

**ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018**  
**COMMITTEE STATEMENT**  
**LB1096**

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**Hearing Date:** Monday February 26, 2018  
**Committee On:** Business and Labor  
**Introducer:** Hilgers  
**One Liner:** Change provisions relating to state vehicles and workers' compensation claims, tort claims, and other claims against the state

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**  
**Aye:** 7 Senators Albrecht, Crawford, Halloran, Hansen, Lowe, Chambers, Howard  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Verbal Testimony:**

<b>Proponents:</b> Mike Hilgers Doug Wilken Ryan Post	<b>Representing:</b> Introducer Department of Administrative Services (DAS) Nebraska Department of Justice
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<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b>	<b>Representing:</b>
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**Summary of purpose and/or changes:**

Section 1

Section 1 removes the definition of State Claims Board from Neb. Rev. Stat. 48-193.

Neb. Rev. Stat. 48-193 (5) is amended to change the definition of "Award" from an amount determined by the "State Claims Board" to an amount determined by the "Risk Manager and the Attorney General."

Section 2

Section 2 amends Neb. Rev. Stat. 48-194 to eliminate the language regarding the State Claims Board. Currently, the law states that "the Risk Manager, on behalf of the State Claims Board and with the advice of the Attorney General, shall have the authority to pay claims of all workers' compensation benefits when liability is undisputed."

LB 1096 changes this to read, "the Risk Manager with the advice of the Attorney General shall have the authority to pay claims of all workers' compensation benefits when liability is undisputed."

Section 2 also changes 48-194 to require the Risk Manager's approval of compromised or settled workers' compensation claims instead of the State Claims Board's approval.

Section 3

Under section 3, the risk management and state claims division of the Department of Administrative Services, instead of

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the State Claims Board, may adopt and promulgate rules and regulations.

#### Section 4

Section 4 provides that the Risk Manager, instead of the State Claims Board, may delegate to a state agency the handling of workers' compensation claims of employees of that agency, under the supervision and direction of the Attorney General.

#### Section 5

Section 5 harmonizes Neb. Rev. Stat. 48-197 with other changes by the bill by changing "board" to "officer."

#### Section 6

Section 6 amends Neb. Rev. Stat. 48-1,108, which currently states that "the Attorney General and the State Claims Board shall cooperate with the insurance company." The "State Claims Board" is changed to "Risk Manager."

#### Section 7

Under current Nebraska law, all awards and judgments stemming from the same facts and circumstances must be aggregated for determining whether the awards and judgments are sent to the Legislature for review and specific appropriation. LB 1096 amends this so that individual awards under fifty thousand dollars (\$50,000.00) may be paid as they are awarded, instead of paying them only after they have been aggregated. All awards arising from the same facts and circumstances would still be aggregated for reporting purposes. Individual amounts exceeding fifty thousand dollars (\$50,000.00) would require review and appropriation for by the Legislature.

#### Section 8

Section 8 amends Neb. Rev. Stat. 81-8,239.02(4) to specifically allow the state to pay claims which are provided for by law, but not payable from the State Insurance Fund, State Self-Insured Property Fund, State Self-Insured Indemnification Fund, Workers' Compensation Claims Revolving Fund, or Tort Claims Fund.

These claims include payments for awards, settlements, and associated costs, including appeal bonds and reasonable costs associated with a required appearance before any tribunal.

#### Section 9

Section 9 amends Neb. Rev. Stat. 81-1021, which pertains to indelibly and conspicuously lettering state-owned cars as belonging to the State of Nebraska. Subsection 2 of the statute provides various exemptions to this requirement. LB 1096 adds the Department of Justice to the list of entities exempt from lettering their state-owned vehicles.

#### Section 10

Original Neb. Rev. Stat. 48-193, 48-194, 48-195, 48-196, 48-197, 48-1,108, 81-8,224, 81-8,239.02, and 81-1021 are repealed.

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#### **Explanation of amendments:**

AM 1679 changes the bill's original language of "officer" on line 5 of page 4 to "the Risk Manager." This amendment correctly harmonizes Neb. Rev. Stat. 48-197 with other changes made by LB 1096.

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Joni Albrecht, Chairperson