissioner.

1 The balance of all amounts collected under the Nebraska Revenue Act
2 of 1967 shall be credited to the General Fund.

3 **Sec. 3.** Section 77-4405, Revised Statutes Cumulative Supplement,
4 2024, is amended to read:

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

10 (2) A project is eligible if:

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

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

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

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

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

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

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

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

30 (iii) Two hundred fifty new jobs if the project will be located in a
31 city of the first class, city of the second class, or village within a

1 county with a population of one hundred thousand inhabitants or more; or

2 (iv) Fifty new jobs if the project will be located in a city of the
3 first class, city of the second class, village, or sanitary and
4 improvement district within a county with a population of less than one
5 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. Students
14 from another state who attend a Nebraska public or private university
15 shall not be counted as out-of-state residents for purposes of this
16 subdivision; or

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

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

28 (4) A project is not eligible if:

29 (a) The project includes a licensed racetrack enclosure or an
30 authorized gaming operator as such terms are defined in section 9-1103,
31 except that this subdivision shall not apply to infrastructure or

1 facilities that are (i) publicly owned or (ii) used by or at the
2 direction of the Nebraska State Fair Board, so long as no gaming devices
3 or games of chance are expected to be operated by an authorized gaming
4 operator within any such facilities;

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

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

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

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

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

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

29 (7) After establishment of a good life district pursuant to this
30 section, a good life district applicant may adjust the boundaries of the
31 district by filing an amended map with the department and updates or

1 supplements to the application materials originally submitted by the good
2 life district applicant to demonstrate the eligibility criteria in
3 subsection (2) of this section will be met after the boundaries are
4 adjusted. The department shall approve the new boundaries on the
5 following conditions:

6 (a) The department determines that the eligibility criteria in
7 subsection (2) of this section will continue to be met after the proposed
8 boundary adjustment based on the materials submitted by the good life
9 district applicant; and

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

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

18 (ii) Either the department has received written consent from the
19 owners of real estate proposed to be removed from the good life district,
20 or a hearing is held by the department in the manner described in this
21 subdivision and the department finds that the removal of the affected
22 property is in the best interests of the state and that the removal is
23 consistent with the goals and purposes of the approved application for
24 the good life district. In determining whether removal of the affected
25 property is consistent with the goals and purposes of the approved
26 application for the good life district, the department may consider any
27 formal action taken by the city council or village board of trustees.
28 Proof of such formal action may include resolutions, meeting minutes, or
29 other official measures adopted or taken. Such hearing must be held at
30 least ninety days after delivering written notice via certified mail to
31 the owners of record for the affected real estate proposed to be removed

1 from the good life district. The hearing must be open to the public and
2 for the stated purpose of hearing testimony regarding the proposed
3 removal of property from the good life district. Attendees must be given
4 the opportunity to speak and submit documentary evidence at, prior to, or
5 contemporaneously with such hearing for the department to consider in
6 making its findings.

7 (8) After establishment of a good life district pursuant to this
8 section, but within twelve months after the approval of the original
9 application or after any modification is made to the boundaries of a good
10 life district pursuant to this section, a city or village in which any
11 part of the applicable good life district is located may file a
12 supplemental request to the department to increase the size of the good
13 life district by up to one thousand acres. Such supplemental request
14 shall be accompanied by such materials and certifications necessary to
15 demonstrate that such increase would not negatively impact the criteria
16 that were necessary for the original establishment of such good life
17 district.

18 (9) After establishment of a good life district pursuant to this
19 section and after any modification is made to the boundaries of a good
20 life district pursuant to this section, the department shall transmit to
21 any city or village which includes such good life district within its
22 boundaries or within its extraterritorial zoning jurisdiction (a) all
23 information held by the department related to the application and
24 approval of the application, (b) all documentation which describes the
25 property included within the good life district, and (c) all
26 documentation transmitted to the applicant for such good life district
27 with approval of the application and establishment of the good life
28 district. Such city or village shall be subject to the same
29 confidentiality restrictions as provided in subsection (3) of section
30 77-4404, except that all such documents, plans, and specifications
31 included in the application which the city or village determine define or

1 describe the project may be provided upon written request of any person
2 who owns property in the applicable good life district.

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

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

1 **Sec. 4.** The Alcohol Addiction Prevention and Treatment Fund is
2 hereby created. The fund shall be administered by the Department of
3 Health and Human Services and shall consist of money transferred pursuant
4 to section 77-27,132. Any money in the fund available for investment
5 shall be invested by the state investment officer pursuant to the
6 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
7 Act. The fund shall be used by the department for the prevention and
8 treatment of alcohol addiction.

9 **Sec. 5.** Original sections 77-2701.02, 77-27,132, and 77-4405,
10 Revised Statutes Cumulative Supplement, 2024, are repealed.