

**ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019**  
**COMMITTEE STATEMENT (CORRECTED)**  
**LB359**

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**Hearing Date:** Monday January 28, 2019  
**Committee On:** Business and Labor  
**Introducer:** Hansen, M.  
**One Liner:** Change provisions in the Employment Security Law and Nebraska Wage Payment and Collection Act and relating to appointment of the meatpacking industry worker rights coordinator

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

<b>Aye:</b>	6	Senators Crawford, Halloran, Hansen, B., Hansen, M., Lathrop, Slama
<b>Nay:</b>		
<b>Absent:</b>	1	Senator Chambers
<b>Present Not Voting:</b>		

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**Oral Testimony:**

**Proponents:**

Matt Hansen  
John Albin

**Representing:**

Senator District 26  
Department of Labor

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 359 is a clean up bill introduced at the request of the Department of Labor.

LB 359 amends the Unemployment Trust Fund calculation process. The bill would give the Commissioner of Labor administrative authority to adjust the combined tax rate to keep the Unemployment Trust Fund balance with the target range of 0.85% to 1.0% of covered wages. It also updates Nebraska Department of Labor accounting processes. LB 359 also makes the position of meatpacking worker bill of rights coordinator a commissioner appointee rather a governor appointee and expands the methods of service for wage payment and collection citations to include all recognized methods of service under Chapter 25, article 5.

Section by Section summary:

Section 1: Allows money collected from the overpayment of unemployment insurance benefits to be directly deposited into the benefit account in order to offset future benefit draws.

Section 2: Language added to this section from section 48-652 and updates language from check to warrant in order to harmonize language. Also explains how to make a claim for payment of an invalidated warrant.

Section 3: Addresses an issue that arises when the Department of Labor contracts to perform studies for other state agencies or outside entities. The Department cannot pay the expenses of those projects from federal funds and therefore needs a revolving fund to draw from while awaiting payment. This amendment would specifically authorize the

Department use the Employment Security Special Contingent Fund as a revolving fund to pay the expenses from while awaiting payment.

Section 4: Date changes and a recognition that it is Department staff rather than the Worker Training Board members prepare the Board's annual report.

Section 5: The Department of Labor uses a statutory formula to set the annual combined tax rate for employers. As part of the calculation the department considers all combined taxes paid through the third calendar quarter of the calendar year. Each employer files quarterly wage reports and makes quarterly tax payments.

The Department has a pending regulation that would allow employers who provide hours worked by their employees on their quarterly wage reports to pay their unemployment taxes on an annual basis instead of quarterly. In order to avoid the possibility that the delayed payments would cause an unintended change in the rate setting process during the first year of implementation this would allow the Department to include those taxes that the cooperating employers would have paid in those three quarters in the rate computation process.

The language on page 12 gives the commissioner the ability to administratively adjust the yield factor to a lower rate on the schedule during the annual rate setting process to help bring the fund within the target range if the fund is over funded as determined by the statutory formula.

Section 6: Strikes the language that was moved to Section 2.

Section 7: Currently the statute allows only service by United States Postal Service this change would allow additional methods of service including personal service, residence service, certified mail, designated delivery service, upon motion and with affidavit that service cannot be made with reasonable diligence the court may permit service to be made (1) by leaving the process at the defendant's usual place of residence and mailing a copy by first-class mail to the defendant's last-known address, (2) by publication, or (3) by any manner reasonably calculated under the circumstances to provide the party with actual notice of the proceedings and an opportunity to be heard.

Section 8: Allows the position of meatpacking industry worker rights coordinator to be appointed by the Commissioner rather than the Governor.

Section 9: Repeals the original section.

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Matt Hansen, M., Chairperson