

For

THE STATE CHAMBER 

Nebraska Chamber of Commerce & Industry

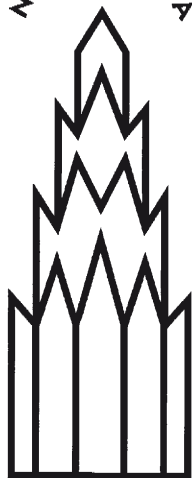
MANUFACTURERS Only



Winter 2015

STATE CHAMBER ANNUAL MEETING SET FOR FEBRUARY 5, 2015


NEBRASKA



BUSINESS
HALL OF FAME

The State Chamber's 2015 Annual Meeting and Legislative Caucus will be Thursday, Feb. 5, at The Cornhusker Marriott Hotel in Lincoln. This is one of Nebraska's most recognized business events.

Participants will have an opportunity to hear from key state lawmakers and business leaders, as well as attend briefings on issues of concern to the state's private sector. The evening banquet will feature the traditional passing of the gavel to the 2015 State Chamber chair and a special tribute to the newest inductees of the Nebraska Business Hall of Fame.

For more information or to register, please call (402) 474-4422. Or register online by visiting the Nebraska Chamber's website at www.nechamber.net and clicking the "events" tab at the top menu. 

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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2015 LEGISLATIVE SESSION BEGINS WITH 18 NEW LAWMAKERS

The Nebraska Legislature opened its 2015 session on January 7. There are 18 new lawmakers this session, as first-year senators fill more than one-third of the Legislature's 49 seats. New lawmakers sworn in this week were:



- District 4: Senator Robert Hilkemann, Omaha, retired podiatrist.
- District 6: Senator Joni Craighead, Omaha, real estate broker.
- District 12: Senator Merv Riepe, Ralston, retired hospital administrator.
- District 15: Senator David Schnoor, Scribner, cattle feeder, retired Air Force master sergeant.
- District 18: Brett Lindstrom, Omaha, financial adviser.
- District 20: John S. McCollister, Omaha, former executive director of the Platte Institute.
- District 24: Mark Kolterman, Seward, owner of Kolterman Insurance Agency.
- District 26: Matt Hansen, Lincoln, employee with Lincoln Public Schools.
- District 28: Patty Pansing Brooks, Lincoln, attorney.
- District 30: Roy Baker, Lincoln, retired school superintendent.
- District 32: Laura Ebke, Crete, political science instructor.
- District 34: Curt Friesen, Henderson, farmer and Nebraska Corn Board executive.
- District 36: Matt Williams, Gothenburg, chairman and president of Gothenburg State Bank.
- District 38: John Kuehn, Heartwell, farmer and professor at Hastings College.
- District 42: Mike Groene, North Platte, ag equipment manager.
- District 44: Dan Hughes, Venango, farmer and small business owner.
- District 46: Adam Morfeld, Lincoln, director of Nebraskans for Civic Reform.
- District 48: John Stinner, Gering, president of Valley Bank and Trust Company.

During the 90-day session – scheduled to conclude June 5 – lawmakers will devote substantial time to the state's biennial budget, deciding where roughly \$8 billion in taxpayer money will go over the next two years. The budget process this session may be easier compared to recent years due to the state's record cash reserve of more than \$700 million in tax revenue. ◻




KEY DATES FOR NEBRASKA'S LEGISLATURE

Here are some noteworthy dates for this year's session of the Nebraska Legislature:

- Jan. 7-21: Bill introduction period
- Jan. 20: Committee hearings begin on new bills
- Jan. 22: Governor's State of the State Address (10 a.m. CST)
- Jan. 23: Floor debate begins on General File bills
- Feb. 1: Deadline for governor's budget plan
- Feb. 23: Speaker begins accepting priority bill designations & requests for speaker priorities
- March 11: Deadline for requests on speaker priorities
- March 12: Deadline for designation of committee or senator priorities
- March 16: Speaker will announce his priority bills
- March 20: Tentative date to complete hearings on new bills
- March 23: Full-day floor debate begins
- April 28: Budget bills must be on General File
- June 5: Sine die adjournment

The Legislature's public hearings to examine new legislation typically begin at 1:30 p.m. (CT) each legislative day in the State Capitol. State Chamber members who are unable to attend hearings of interest may view them online via Nebraska Educational Television's website. To watch the Legislature's floor activities or committee hearings, visit <http://www.netnebraska.org/basic-page/television/live-demand-state-government>.

For more information and the latest updates on legislative activities, be sure to read the State Chamber's weekly Legislative Service, e-mailed to State Chamber members. To ensure that you are receiving the Legislative Report, e-mail Kay Koch at kkoch@nechamber.com or call (402) 474-4422. 

LEGISLATURE ELECTS SPEAKER, COMMITTEE LEADERS

Early business of the Legislature included the selection of speaker and committee chairs. Legislative leadership elections occur every two years.

Senator Galen Hadley of Kearney has been elected speaker of the Unicameral, following former Senator Greg Adams' departure due to term limits. The speaker sets the Legislature's daily agenda and decides when legislation gets debated. Past speakers have played a key role in reaching compromise when lawmakers reach an impasse.

Speaker Hadley, elected to the Legislature in 2008 and re-elected in 2012, is a retired business professor at the University of Nebraska at Kearney and a former UNK administrator. He also has been mayor of Kearney and served on the Kearney City Council. During the past two legislative sessions, he has served as chairman of the powerful Revenue Committee.

The speaker's post, the chairmanship of the Legislature's executive board – which supervises all legislative services and employees – and seven of 14 standing committee chairmanships were open due to term limits.

Continued on page 4

Legislature Elects Speaker, Committee Leaders
Continued from page 3

The following senators were elected chairs of the Legislature's standing committees and executive board:

- Executive Board (oversees legislative operations and bill referral): Bob Krist, Omaha.
- Agriculture: Jerry Johnson, Wahoo;
- Appropriations: Heath Mello, Omaha;
- Banking, Commerce and Insurance: Jim Scheer, Norfolk;
- Business and Labor: Burke Harr, Omaha;
- Education: Kate Sullivan, Cedar Rapids;
- General Affairs: Tyson Larson, O'Neill;
- Government, Military and Veterans Affairs: John Murante, Gretna;
- Health and Human Services: Kathy Campbell, Lincoln;
- Judiciary: Les Seiler, Hastings;
- Natural Resources: Ken Schilz, Ogallala;
- Retirement Systems: Jeremy Nordquist, Omaha;
- Revenue: Mike Gloor, Grand Island;
- Transportation and Telecommunications: Jim Smith, Papillion;
- Urban Affairs: Sue Crawford, Bellevue.

Other leadership positions will be held by Senators Tommy Garrett, Bellevue (Rules Committee); Beau McCoy, Omaha (Committee on Committees); and Dan Watermeier, Syracuse (Vice Chair of the Executive Committee). □

GOVERNOR RICKETTS: 'WE MUST CUT TAXES'

Pete Ricketts was sworn into office January 8, as the 40th governor of Nebraska, replacing the longest-serving governor in state history, Dave Heineman, who reached his term limit. In his annual Inaugural Address to lawmakers, Governor Ricketts announced that he will be guided by four goals in his first year as the state's chief executive. The governor said Nebraska policymakers should work to:

- Cut taxes;
- Create more jobs;
- Reduce regulations; and
- Strengthen education.

Governor Ricketts said Nebraska's high tax burden was a barrier to the state's efforts to attract more well-paying jobs and to grow the economy. He reiterated that addressing Nebraska's high property taxes was his top priority, a feat that will be challenging considering property taxes are levied by local government, including school districts, municipalities and counties.

In his remarks on education, Governor Ricketts noted that he wanted more focus on career education and vocational training. He said that employers across the state – particularly manufacturers – struggle to find enough skilled and well-trained employees to fill job openings. He also called for the creation of 21st century infrastructure.


He said he wanted to work with lawmakers, expressing a desire to lower taxes in a responsible manner that would continue to fulfill the state's constitutional obligations. The governor said he would ensure the state's regulatory process is "fair, transparent and more efficient," while vowing to speak out against burdensome federal regulations.

"The people of Nebraska expect government to work," Governor Ricketts said. "To Nebraskans everywhere, I encourage you to stay engaged: You are the second house. Hold us accountable for what we achieve, and help us grow Nebraska." □

AT A GLANCE:

INCOME TAXES PAID BY NEBRASKANS

Recently LB280 was introduced in the Legislature by Hyannis Senator Al Davis to create a local income tax in Nebraska. It would add a minimum 19.4% -- and as much as 29.9% -- to an individual's state income tax liability, on every taxpayer. The average taxpayer in Nebraska paid \$9,200 in federal income taxes in 2013, according to the National Priorities Project. This is in addition to state income taxes paid. The Tax Foundation says Nebraska's top personal income tax rate of 6.84% (for income of \$29,000 and over) is the 15th highest among states levying an individual income tax.

The income tax is the largest of Nebraska's state taxes; it collected \$2.1 billion for the state in 2013-2014. Thanks to legislation passed and signed last year, Nebraska is now one of 23 states that fully index brackets to inflation, eliminating what economists call "bracket creep" -- which occurs when higher income bumps a taxpayer into the next tax bracket, even if that income is merely keeping pace with inflation. 


WHAT FUELS NEBRASKA'S AFFORDABLE, RELIABLE ELECTRICITY?

When examining sources of electricity generation, Nebraska is heavily dependent on coal and nuclear energy.

According to data from the U.S. Department of Energy, Nebraska is ranked ninth out of the 50 states for percentage of electricity generated from coal, which provided more than 68% of Nebraska's electricity as of March 2014.

For nuclear powered generation, Nebraska is ranked 18th (21.6% of Nebraska's electri-

cal generation). The Cornhusker State is ranked 23rd overall for renewable sources, which provided nearly 9% of Nebraska's electricity.

You will find these statistics and many more in the Nebraska Chamber's 2015 Competitiveness Redbook, which will be distributed to State Chamber members and Nebraska policymakers soon. 

NEBRASKA THIRD BEST FOR UNEMPLOYMENT INSURANCE TAX

Nebbraska ranks among the best states for employers paying unemployment insurance (UI) taxes.

According to 2013 data from the U.S. Department of Labor, with a tax rate of \$1.69 on a taxable wage base of \$9,000, Nebraska offers the third lowest burden for UI taxes among the 50 states and the District of Columbia.

Nebraska's UI tax on an average full-time employee is \$152, according to the data. Only South Dakota and Louisiana offer a lower UI tax burden.

Meanwhile, Hawaii has the nation's heaviest UI tax burden at \$1,283 on an average full-time employee.

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