

One Hundred Ninth Legislature - Second Session - 2026

Introducer's Statement of Intent

LB1165

Chairperson: Senator R. Brad von Gillern

Committee: Revenue

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 1165 is intended to ensure that large numbers of Nebraska-based jobs are protected in the event of a change of ownership or control involving a key employer and an out-of-state entity. To this end, the bill makes several changes to the Key Employer Retention Act, including:

- (1) Modifying the definition of 'change of ownership and control' to include an entity headquartered in Nebraska, employing a substantial number of FTEs (full-time employees), and merging or combining with an out-of-state entity;
- (2) Modifying the definition of 'key employer' to include an employer headquartered in Nebraska undergoing a change of ownership and control;
- (3) Increasing wage retention credits provided by 77-6516; and
- (4) Increasing two performance-based tax credits provided by 77-6831 for a key employer that hires additional in-state FTEs at an annual average wage of at least \$90,000.

LB 1165 also expresses intent of the Legislature to transfer funds in fiscal year 2026-27 earmarked solely to provide capital improvement grants for key employer retention.

Finally, LB 1165 establishes a grant program to be administered by the Nebraska Department of Labor to provide support to key employers undergoing a change of ownership or control. If available funds are insufficient to fully fund grants requested by all applicants, the request of the key employer with the greatest number of FTEs is given priority.

Principal Introducer: _____

Senator R. Brad von Gillern