



NECHAMBER

2020

Results for Business




The 2020 Legislative Session in Two Acts

The Nebraska Legislature adjourned sine die on August 13, 2020. 132 bills will become law as a result of the work of the Legislature this session. Governor Pete Ricketts vetoed six bills and two corresponding appropriation bills.

A healthy budget, economic incentives, a state commitment to a transformational health care project, new spending on workforce programs and substantial property tax relief were all enacted in the 2020 session.

At a casual glance, the results of this session shed very little light on the dynamics at play. One could sense early on there would be struggles over property tax relief and economic incentives, but the outlook was positive with revenues strong. What loomed ahead due to COVID-19, Black Lives Matter protests and economic uncertainty no one could have predicted.



ACT I

January 8 – March 16

The Legislature convened with minor rumblings of a virus spreading across foreign countries. For the first time in years, there was projected excess state tax revenue available, not only for budget priorities, but over \$100 million for the floor. Senators could dream big dreams when it came to crafting legislation.

However, by March it seemed only a matter of time before the Legislature would pause the session as COVID-19 cases started to rise in Nebraska. That day came Monday, March 16, 2020, when the Nebraska Legislature recessed indefinitely.



INTERMISSION

March 16 – July 19
(March 23-25 Emergency COVID Session)

From seeing people in person to back-to-back to back-to-back video calls, there was a sharp pivot during this portion of the 2020 session.

The Nebraska Chamber continued to interact with Senators on an almost daily basis, but in much different formats. And the Nebraska Chamber began hosting weekly deep dives on issues of importance to members related to COVID-19 and legislative priorities.

A glimpse at what a reconvened Legislature might look like occurred March 23 – 25, 2020, when the Senators returned to pass an emergency COVID funding measure that provided \$83 million to Governor Pete Ricketts to spend as needed during the pandemic. Senators wore masks, no lobbyists were present in the rotunda. Things seemed ominous.



ACT II

July 20 – August 13

It had been expected the Legislature might return in June 2020, but health concerns and calls to wait for more budget clarity delayed their return until July 20, 2020.

During the intermission, wood and plexiglass barriers had been erected inside the legislative chamber. New rules for health checks were in place. Many Senator offices were open by appointment or phone call meetings only.

The Nebraska Chamber with face masks on, an entire Senator list of cell phones for text messaging, and a socially distanced lunch schedule was prepared.



What passed, what didn't in a Legislative session that seemed it might never end?



The Nebraska Chamber works for legislation that establishes an equitable and competitive tax structure which promotes economic growth.

See how your Senator voted.

Taxation

The 2020 session certainly presented ample opportunity to work on a Nebraska Chamber bread-and-butter issue – taxes.

*What was dubbed the grand compromise and built by the super seven, **LB1107**, passed 41 to 4 combining in a single package:*

- a proposal to create a new refundable income tax credit for property taxes paid to schools;*
- a modernized economic incentives program (**LB720**); and*
- a state commitment to provide funds to the **UNMC NExT project** should it come to fruition.*

[LB1107 - Property Tax Relief, Business Incentives, UNMC NeXT Project](#)

[LB153 - Military Retirement Tax Credit](#)

[LB1042 - Employee Deduction for Employer Contribution to College Savings Accounts](#)

The final package came with fiscal guardrails for all three major provisions so Senators could have the assurance that revenue and budgets could sustain this substantial package of property tax relief. The Nebraska Chamber supported [LB1107](#).

Others bills that made it across the finish line include the following.

[LB153](#), introduced by Senator Tom Brewer, provides a 50% exemption for military retirement benefit income. This replaces the current and sometimes confusing one-time election exemption for retired military personnel. The Nebraska Chamber supported [LB153](#).

[LB1042](#), introduced by Senator Andrew La Grone, will allow Nebraskans to deduct employer contributions to their state college savings accounts. The Nebraska Chamber supported [LB1042](#).

The Nebraska Chamber successfully opposed numerous tax increase provisions before the Legislature, both in committee and on the floor. Two of consequence include the following.

[AM3354](#), introduced by Senator Sue Crawford, and [AM3093](#), introduced by Senator Tom Briesie to [LB1074](#) would have decoupled the Nebraska income tax code and undone several economic tax relief measures enacted by the Federal CARES Act. These amendments would have hurt struggling businesses by eliminating their ability to receive tax refunds to pay their employees and their bills and remain open. The Nebraska Chamber opposed both amendments. [AM3354](#) was not adopted and [AM3093](#) was withdrawn.



Stacy Watson, Vice Chair of the Nebraska Chamber Taxation Policy Council, testifies at the Nebraska Legislature.

LR300CA, introduced by Senator Steve Erdman, was a constitutional amendment to impose a consumption tax. The bill was not advanced from committee after a strong showing of opposition at the public hearing. The Nebraska Chamber opposed **LR300CA**.

One Nebraska Chamber priority, **LB1203**, introduced by Senator Lou Ann Linehan and prioritized by Senator Ben Hansen, did not advance. **LB1203** would have clarified foreign-source income is not taxable in Nebraska. The Nebraska Department of Revenue recently reversed its interpretation on the treatment of this income.

While disappointing, the Nebraska Chamber is committed to moving the ball forward on pro-growth tax reform policies such as this to keep Nebraska competitive and attractive to private investment. How Nebraska treats foreign-source income and other structural tax reform issues that can provide tax relief and generate long-term economic growth will be central to our work during this interim and in upcoming sessions.



Bryan Slone, Nebraska Chamber President, and Speaker Jim Scheer

Economic Development

LB720, introduced by Senator Mark Kolterman, a modernized business incentives program was folded into the grand compromise and enacted in **LB1107**.

The Nebraska Chamber worked diligently to see this passed and lead the fight to establish two manufacturing focused tiers and keep wage levels accessible for rural Nebraska. The program replaces the Nebraska Advantage Act which is set to expire at the end of 2020. The Nebraska Chamber supported **LB720** and **LB1107**.



The Nebraska Chamber works to stimulate and grow Nebraska's economy by encouraging new and existing business development and maintaining a competitive business climate.



Senator Mark Kolterman speaks at the LB1107 bill signing.

LB1107 - Property Tax Relief, Business Incentives, UNMC NeXT Project



The Nebraska Chamber focuses on issues related to workforce attraction, retention and development, international trade and business investment.

LB1008 and LB1009 - Budget Bills

AM3356 to LB866 - Workforce Housing

LB424 - Land Banks

Workforce and Housing

Workforce and workforce housing proposals were so numerous this session, the Nebraska Chamber declared one week of the 2020 legislative session "Workforce Week" to highlight all the excellent policies under consideration.

In common practice, several workforce and housing provisions were included in the interim budget adjustment bills. LB1008 and LB1009 were enacted into law containing key workforce and housing initiatives that were all supported by the Nebraska Chamber:

- a General Fund transfer of \$10 million to the Rural Workforce Housing Investment Fund;*
- a General Fund budget adjustment of \$4 million for Nebraska Career Scholarships to the University of Nebraska, State Colleges and Community Colleges;*
- a General Fund budget adjustment of \$1 million for Community Colleges for increased aid for dual enrollment programs;*

LB1160 - Workforce Data System

LR466 - Workplace Discrimination

LB266 - Child Care Provider Tax Credit

- a General Fund budget adjustment of \$1 million for increased funding for the Nebraska Opportunity Grant, the state's only scholarship program based on financial need;
- a General Fund budget adjustment of \$1.01 million for a workforce development partnership with Peru State College;
- an Appropriation of \$500,000 for vocational and life skills programming to the Department of Corrections; and
- an Appropriation of \$230,000 to Department of Economic Development to support economic development districts.



Governor Pete Ricketts and Senator Matt Williams cut the ribbon at workforce housing projects.

Two other workforce housing initiatives were successfully passed into law.

***LB1155**, introduced by Senator Tony Vargas, was amended on to LB866 and creates an urban workforce housing investment fund to support development of workforce housing in counties with a population of 100,000 or more residents.*

The bill also appropriates \$10 million to this urban workforce housing fund to be matched one-to-one with local dollars. The program is modeled after the successful Rural Workforce Housing Investment fund. The Nebraska Chamber supported LB1155.

***LB424**, introduced by Senator Dan Quick and prioritized by Senator John Stinner, passed. It allows any municipality to join an existing land bank. It also allows metropolitan and primary class cities to create their own land banks.*

*Land banks are a tax-exempt political subdivision that acquire, manage and develop vacant and tax-delinquent properties. Many local chambers of commerce expressed the desire to have access to this tool for their development toolbox. The Nebraska Chamber supported **LB424**.*



Three additional workforce related policies adopted in 2020 included the following.

LB1160, introduced by Senator Matt Hansen, creates the Nebraska Workforce and Education Reporting System. The bill supports development of a data system to track educational and workforce outcomes in Nebraska. It is based on a recommendation of the 2019 Nebraska Economic Development Task Force Report. The Nebraska Chamber supported LB1160.

*LR466, a legislative resolution introduced by Senator Patty Pansing Brooks, was passed by the legislature to affirm the United States Supreme Court decision in *Bostock v. Clayton County*, which extends workplace discrimination protections to LGBTQ+ individuals.*

The resolution shows Nebraska's commitment to ongoing training, recruitment, and retention of all skilled workers in Nebraska to meet the workforce development needs of our employers. The measure also demonstrates that Nebraska is committed to being a welcoming and inclusive state for all, including LGBTQ+ families and individuals. The Nebraska Chamber supported LR466.

LB266, introduced by Senator Brett Lindstrom, expands the definition of eligible staff member for purposes of the School Readiness Tax Credit Act. The bill ensures self-employed individuals providing childcare and early childhood education are eligible for this tax credit. This is an important provision to make this tax credit available to small and in-home childcare providers. The Nebraska Chamber supported LB266.



Labor Laws

The 2020 Legislative session gave the Nebraska Chamber ample opportunities to contest and prevent increased insurance mandates and burdensome changes to the Nebraska Workers' Compensation statutes. The Nebraska Chamber did accept two reasonable changes to employment law standards.

***LB1016**, introduced by Senator Matt Hansen, in its original format would have expanded damages provisions under the Nebraska Wage Payment and Collection Act and modified several statutory provisions related to citations issued pursuant to the Act.*

***Amendments**, proposed by the Nebraska Chamber and included in the final language of the bill that passed in the Legislature, returned the damages provisions to their original language, cleaned up the statute as it relates to the awarding of reasonable attorney's fees, and minimized concerns related to the admissibility of citations into evidence and limited its applicability to only those individuals not covered by the Nebraska Fair Employment Practice Act. With these amendments the Nebraska Chamber was neutral on **LB1016**.*

*Introduced by Senator Tom Brewer, **LB963** incorporated an **amendment** agreed to by the Nebraska Chamber that would annually increase eligible death benefits under Nebraska Workers' Compensation statutes based on increases in the Consumer Price Index. Senator Mike McDonnell had originally proposed an increase in eligible death benefits in an amount equal to 14 times the state average weekly wage.*



The Nebraska Chamber supports a free market economy whereby employers and employees are free to compete and be innovative in the application of policies. Market considerations and innovation, rather than government restrictions or mandates, are preferred.

AM2350 to LB1016 - Wage and Payment Act Updates

AM2374 to LB963 - Workers' Compensation Death Benefits





The Nebraska Chamber recognizes the need for smart regulations to ensure workplace safety and protect public health.

A working regulatory system is fair for everyone, takes into account the views of communities and businesses, evaluates the impact rules will have on jobs and small businesses, and protects our economic and personal freedoms.

AM2866 to LB632 - Uniform Regulation of Containers

LB992 - Rural Broadband

LB1183 - Health Information Exchange Board

Regulatory Reform

The Nebraska Chamber continually tracks regulatory challenges and reform opportunities, partnering when appropriate to work on these issues in Nebraska. There was quite the variety of regulatory reform work in the 2020 legislative session.

*This session the Nebraska Chamber partnered with other retail and business associations to successfully fight for uniform regulation of containers in Nebraska. **LB861**, introduced by Senator Dan Hughes, was passed into law as an **amendment to LB632** and provides for uniform state regulation of containers to avoid a burden on business and industry of having to comply with conflicting regulations between local jurisdictions. The bill also encourages additional state policy supportive of recycling and secondary uses of solid waste through biomass and pyrolysis processes. The Nebraska Chamber supported **LB632**.*

*While the Nebraska Chamber was neutral on **LB992**, the Chamber did facilitate dialogue where possible, while respecting the varying Nebraska Chamber member interests at play. The bill, introduced by Senator Curt Friesen and related to expanding rural broadband access, was passed this session. It represents a good first step in encouraging greater rural broadband deployment.*

*The bill creates a new state broadband coordinator position to facilitate broadband planning; allows an electric utility and a commercial broadband supplier to enter into an agreement for the use of an electric utility easement for broadband; and eases burdens for private companies wishing to lease publicly owned dark fiber. The Nebraska Chamber was neutral on **LB992**.*

*The Nebraska Chamber was also pleased to see some healthcare-related bills advance in the 2020 legislative session. **LB1183**, introduced by Senator John Arch, creates a new board to oversee the state's health information exchange. The 17-member board will establish criteria for data collection and disbursement by the statewide health information exchange. The Nebraska Chamber supported **LB1183***





Nebraska Chamber members debate and discuss proposed legislation at policy council meetings.

Often member interests are protected by the legislation the Nebraska Chamber fights to keep from advancing.

It seems like eons ago, but the Nebraska Chamber was instrumental in leading business groups in their opposition to LB746, introduced by Senator Carol Blood, which would have established the Nebraska Consumer and Data Privacy Act. Our work prevented the bill from advancing from committee.

As written, the legislative language was problematic and would have been costly for businesses to comply. The bill would have applied to numerous Nebraska Chamber members and required businesses to continue to protect consumers' personal information and provide them with privacy notices, as well as the ability to opt out of the sale or use of personal information.

The Nebraska Chamber feels privacy and protection of consumer data is important, but establishing another layer of state regulation is overly burdensome. The Nebraska Chamber opposed LB746.

There was also an attempt to incorporate provisions of LB271, introduced by Senator Adam Morfeld in the 2019 legislative session, into a Judiciary omnibus bill, LB912. The original bill sought to provide that joint and several liability remains to liable parties even if one of the parties settles with or is released by the claimant.

Essentially, such a change would have reversed current case law which states when claimants settle with a joint tort-feasor they forfeit joint and several liability. Today, claimants cannot recover from a nonsettling joint tort-feasor more than their pro-rata share of the claim. The Nebraska Chamber opposed the inclusion of LB271 in to LB912 and successfully defeated the amendment on the floor during debate.



Sarah Moylan with the Greater Omaha Chamber testifies on behalf of Chambers of Commerce.



*Ron Sedlacek, Nebraska Chamber Vice President and General Counsel testifies before the Transportation and Telecommunications Committee on **LB746**.*

The Credits

It was a pleasure to work for you, our Nebraska Chamber members, this legislative session. We are proud to be the voice for Nebraska business.

Your investment is an assurance that our professional staff is working for you day in and day out to pass pro-business legislation and defend against laws and regulations that would harm Nebraska businesses.

We take seriously our responsibility to keep Nebraska businesses apprised of issues that could pose challenges. And we pride ourselves on personal connections. We are available to answer your questions directly whenever needed, so please do not hesitate to reach out any time.

Our legislative and regulatory agenda comes directly from Chamber members. We listen, form policies and develop an agenda based on your input. Then, we take these issues and concerns directly to policymakers.

Be on the lookout for fall policy council meetings, in which Nebraska Chamber members have unique access to the legislative and regulatory processes, as well as key decision makers on business issues.



Bryan Slone
President



Kristen Hassebrook
EVP
Legislation & Policy



Ron Sedlacek
VP -
General Counsel



Holley Salmi
VP Public Affairs
& Policy



Jena Bouma
Executive Assistant
- Govt. Relations

