

ORDINANCE NO. 1542

AN ORDINANCE OF THE CITY OF DAVID CITY, NEBRASKA PROVIDING FOR THE LEVY OF A GENERAL BUSINESS OCCUPATION TAX; PROVIDING FOR THE ADMINISTRATION, IMPOSITION AND COLLECTION OF SUCH OCCUPATION TAX; AND SPECIFYING THE USE OF SUCH OCCUPATION TAX REVENUE.

WHEREAS, the Mayor and City Council of the City of David City, Nebraska (the "City"), previously adopted a plan for the redevelopment of areas designated blighted and substandard and in need of redevelopment, entitled, "Redevelopment Plan for GDC Properties, LLC, Redevelopment Project", as amended (the "Redevelopment Plan"); and

WHEREAS, the Redevelopment Plan set forth a phased mixed-use redevelopment project located in the City (collectively, the "Redevelopment Project"); and

WHEREAS, one phase of the Redevelopment Project contemplates the construction of a new hotel (the "Hotel Project") on a portion of Redevelopment Project site, as described and depicted on Exhibit 1, attached hereto and incorporated herein (the "Hotel Site"); and

WHEREAS, on April 8, 2026, via Resolution No. 4-2026, the Mayor and Council of the City approved an amendment to the Redevelopment Plan, which designated the Hotel Site as an "enhanced employment area", as defined under section 18-2142.02 of the Nebraska Community Redevelopment Law, sections 18-2101 et seq. (the "Act"); and

WHEREAS, pursuant to section 18-2142.02 of the Act, the City may levy a general business occupation tax upon all non-exempt businesses and users of space within an enhanced employment area; and

WHEREAS, the City, the Community Development Agency of the City (the "Agency"), and the Hotel Site developer have entered into, or will enter into, an agreement governing the levy of the general business occupation tax upon all non-exempt businesses and users of space within the Hotel Site to fund certain eligible expenses of the Hotel Project, as provided under the Act (the "Occupation Tax Agreement"); and

WHEREAS, in consideration of the foregoing, the City wishes to levy a general business occupation tax upon all non-exempt businesses and users of space within the Hotel Site via this Ordinance pursuant to the below terms and conditions.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF DAVID CITY, NEBRASKA:

Section 1. Enhanced Employment Area. This Ordinance, and the Occupation Tax set forth herein, shall apply to the Hotel Site, as described on Exhibit "A", attached hereto and incorporated herein.

Section 2. Occupation Tax Imposed; Collection of Occupation Tax. Commencing January 1, 2027, and in each calendar month thereafter, there shall be imposed a general business occupation tax upon each and every business or user of space within the Hotel Site to which the City has issued, or will issue prior to the expiration of this Ordinance, a certificate of occupancy (the "Occupation Tax"). The amount of the Occupation Tax shall be as follows:

- (a) two percent (2.00%) of the gross room and other sales of all hotels within the Hotel Site.

The foregoing businesses and/or users of space subject to the Occupation Tax are generally referred to herein as a "General Business". Notwithstanding the foregoing, no occupation tax shall be imposed on any transaction which is subject to tax under sections 53-160, 66-489, 66-489.02, 66-4,140, 66-4,145, 66-4,146, 77-2602 or 77-4008 of the Nebraska Revised Statutes or which is exempt from tax under section 77-2704.24 of the Nebraska Revised Statutes (each, an "Exempt Transaction").

Such Occupation Tax shall be imposed on the gross receipts resulting in the sale, lease, or rental of any products, rooms, units or services by a General Business within the Hotel Site; provided, however, that such receipts of Exempt Transactions shall be excluded and exempt from such Occupation Tax. Each General Business may itemize the Occupation Tax levied on a bill, receipt, or other invoice to the purchaser, but each General Business shall be ultimately liable for the tax imposed by this Ordinance.

Section 3. Return. Each General Business within the Hotel Site for the calendar month beginning January 1, 2027, and for each and every month thereafter, shall prepare and file, on or before the 25th day of the following month on a form prescribed and furnished by the City Clerk of the City (the "City Clerk"), a return for such month, and at the same time pay to the City the tax herein imposed. An officer or authorized agent of the General Business shall submit a sworn statement with respect to the contents of each return. The City shall consider the return filed on time if mailed in an envelope properly addressed to the City Clerk, postage prepaid and postmarked before midnight of the 25th day of the appropriate month.

Section 4. Tax Cumulative. The levy of the tax under this Ordinance is in addition to all other fees, taxes, excises and licenses levied and imposed under any contract or any other

ordinances of the City, in addition to any fee, tax, excise or license imposed by the State of Nebraska or federal government.

Payment of the tax imposed by this Ordinance shall not relieve the person or General Business paying the same from payment of any other tax now or hereafter imposed by contract or ordinance, unless otherwise specified therein. The occupation taxes imposed by this Ordinance shall be cumulative except where otherwise specifically provided.

Section 5. Use of Revenue. The revenues from the Occupation Tax collected by the City shall be remitted by the City Clerk and placed in a special fund established by the Agency pursuant to the Occupation Tax Agreement. The Occupation Tax imposed by this Ordinance shall be used to fund any expenditure that is lawfully authorized to be made under the Act, the Redevelopment Plan, the Occupation Tax Agreement, and this Ordinance in connection with the Hotel Project.

Section 6. Failure to File Return; Delinquency; Assessment by City Clerk.

(a) If any General Business fails to file a return or make payment of the taxes as required by this Ordinance, the City Clerk shall make an estimate, based upon such information as may be reasonably available, of the amount of taxes due for the period or periods for which the General Business is delinquent, and upon the basis of such estimated amount, compute and assess in addition thereto a penalty equal to one percent (1.00%) thereof, together with interest on such delinquent taxes, at the rate of ten percent (10.00%), per month or fraction thereof from the date when due. Any such interest due may be compounded quarterly.

(b) The City Clerk shall give the delinquent General Business written notice of such estimated taxes, penalty, and interest, which notice must be served personally or by certified mail at the last known address of the General Business.

(c) Such estimate shall thereupon become an assessment and such assessment shall be final and due and payable from the General Business to the City Clerk ten (10) days from the date of service of the notice or the date of mailing by certified mail; however, within such ten (10) day period the delinquent General Business may petition the City Clerk for a revision or modification of such assessment and shall, within such ten-day period, furnish the City Clerk the documentation showing the correct amounts of such taxes.

(d) Such petition shall be in writing, and the General Business shall submit any supporting documentation in writing and under oath of the appropriate officer or agent of the General Business.

(e) As appropriate, the City Clerk may then modify such assessment in accordance with the information the General Business provides. Such adjusted assessment shall be made in writing, and notice thereof shall be mailed to the General Business within ten (10) days after receipt of the petition; and all such decisions shall become final upon the expiration of thirty (30) days from the date of service, unless proceedings are commenced within that time for appeal in a court of competent jurisdiction in Butler County, Nebraska.

Section 7. Administration; Miscellaneous Provision.

(a) The administration of this Ordinance is hereby vested in the City Clerk, or his or her designee, who shall prescribe forms in conformity with this Ordinance for the making of returns, for the ascertainment, assessment and collection of the Occupation Tax imposed hereunder, and for the proper administration and enforcement hereof.

(b) All notices required to be given to the General Business under the provisions of this Ordinance shall be in writing. Notices shall be mailed by registered or certified mail, postage prepaid, return receipt requested, to the General Business at its last known address.

(c) It shall be the duty of every General Business to keep and preserve suitable records and other books or accounts as may be necessary to determine the amount of tax for which it is liable hereunder.

(1) The General Business shall keep records of the transactions which the State of Nebraska is authorized to impose a tax allowed by the Nebraska Local Option Revenue Act by which this tax is measured separate and apart from the records of other sales or receipts in order to facilitate the examination of books and records as necessary for the collection of the Occupation Tax.

(2) It shall be the duty of every General Business to keep and preserve during and for a period of three (3) years following the expiration of this Ordinance all such books, invoices and other records, which shall be open for examination at any time by the City Clerk or his or her duly designated persons. If such General Business keeps or maintains its books, invoices, accounts or other records, or any thereof, outside of the state, upon demand of the City Clerk it shall make the same available at a suitable place within the City, to be designated by the City Clerk, for examination, inspection and audit by the City Clerk or his or her duly authorized persons. The General Business shall reimburse the City for the reasonable costs of examination, inspection and audit if the City Clerk determines that the General Business paid ninety-five percent (95%) or less of the tax owing for the period of the examination.

(3) The City Clerk, in his or her discretion, may make, permit or cause to be made the examination, inspection or audit of books, invoices, accounts or other records so kept or maintained by such General Business outside of the state at the place where the same are kept or maintained or at any place outside the state where the same may be made available, provided such General Business shall have entered into a binding agreement with the City to reimburse it for all costs and expenses incurred by it in order to have such examination, inspection or audit made in such place.

(d) The City Clerk or his or her duly-authorized persons may conduct investigations concerning any matters covered by this Ordinance; and may examine any relevant books, papers, records or memoranda of any such General Business.

Section 8. Recovery of Unpaid Tax by Action at Law.

(a) The City Clerk may treat any Occupation Tax, penalties or interest due and unpaid therefrom as a debt due to the City.

(b) In case of failure to pay the Occupation Tax, or any portion thereof, or any penalty or interest thereon when due, the City may recover at law the amount of such taxes, penalties and interest in any court of Butler County, Nebraska, or of the county wherein the General Business has its principal place of business having jurisdiction of the amounts sought to be collected.

(c) The return of the General Business or the assessment made by the City Clerk, as herein provided, shall be prima facie proof of the amount due.

(d) The City may commence an action for the recovery of taxes due under this Ordinance and this remedy shall be in addition to all other existing remedies at law or provided herein.

Section 9. Suspension or Revocation of Licenses for Failure to Pay Tax; Hearing. If the Mayor or the Mayor's designee, after holding a noticed public hearing, finds that any General Business has willfully evaded payment or collection and remittance of the Occupation Tax, such official may suspend or revoke any City license, permit or other approval held by such General Business. Such General Business shall have an opportunity to be heard at such hearing to be held not less than seven (7) days after notice is given of the time and place of the hearing to be held, addressed to the last known address of such General Business. Pending the notice, hearing and finding, any licensee, permit or other approval issued by the City to the General Business may be temporarily suspended. No suspension or revocation hereunder shall release or discharge the General Business from civil liability for the payment or collection and remittance of the Occupation Tax, nor from prosecution for such offense.

Section 10. Effective Date. This Ordinance shall take effect upon its passage and publication in the manner provided by law.

Section 11. Conflicts. All ordinances, resolutions, or orders, or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed.

Section 12. Severability. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid, the validity of the remainder hereof shall not be affected thereby.

Section 13. Headings of Section Not Controlling. The headings of sections of this Ordinance are set forth herein for convenience of reference only and shall not affect the construction or interpretation of this Ordinance or any section hereof.

Section 14. Sunset Provision. The Occupation Tax shall expire upon the earlier of December 31, 2047, or the expiration or termination of the Occupation Tax Agreement.

Section 15. Effect. This Ordinance shall be in full force and take effect fifteen (15) days from and after its passage.

DATED: August 26, 2026

CITY OF DAVID CITY, NEBRASKA

By: _____
Mayor

ATTEST:

By: _____
City Clerk

EXHIBIT "A" the Hotel Site

Legal Description:

Lots 5-7, inclusive, Zegers 1st Addition, an addition in the City of David City, Butler County, Nebraska.

Depiction:



7790695.1