



Ninety-Eighth Legislature - First Session - 2003
Committee Statement
LB 758

Hearing Date: February 12, 2003
Committee On: Revenue

Introducer(s): (Brashear, at the request of the Governor)
Title: Change investment, employment, and reporting requirements under the Employment and Investment Growth Act

Roll Call Vote – Final Committee Action:

Advanced to General File
Advanced to General File with Amendments
X Indefinitely Postponed

Vote Results:

7	Yes	Senators Baker, Connealy, Hartnett, Janssen, Landis, Raikes and Redfield
0	No	
0	Present, not voting	
1	Absent	Senator Bourne

Proponents:

Senator Kermit Brashear
Al Wenstrand
Richard Baier
David C. Mussman
Loran Schmit

Kevin Wilkins
D'Anne Welch

Representing:

Introducer
Nebraska Department of Economic Development
Nebraska Economic Developers Association
West Corporation
Nordic Biofuels, KAPPA Ethanol, Oregon Trail,
Husker Ag, Platte Valley Ethanol
Nebraska Economic Developers Association
Herself

Opponents:

Craig Groat
Mark Vasina
Steve Virgil

Representing:

Himself
Nebraskans for Peace
NE Appleseed Center for Law in the Public
Interest

Neutral:

None

Representing:

Summary of purpose and/or changes:

LB 758 would have amended section 77-4104, dealing with applications and qualifications for benefits under the Employment and Investment Growth Act, to make two changes in qualifications beginning with applications filed on or after the effective date of the Act.

First, the bill would have added a new threshold of qualification for projects in one or more counties with a population of less than 100,000 at the end of the base year, or located in a federal or state enterprise zone. The qualification was projects with an investment in property of at least \$2 million and the hiring of at least twenty new employees.

Second, the bill would have imposed a wage requirement for qualifying for benefits and earning wage credits for both the new qualification levels and the previously existing \$3 million and 30 new employees and \$10 million and 100 new employees levels. For the new tier, the required wage was to be 140 percent of the federal minimum wage (or \$14,997 annually), and for the current qualification levels, 160 percent (or \$17,139 annually). The wages were to be calculated for an entire year and overtime and bonuses were not to count. The required wage was calculated by multiplying the federal minimum wage on January 1 by 2080 hours. Base year employees that were paid less than the required wage and received a raise to be over the required wage were not to count as added qualifying employees.

Section 2 would have amended section 77-4105 to harmonize the inclusion of the new small county and enterprise zone qualification level and to assure that compensation for which the jobs credit is calculated is compensation of employees.

Section 3 would have amended section 77-4110 to require more information to be contained in the annual report of the activity under the Act. First, the report was to contain, by industry group, the estimated average annual wage of the employees in the base year and the wages of the new employees organized by the number in each wage stratum, broken down into \$5,000 increments. The report was also to contain the amount of recaptured taxes. New employee was to mean a person hired after the base year and employed at the end of the year covered by the report. Overtime did not count.

The report was also to contain new information manipulating all the information currently required and proposed to be added by this bill aggregated by county.

The changes made by the bill to the qualifications of beneficiaries were to be operative for applications filed on or after the effective date of the Act. The new reporting requirements, however, were operative on the normal operative date.

Explanation of amendments, if any:

Senator David Landis, Chairperson