



# PlatteChat

AN ONGOING CONVERSATION ABOUT HOW TO BEST PRESERVE FREE ENTERPRISE,  
PERSONAL RESPONSIBILITY AND LIMITED GOVERNMENT IN NEBRASKA.

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## Legislative Update

Below you will find a recap of several of the major bills the Platte Institute has worked on in the 103<sup>rd</sup> session.

**LB 405 (Governor Dave Heineman via Senators Beau McCoy and Brad Ashford) - Eliminate Certain Sales Tax Exemptions, Corporate and Individual Income Taxes, the Franchise Tax and Change other Tax Provisions.**

**Status:** Indefinitely postponed

LB 405 would have eliminated individual and corporate income taxes in the state. For the committee hearing in February, the Platte Institute brought in senior economist Joseph Henchman from the Tax Foundation [testified](#) on the benefits of the overhauling Nebraska's tax code. The bill did not make it out of the revenue committee due, in part, to controversy about the shift to sales tax. However, this bill has sparked debate on overhauling Nebraska's code. The Platte Institute will be weighing in on this issue later on in the year.

**LB 274 - Adopt the Education Compensation Transparency Act (Senator Jeremy Nordquist)**

**Status:** Still in Education Committee

This bill would make it mandatory for each school district to publish the salaries and individual benefits of school employees. If passed, this bill would make it easier for the public to better understand how their tax dollars are spent.

**LB 470 - Adopt the Superintendent Pay Transparency Act (Senator Jim Scheer)**

**Status:** Passed Education Committee - Awaiting debate on the floor

The passage of this bill would have all school districts in Nebraska post their annual budget statement before any upcoming budget hearings for the district. All contracts and expenditures would be available for public to see.

**LB 125 - Reform the OPS School Board (Senator Scott Lautenbaugh)**

**Status:** Passed and has been signed into law

This bill has changed the membership provisions for Class 5 school districts (Douglas County). It reduced the size of the board members from 12 to 9 and shifted school board elections from November to the spring to coincide with Omaha municipal elections. It passed through the Education committee and the floor with a 44-4-1 vote. On February 11<sup>th</sup>, this bill was signed into law by Governor Heineman.

**LB 577 - Change Provisions Relating to the Medical Assistance Program (Senator Kathy Campbell)**

**Status:** Passed Health and Human Services Committee - Awaiting debate on the floor

With this bill Nebraska would adopt the Patient Protection and Affordable Care Act (PPACA), otherwise known as Obamacare. If passed, this bill would compound an already overstressed government program and cost taxpayers millions of dollars and increase beneficiaries over time. In February, the Platte Institute welcomed Christie Herrera from the Foundation for Government Accountability to present information on the problems with Medicaid Expansion. She along with Platte Institute Executive Director Jim Vokal met with state senators and hosted a public education event on the topic.

If passed, the state of Nebraska will most likely see increases long-term projections on spending and possible tax increases to pay for it. For more information: [\*Medicaid Expansion: The Economic Analysis Dilemma\*](#) by Sean Riley.

**LB 266 - Eliminate Local Option Sales Tax Rate Increase (Senator Ernie Chambers)**

**Status:** Still in Revenue Committee

This bill would repeal a bill passed in 2012 LB 357, which allows a half-cent increase in the local sales tax if approved by voters. As of now, the state levies a 5.5-cent sales tax and cities currently can levy up to a 1.5-cent sales tax. The 0.5-cent increase in LB 357 would raise the overall sales tax burden to 7.5-cents. The bill was originally voted 4-3-1 to advance it to the floor with five votes needed to either advance or kill it. In response to this, Senator Chambers tried to pull the bill from the committee to bring it on to the floor for debate. This motion was opposed by the committee; however, there were not enough votes to kill the bill completely and it remains in committee.

**LB 561 - State Findings and Intent for Changes to the Juvenile Justice System and Funding Mechanism (Senator Brad Ashford)**

**Status:** Still in Judiciary Committee

This bill seeks to update the juvenile justice system to focus on rehabilitation through modern practices and strategies instead of simple detention. The goal is to rehabilitate juvenile offenders to prevent roll-over into the adult criminal system.

