

# THE STATE CHAMBER

Nebraska Chamber of Commerce & Industry

## Results For Business

2016 Nebraska Legislature



What passed. What didn't.  
*And what it means to your bottom line.*

# — 2016 LEGISLATURE —

When the Nebraska Legislature is in session, the actions of lawmakers can impact the business community and its ability to grow – for better or worse. That is why the Nebraska Chamber of Commerce and Industry works hard to represent the interests of your business. Located just a half-block from the State Capitol, the Nebraska Chamber staff stays in close contact with lawmakers, as well as the governor and his administration. This ensures that businesses – regardless of size or sector – have a powerful, respected voice in the legislative process.

In the 2016 legislative session, the State Chamber worked diligently to ensure the passage of bills that will make Nebraska a better state in which to do business. Equally as important, the Chamber worked hard to defeat or amend harmful legislative proposals. Here is a look at what passed this year, what did not, and what it means to your bottom line.



**The State Chamber SUPPORTED pro-business, growth-oriented legislation.**



**The State Chamber OPPOSED legislation that threatened the success of Nebraska's businesses and economy.**

## — TAXATION —

**Job Creation & Main Street Revitalization**  
LB774



Includes language similar to LB888, which was supported by the Nebraska Chamber. As amended, LB774 clarifies that insurance companies may utilize credits under the Nebraska Job Creation and Main Street Revitalization Act, and reserves the first \$4 million of credits for applications seeking credits of less than \$150,000 until April 1 of each year. **State Chamber Supported.** (Introduced by Norfolk Senator Jim Scheer.)

**PASSED**

**Cigarette Tax Hike**  
LB1013



Would have significantly raised Nebraska's excise tax on cigarettes, increasing the tax from 64 cents to \$2.14 per pack, in an effort to expand an existing tax shift program. The Chamber believes tax structure should be fair and equitable with no discriminatory or punitive features. Moreover, the Chamber has long opposed legislative initiatives that purport deliver property tax relief by simply shifting the mix of tax collections from property to sales and income taxes. **State Chamber Opposed.** (Introduced by Grand Island Senator Mike Gloor.)

**KILLED**

## — WORKFORCE DEVELOPMENT —

**Intern NE Expansion**  
LB1093



Includes provisions to expand the state's unique internship program, known as Intern NE. Eliminates Intern NE's residency requirement for student interns while allowing 11th and 12th graders to participate. Both provisions were initially offered in LB1017 by Omaha Senator Brett Lindstrom. Administered by the Department of Economic Development, Intern NE provides financial assistance to businesses that create new internship positions. **State Chamber Supported.** (Introduced by Senator Heath Mello.)

**PASSED**

**Workforce Housing**  
LB1059



Contains language from a Chamber-supported bill (LB860 by Venango Senator Dan Hughes) to allow a municipality to use funds from a Local Municipal Economic Development (LB840) plan for workforce housing. The Nebraska Chamber recognizes the importance of housing as an economic development issue. **State Chamber Supported.** (Introduced by Bellevue Senator Sue Crawford.)

**PASSED**

**Community College/Workforce Training**  
LR390CA



Would have created a constitutional amendment providing that the Legislature could only fund community colleges with sales and income taxes, and not with property tax revenue. This would have threatened workforce development, especially in rural Nebraska. The Chamber opposes efforts to remove local property taxing authority from community colleges. **State Chamber Opposed.** (Introduced by Hyannis Senator Al Davis.)

**KILLED**

## — ECONOMIC DEVELOPMENT —

<b>Transportation Infrastructure</b> LB960		Creates a state infrastructure bank to accelerate work on Nebraska’s major highway projects. By dedicating \$450 million over 17 years, LB960 will quicken the completion of more than 130 unfinished miles of four-lane expressways, while helping repair county bridges and boosting transportation-related economic development. <b>State Chamber Supported.</b> (Introduced by Senator Jim Smith of Papillion.)	<b>PASSED</b>
<b>Business Incentives</b> LB1022		Clarifies the Legislature’s oversight of Nebraska’s business incentive programs, including the Nebraska Advantage Act. As amended, the bill extends the sunsets of the Nebraska Advantage Act by three years – to December 31, 2020 – instead of just one year as in the bill’s original version. The Chamber worked with legislative leaders to extend the bill’s sunset provisions. There were 70 Nebraska Advantage applications in 2015 alone, representing private-sector commitments of nearly 34,000 new jobs statewide. <b>State Chamber Supported as Amended.</b> (Introduced by the Legislative Performance Audit Committee.)	<b>PASSED</b>
<b>Livestock Growth</b> LB176		Allows meat processors to feed and own swine through custom feeding agreements and contracts with individual producers. The bill repeals previous law that prohibited packer ownership in the pork industry. Since Nebraska enacted its packer ownership ban in the late 1990s, neighboring states have experienced dramatic growth in pork production, while Nebraska hog inventories fell from 4 million head in 1991 to 3 million head in 2012. <b>State Chamber Supported.</b> (Introduced by Senator Ken Schilz of Ogallala.)	<b>PASSED</b>
<b>Roads Funding Repeal</b> LB671		Would have repealed the Build Nebraska Act (LB84), which dedicates a quarter cent of the state’s 5.5% sales tax to roads funding. LB84 provides a more reliable method of funding for transportation infrastructure in an era of declining revenues from the fuel tax – generating up to an additional \$70 million a year. The Chamber opposes any diversion of highway funding. <b>State Chamber Opposed.</b> (Introduced by Omaha Senator Bob Krist.)	<b>KILLED</b>
<b>Restrictions on Economic Development</b> LB719, LB1042, LB1102, LR394CA, LR399CA		Would have made harmful changes to Nebraska’s tax increment financing (TIF) program, which provides an important tool for local governments to attract private dollars for redevelopment projects. Under state law, TIF projects may be commercial, residential, industrial, or mixed use. The Chamber supports redevelopment tools made available to communities and opposes efforts to drastically restrict such tools or remove local control. <b>State Chamber Opposed.</b> (Introduced by Senators Mike Groene of North Platte, Curt Friesen of Henderson, Dan Hughes of Venango, and Al Davis of Hyannis.)	<b>KILLED</b>

## — LABOR LAW DEVELOPMENT —

<b>Family/Medical Leave Mandate</b> LB850		Would have established a statewide paid family leave insurance program similar to the state’s unemployment insurance. The bill would have created many indirect costs and regulatory burdens for employers. Employees could have conceivably taken 24 consecutive weeks of paid leave every year while employers would have been forced to keep their jobs open. The Chamber opposes state legislation that exceeds federal family medical leave requirements. <b>State Chamber Opposed.</b> (Introduced by Bellevue Senator Sue Crawford.)	<b>KILLED</b>
<b>Minimum Wage Hike</b> LB1089		Would have raised the state minimum base wage for tipped employees. Under current law, if an employee’s tips combined with the base wage does not equal the state minimum hourly wage – which is currently \$9 – the employer must make up the difference. The Chamber opposes any effort to expand the state minimum wage in excess of federal law. <b>State Chamber Opposed.</b> (Introduced by Lincoln Senator Matt Hansen.)	<b>KILLED</b>

## — OTHER ISSUES —

Measure	Issue	Summary	Status
LB754	Military & Vets Commission	LB754 establishes a Military & Veterans Commission to help Nebraska preserve its military interests, including Offutt Air Force Base near Bellevue. Offutt’s estimated economic impact to Nebraska is \$1.3 billion and the base is one of the state’s largest employers, with approximately 10,000 military and civilian personnel. <b>State Chamber supported.</b>	PASSED
LB794	Model Business Corporation Act Clean-Up	LB794 cleans up portions of the Nebraska Model Business Corporation Act, including as it relates to foreign corporations that have domesticated. The changes contained in LB794 are the result of recommendations gathered from a 2015 interim study. <b>State Chamber supported.</b>	PASSED
LB817	Direct Primary Care Contracts	LB817 provides Nebraska residents with the option to contract directly with physicians for primary medical care, thereby complementing their existing health insurance. The bill is expected to help employers who provide benefits by lowering overall health care costs. <b>State Chamber supported.</b>	PASSED
LB947	Working Credentials for DACA Immigrants	LB947 authorizes the granting of professional or commercial licenses to immigrants who are in the state legally following federal actions. Eligible residents must have unexpired employment authorization and documentation from a federal agency. <b>State Chamber supported.</b>	PASSED
LB1083	Business Growth Task Force	LB1083 creates the Next Generation Business Growth Act and the Legislature’s Venture Development and Innovations Task Force. The task force will consist of six members of the Legislature, who will develop a statewide strategic plan and policy initiatives to cultivate a climate of entrepreneurship and innovation. <b>State Chamber supported.</b>	PASSED
LB1109	NU Leadership Search Rules	LB1109 modernizes the University of Nebraska’s search process for top leadership posts such as NU president and chancellor of its campuses. Critics of the previous search process – in which four finalists for a position were named – said it deterred many top candidates from applying because it did not allow candidates to maintain confidentiality. LB1109 requires NU to provide public notice of one priority candidate 30 days before a vote to hire the candidate. <b>State Chamber supported.</b>	PASSED
LB1110	Workforce Development Planning	LB1110 adopts the Nebraska Workforce Innovation and Opportunity Act (WIOA) so the state, local entities, other grantees and stakeholders are prepared for the implementation of the federal WIOA. It outlines guiding principles for workforce programs to be more responsive to the needs of employers, workers and students. Creates a sector partnership program to study labor availability and skills gaps in the state. <b>State Chamber supported.</b>	PASSED



*(From top left) Gretna Senator John Murante speaks to the Chamber’s Public Affairs Council. Nebraska Chamber staff share the business community’s perspective on a key bill with Henderson Senator Curt Friesen. Norfolk Senator Jim Scheer discusses his priorities at a meeting of the Chamber’s Public Affairs Council, which meets weekly during the Legislature’s session.*

*(From lower left) State Capitol. State Chamber Chair Steve Martin, CEO of Blue Cross & Blue Shield of Nebraska, presides over the “Legislative Leaders” panel during the Chamber’s annual meeting in Lincoln. Omaha Senator Burke Harr, chair of the Business and Labor Committee, addresses the Chamber’s Public Affairs Council.*



# THE STATE CHAMBER

Nebraska Chamber of Commerce & Industry

Dear State Chamber Member:

The second session of the 104th Nebraska Legislature adjourned *sine die* on April 20, 2016. Nearly 450 bills were introduced this session – a tally that does not include resolutions and constitutional amendments. Additionally, there were more than 400 measures carried over from last year's session.

In total, your Nebraska Chamber either took positions on or monitored roughly 250 measures due to their potential impact on the state's business community. During the session, the Chamber made it a priority to keep our members informed about pending legislation and the Legislature's actions.

While much of the news coverage of this year's session focused on divisive social issues, the 90-day session brought some notable achievements for the business community, including State Chamber-supported bills such as:

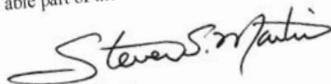
- LB960: Creates a state infrastructure bank to accelerate completion of more than 130 unfinished miles of expressways
- LB1022: Extends Nebraska's business incentives, including the Nebraska Advantage Act, by an additional three years compared to previous law.
- LB1093: Eliminates Intern NE's residency requirement for student interns, while allowing high school students in the 11th or 12th grade to participate in this successful internship program.
- LB176: Allows meat processors to use custom feeding agreements and contracts with individual ag producers to expand pork production in the state. This will also allow a new generation of producers to enter the industry.

The Nebraska Chamber worked just as hard to defeat or amend proposals that would have harmed business interests. In the 2016 session, there were a number of such bills in the Legislature. Fortunately, all of these bills either died at session's end or were amended significantly.

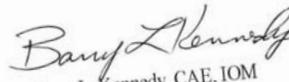
Among this year's more menacing measures that did not advance were:

- LB850: Would have created a mandatory, statewide, paid leave program funded by a new payroll tax.
- LB1089: Would have raised the state minimum wage for tipped employees.
- LB671: Would have reduced transportation infrastructure funding by repealing the Build Nebraska Act (LB84).
- LR390CA: Would have threatened Nebraska's community colleges and workforce development by prohibiting the funding of community colleges with property tax revenue.
- LB719, LB1042, LB1102, LR399CA, LR394CA: Would have placed severe restrictions on Tax Increment Financing (TIF), an important method of financing public costs associated with local economic development efforts.

Thanks to all of you who were involved and took time to contact your state senators during the session. And thank you for being a valuable part of the Nebraska Chamber. Together, we are making Nebraska a better place for business.



Steven S. Martin  
Chairman of the Board



Barry L. Kennedy, CAE, IOM  
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Representing the business community at the signing ceremony for LB960 – the infrastructure bank bill — was State Chamber Chair-Elect Dirk Petersen, general manager of Nucor Steel in Norfolk.



*Left: The Nebraska Chamber's Barry Kennedy (right) and Ron Sedlacek discuss legislative priorities with Bancroft Senator Lydia Brasch.*

*Left: Omaha Senator Brett Lindstrom meets with Nebraska Chamber staff during a busy time at the State Capitol.*

*Below: Governor Pete Ricketts, Gothenburg Senator Matt Williams, and the State Chamber's Joseph Young tour Sargent Pipe Company of Broken Bow to recognize Nebraska's manufacturing sector.*



## ***The Membership & Mission Of The State Chamber***

For more than a century, the State Chamber has proudly served as the voice of Nebraska's business community. Today, it is the state's only broad-based business association, representing a grassroots membership of approximately 1,600 businesses.

The State Chamber works hard to promote the interests of employers of all sizes, as well as self-employed individuals, other Nebraska associations and local chambers of commerce. What links our members is the shared goal to improve Nebraska's business climate.

The State Chamber staff works effectively with members of the Legislature and other government officials, with three full-time lobbyists leading our legislative efforts. Throughout every legislative session, the State Chamber keeps its members well informed on day-to-day action through the *Legislative Report* and electronic communications such as the *News Update*.

State Chamber members know when lawmakers are considering legislation that could impact their interests. Action alerts notify members when they should contact senators regarding upcoming votes. After the session, State Chamber members receive complete summaries of the year's legislative activities, as well as a scorecard on key votes.

The State Chamber also monitors legislative activities in Washington, D.C. The association stays in close contact with Nebraska's congressional delegation, as well as its national affiliates – the U.S. Chamber of Commerce and the National Association of Manufacturers.

Beyond legislative services, the State Chamber provides many programs, publications and other tools for our members, including educational workshops, member directories, labor law publications, and unemployment services.

With a record of major legislative accomplishments and solid service to its members, Nebraska's business community can count on the State Chamber to stand strong for its interests.



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