



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 1016

Chairperson: Abbie Cornett
Committee: Business and Labor
Date of Hearing: February 11, 2008

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

LB 1016, the Proper Employee Classification Act, contains two separate provisions which seek to address the problem of employee misclassification. Employee misclassification occurs when an employer mislabels an employee as an independent contractor. Such a misclassification exempts the employer from certain tax obligations and assumptions of liability. In order to diminish this practice, LB 1016:

1) It creates a cause of action for misclassified employees, the Department of Labor or the Department of Revenue against any employer who so misclassifies. This cause of action would be available for the difference in income paid to the misclassified worker or workers and the prevailing rate for properly classified employees as well as any taxes due on the income earned, lost income and attorney's fees. A notice detailing the rights outlined herein shall be posted in every workplace.

2) Requires that every contractor or sub-contractor in contract with the state or a political subdivision be required to submit an affidavit that all contractors and employees working on the contract have completed a federal I-9 form and that they have no reasonable basis to believe that any such person is an illegal immigrant. Contractors who provide false affidavits under this provision are subject to perjury and shall not be permitted to contract with the state or any political subdivision for a period of five years.

Principal Introducer:

Senator Steve Lathrop