

ONE HUNDRED FOURTH LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 520

Introduced by Harr, 8.

PURPOSE: The misclassification of employees as independent contractors presents a serious problem for workers, employers, and the economy. Misclassified employees are often denied access to critical benefits and protections to which they are entitled, such as minimum wage, overtime compensation, family and medical leave, unemployment insurance, and safe workplaces. Employee misclassification generates substantial losses for the federal and state governments in the form of lower tax revenues and improperly avoided contributions to state unemployment insurance and workers' compensation funds.

This study shall include the following:

(1) A review of the administration and enforcement of the Employee Classification Act by the Department of Labor;

(2) A consideration of the sufficiency of resources available for administration and enforcement of misclassification laws and a consideration of whether existing resources could be better utilized to properly address the issue of employee misclassification;

(3) A review of reports issued by the Department of Labor pursuant to the Employee Classification Act to ascertain if there are consistent problems or concerns relating to worker misclassification that could be addressed through legislative changes; and

(4) An examination of the direct and indirect effects of misclassification on certain industries that result in complications and difficulties with unemployment insurance, workers' compensation, social security, tax withholding, temporary disability or other benefits, minimum wage and overtime laws, and in any other pertinent areas.

The study committee shall seek input from all interested parties, including the Department of Labor, business leaders, labor unions, and others, to examine how misclassification affects the relationship between employers and workers, how these parties may be able to contribute to more effective enforcement of existing worker misclassification laws, and to determine if legislative changes are necessary.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED FOURTH LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Business and Labor Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of the study make a report of their findings, together with their recommendations, to the Legislative Council or Legislature.