

For

THE STATE CHAMBER 

Nebraska Chamber of Commerce & Industry

MANUFACTURERS Only



Summer 2017

NEBRASKA LEGISLATURE CONCLUDES 2017 SESSION



The Nebraska Chamber's Barry Kennedy, Ron Sedlacek and Joseph Young (right) watch as Governor Pete Ricketts signs LB203, legislation that makes cost-saving reforms to the state's unemployment insurance system. Joining the signing ceremony were State Senators John Kuehn (beside governor), Joni Albrecht and Steve Halloran.

Manufacturing is a vital component of the Nebraska economy. It also represents an essential segment of the membership within the Nebraska Chamber. The State Chamber Manufacturers Council evaluates and recommends policy positions to the State Chamber Board of Directors and serves as a forum for the exchange of views and information that the State Chamber manufacturing members wish to share.

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Editor: Jamie Karl

Nebraska lawmakers finished their 2017 session on May 23. More than 670 bills and constitutional amendments were introduced during this year's session. In total, the Nebraska Chamber of Commerce and Industry either took positions on or monitored more than 250 measures due to their potential impact on Chamber members and the state's business community.

The 2017 session brought some notable achievements for the business community, despite the downturn in state revenue during a budget writing session. Some of the noteworthy bills that were passed this year include the following State Chamber-supported measures:

- LB161: Extends the Nebraska Advantage Act credit carryover time for businesses making significant capital investments and creating many high-paying jobs.
- LB203: Lessens abuse of the unemployment insurance program by tightening benefit restrictions for those who leave a job without good cause, saving an estimated \$3.7 million in 2018 and nearly \$5 million in 2019.

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Nebraska Legislature Concludes 2017 Session

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- LB271: Reduces red tape for state transportation infrastructure projects, thereby expediting timelines and saving as much as \$19 million annually.
- LB518: Establishes new funding to help address Nebraska's workforce housing shortages.
- LB641: Establishes a matching grant to attract more early-stage bioscience startups to Nebraska.

One of the disappointments of the session was the successful filibuster of a comprehensive tax relief plan, LB461. Offered by Papillion Senator Jim Smith – chairman of the Legislature's Revenue Committee – the bill represented the first real opportunity to lower Nebraska's top income tax rates in two decades and was the only bill offered in the session to provide both property and income tax relief.

Crafted with input from Governor Pete Ricketts, the bill would gradually lower Nebraska's top personal income tax rate from 6.84% to 5.99%, and incrementally reduce the state's top corporate income tax from 7.81% to 5.99%. Both the corporate and individual tax relief would occur only if there was adequate state revenue growth (4.0% and 3.5% growth, respectively). In addition, the bill would change how ag property is valued for tax purposes, tying the assessment to a producer's income potential from that land and placing an annual cap on valuation increases.

The LB461 remains on General File, the first of three rounds of consideration by the full Legislature. The bill will carry over into the 2018 legislative session. The State Chamber supports LB461 and similar legislation to make Nebraska's tax climate more competitive.

For a complete list of the major bills that were tracked by the Nebraska Chamber during the 2017 session, see the Chamber's wrap-up edition of the Legislative Report, which was e-mailed to all members in late May. Or call the State Chamber at (402) 474-4422 if you need a copy of the Legislative Report wrap-up issue. ■

Mike Rowe: Trade Schools Can Close Skills Gap Without Big Student Debt

Actor and pitchman Mike Rowe of "Dirty Jobs" television fame recently cut a short video providing his take on how best to close America's skills gap.

"I can think of nine magazines off the top of my head that rank the top colleges," Rowe says. "None of them ever include a trade school." Yet trade jobs account for more than half of the labor market, according to the video.

Over the next decade, there will be more than 3.5 million job openings in America's manufacturing sector, but roughly 2 million of those jobs will go unfilled due to the skills gap. Rowe concludes: "The

jobs that exist right now don't require massive amounts of debt. They don't require four years of liberal arts study. They require the willingness to learn a skill that is actually in demand."

See the video at <http://mikerowe.com/2017/05/quixotic-attempt-to-close-the-skills-gap/>. ■






Chamber's Federal Legislative Summit Is Aug. 9

Plan to attend the annual Federal Legislative Summit on Thursday, August 9, 2017, at the Strategic Air Command (SAC) & Aerospace Museum, located between Lincoln and Omaha near Interstate 80, Exit 426. Doors will open at 7:30 a.m., and the event will last from 8 a.m. until 1 p.m.

This will be the ninth consecutive year for this popular event hosted by the Nebraska Chamber, along with the Lincoln and Omaha Chambers.

The 2017 Federal Legislative Summit will feature an update on important federal issues from Nebraska's U.S. senators and congressmen (invited), as well as a special presenta-

tion by keynote speaker Frank Newport, Ph.D., Gallup's editor-in-chief and past president of the American Association for Public Opinion Research. Gallup has monitored American public opinion continuously since 1935 and now conducts more than 350,000 interviews with Americans each year.

To register for the 2017 Federal Legislative Summit, call 402-474-4422 or email Charlie Volnek at cvolnek@nechamber.com. Or to register online, visit <http://www.lcoc.com/programs-and-events/legislative-summit>. Cost is \$99 for Chamber members or \$125 for non-members. 


EIA: Nebraska Electricity Prices Among Lowest In U.S.

Dependable and affordable electricity is one of Nebraska's advantages.

In a new comparison of all 50 states, Nebraska claimed the nation's ninth lowest average electricity prices for residential customers. The new data, compiled by the U.S. Energy Information Administration (EIA), examined average electricity prices from March 2017.

Nebraska's residential electricity prices -- at 10.52 cents per kilowatt hour -- were lower

than those of any neighboring state except Missouri (10.43 cents). Compared to March 2016 prices, Nebraska residential customers saw a 2.1% increase over 12 months. Overall, the nation's most affordable electricity was found in Washington, Louisiana, North Dakota, Arkansas and Idaho.

The most expensive electricity was in Hawaii, Alaska, Connecticut, Massachusetts, New Hampshire and California. 

HELP US GROW YOUR STATE CHAMBER

The Nebraska Chamber of Commerce & Industry has successfully represented the state's business community for 105 years. Today, the State Chamber is at a very strong level, with record membership and major legislative accomplishments, as well as an earned reputation of being the most effective advocate of the state's business sector.

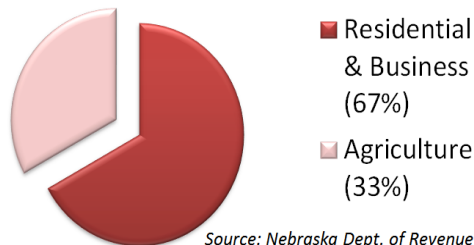
But to expand our influence and compete with opposing interests, we must grow our membership base.

Take a minute and let us know of businesses and individuals who would benefit from the services provided by the State Chamber. Call James Berringer at 402-474-4422 or e-mail jberringer@nechamber.com.

By providing us with the names of potential new members, you will help us grow your Nebraska Chamber and ensure the organization's continued success throughout the 21st century. ☐

Who's Paying Property Taxes?

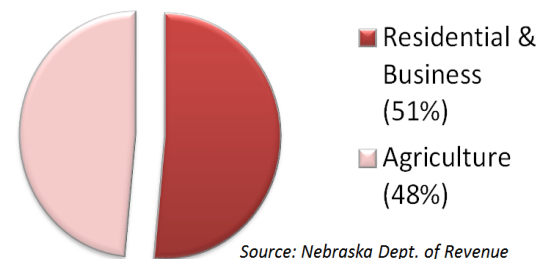
2016 Statewide Property Tax Collections



THE STATE CHAMBER 
Nebraska Chamber of Commerce & Industry

Who's Getting Property Tax Credits?

2016 Distribution of Property Tax Subsidies



At A Glance: Nebraska's Skewed Property Tax Credit

Over the years, the Nebraska Chamber has opposed initiatives that promise local property tax relief by shifting the mix of tax collections from property taxes to state taxes. One example of such a "tax shift" is Nebraska's property tax credit program, which uses income and sales taxes to subsidize local property tax payments (sent primarily to K-12 schools, counties and municipalities).

Since 2007, Nebraska's property tax credit program has redistributed over \$1.2 billion in income tax and sales tax revenue. Authorized by state policymakers, the property tax credit redistribution formula has intentionally favored agricultural land owners over other types of property owners.

In 2016, agricultural land owners received roughly half of the state's property tax credits, according to the Nebraska Department of Revenue, even though residential and business property owners paid more than two-thirds of property taxes statewide.

That disparity will grow in the current tax year, since legislation approved in 2016 added \$20 million in credits for ag land owners only. Moreover, keep in mind that Nebraska ag land is assessed at 75% of its market value, rather than the 100% valuation imposed on other types of real property, including businesses and homes. ☐

Manufacturing Day Set For Oct. 6

The Nebraska Chamber is working with the governor's office to once again recognize October as Manufacturing Month in Nebraska and spotlight the sector that employs nearly 100,000 Nebraskans.



In the meantime, October 6, 2017 has been designated as [National Manufacturing Day](#) by the National Association of Manufacturers (NAM), a national affiliate of the State Chamber. While Manufacturing Day is officially October 6, companies and community organizations should plan their events on the date in October that works best for them. No matter the date, events should be registered on the Manufacturing Day website at MfgDay.com. Events can be marked as public or invitation-only events.

Manufacturers in Nebraska are encouraged to open their doors to the public and elected officials to share their stories and showcase their facilities, which make modern manufacturing among the most rewarding career fields today.

By working together, manufacturers can address the skilled labor shortage, connect with future generations, take charge of manufacturing's public image and ensure the prosperity of the industry. Nebraska's community colleges and other educational institutions can organize their own Manufacturing Day/Month events by inviting students, educators and officials to special activities.


For help with publicizing your own Manufacturing Day/Month event, go to <http://www.mfgday.com/user/register>. 



STUDY: NEBRASKA IN BOTTOM THIRD OF STATES FOR SMALL BUSINESS CLIMATE

Nebbraska has some work to do to improve its small business climate. That's according to research from the Small Business & Entrepreneurship Council (SBE Council), which recently released its 21st annual look at how public policies in the 50 states affect entrepreneurship and the economy. Overall, Nebraska comes in No. 35 -- 16th worst -- on the Small Business Policy Index for 2017, while neighboring states South Dakota (third best), Wyoming (fourth best), Colorado (No. 13), Missouri (No. 20) and Kansas (No. 25) all fared much better. Nebraska's high state taxes took a heavy toll as the Cornhusker State received poor marks in the following categories:

- Top personal income tax rates (Nebraska was 15th worst);
- Top individual capital gains tax rates (Nebraska was 11th worst);
- Individual dividends & interest tax rates (Nebraska was 16th worst);
- Top corporate income tax rates (Nebraska was 16th worst); and
- Top corporate capital gains tax rates (Nebraska was 15th worst).

The council points out that a state's small business climate not only impacts business activity, it also can affect population trends. From 2010 to 2015, the top 25 states on the Small Business Policy Index netted a 2.00 million increase in population at the expense of the bottom 25 states, which lost 2.03 million. See the full study at <http://sbecouncil.org/2017/02/08/sbe-council-ranks-the-50-states-in-small-business-policy-index-2017/>. 

STATE CHAMBER PAC PREPARING FOR 2018 ELECTION

When it comes to the philosophical make-up of the Nebraska Legislature, much is at stake in next year's election.

Election 2018 will mark the seventh consecutive cycle in which Nebraska's term limits law will play a significant role, as there will be at least seven open legislative seats. In addition, it appears another 17 senators will seek re-election. In total, 24 of the state's 49 legislative seats will be on the 2018 ballot.

This means it will be another busy year for the State Chamber Political Action Committee (PAC), which serves as a separate and political arm of the Nebraska Chamber.

The PAC's mission is simple: To elect business-minded representatives to the Legislature.

The Chamber's staff will dedicate a considerable amount of time to help recruit good candidates who understand the challenges facing the business community. State Chamber staff will meet personally with candidates to assess their qualifications and business acumen.

Through the Nebraska Chamber PAC, political investments are consolidated with those of other businesses from across the

state, ensuring that individual donations have a more significant impact on key legislative races.

"The State Chamber PAC has repeatedly demonstrated its worth," Nebraska Chamber President Barry Kennedy said. "Electing the right people to the Legislature is the most effective way to ensure that the concerns of your business are recognized and respected."

For more information on how you or your business can contribute to the State Chamber PAC, call (402) 474-4422 or e-mail Amanda Williams at awilliams@nechamber.com. □



Nebraska Chamber Announces Schedule For Fall Legislative Forums

The Nebraska Chamber, in cooperation with local chambers of commerce across the state, will again present its annual legislative forums beginning in late August and continuing through late October. Currently, State Chamber staff plans to visit at least 26 Nebraska communities.

The Chamber's fall forum schedule can be found on the last page of this issue of *For Manufacturers Only*.

For more than 30 years, the State Chamber has conducted these legislative forums to gather input from the business community on issues of concern, while providing a review of recent legislation considered by the Nebraska Legislature.

This year's State Chamber presentation will include a look at:

- Key business-related bills in the 2017 session of the Nebraska Legislature;
- Important issues awaiting the legislature in 2018; and
- The latest state rankings in areas important to the business community.

Representatives from manufacturers and related businesses are encouraged to attend. State senators and/or legislative candidates have been invited, as well.

State Chamber President Barry Kennedy said: "Job creation, tax burden, regulations and workforce issues continue to be the most pressing issues facing most Nebraska communities. These legislative forums will give local leaders more insight into the factors affecting Nebraska's economic climate and growth potential."

To make reservations, contact your local chamber of commerce. □

Nebraska Chamber's 2017 Legislative Forums

Monday, Aug. 28

Aurora (Lunch), noon
Bremer Center

Contact: Chris Small, (402) 694-6911

Tuesday, Aug. 29

Scottsbluff (Lunch), noon
Scotts Bluff Country Club

Contact: Karen Anderson, (308) 632-2133

Wednesday, Aug. 30

Sidney (Breakfast), 8 a.m.

Dude's Steakhouse

Contact: Denise Wilkinson, (308) 254-5851

Ogallala (Lunch), noon

Front Street

Contact: Penny Metheny, (308) 284-4066

Thursday, Aug. 31

North Platte (Breakfast), 7 a.m.

Best Western Plus (3201 S. Jeffers St.)

Contact: Kathy Swain, (308) 532-4966

York (Lunch), noon

Chances R

Contact: Madonna Mogul, (402) 362-5531

Wednesday, Sept. 6

Wahoo (Lunch), noon

Heritage Inn

Contact: Doug Watts, (402) 443-4001

Tuesday, Sept. 19

Broken Bow (Breakfast), 7:30 a.m.

Bonfire Grill

Contact: Donnis Bullock, (308) 872-5691

Holdrege (Lunch), noon

Holdrege Country Club

Contact: Carol Rapstine, (308) 995-4444

Wednesday, Sept. 20

Cozad (Lunch), noon

Cozad Elks Club

Contact: Sandra Bappe, (308) 784-3930

Monday, Sept. 25

Henderson (Lunch), noon

Perks Cafe

Contact: Kelsey Bergen, (402) 723-4228

Tuesday, Sept. 26

Kearney (Breakfast), 8 a.m.

Kearney Chamber Conference Room

Contact: Josh Erickson, (308) 237-3101

McCook (Lunch), noon

Weeth Theater, Tipton Hall, McCook Community College

Contact: Dee Spicer, (308) 345-3200

Hastings, 5 p.m. (Social) and 6 p.m. (Dinner)

Pastime Lanes Family Fun Center

Contact: Tom Hastings, (402) 461-8400

Wednesday, Sept. 27

Columbus (Breakfast) 7 a.m.

Columbus Chamber

Contact: Sharyle Sands, (402) 564-2769

Fremont (Lunch), noon

Midland University (Private Dining Room)

Contact: Tara Lea, (402) 721-2641

Thursday, Sept. 28

West Point (breakfast) 8 a.m.

Nielsen Center

Contact: Tina Biteghe Bi Ndong, (402) 372-2981

Sarpy County (Lunch), noon

Tiburon Golf Club

Contact: Annisa Visty, (402) 339-3050

Monday, Oct. 9

Norfolk (Lunch), noon

Norfolk Chamber

Contact: Mark Zimmerer, (402) 371-4862

Tuesday, Oct. 17

Bellevue (Breakfast), 8 a.m.

Nebraska Medicine (25th and Hwy 370)

Contact: Jim Ristow, (402) 281-4997

Omaha (Lunch), noon

UNO Barbara Weitz Community Engagement Center, Rooms 230/231

(Note: Assigned parking in Lot E)

Contact: Cheryl Lawson, (402) 978-7922

Wednesday, Oct. 18

Nebraska City (Lunch), noon

Eagles Club

Contact: Amy Allgood, (402) 873-6654

Thursday, Oct. 19

Wayne (Lunch), noon

Elkhorn Valley Bank (411 E. 7th St.)

Contact: Wes Blecke, (402) 369-1188

Monday, Oct. 23

Blair (Lunch), noon

Memorial Community Hospital

Contact: Jordan Rishel, (402) 533-4455

Tuesday, Oct. 24

Grand Island (Lunch), noon

Riverside Golf Club

Contact: Cindy Johnson, (308) 382-9210

Wednesday, Oct. 25

Lincoln (Breakfast), 7:30 a.m.

Nebraska Club (233 S 13th St., #1708)

Contact: Nichole Kaiser, (402) 436-2355