

PREPARED BY: Scott Danigole  
 DATE PREPARED: February 25, 2020  
 PHONE: 471-0055

# LB 1016

Revision: 01

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to reflect all amendments adopted to date.

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(300)		(300)
CASH FUNDS		(223,335)		(223,335)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		<b>(223,635)</b>		<b>(223,635)</b>

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 1016 amends the Nebraska Wage Payment and Collection Act.

As amended by AM2350, the act does the following:

Section 3 prohibits an employer from retaliating or discriminating against an employee because the employee files a suit or complaint under the Nebraska Wage Payment and Collection act or testifies, assists, or participated in an investigation, proceeding or action concerning violations of the act.

Section 4 addresses relief for employees aggrieved under the act.

Section 5 prohibits employers who have an unpaid citation for a violation under the act from contracting with the state or any political subdivision until the citation is paid.

Section 6 requires the Department of Labor, no later than December 1 of each year, to post information on its web site regarding compliance and enforcement of the act.

Section 8 addresses contractors' violations of the Employee Classification Act.

AM 2350 contains the provisions of LB926 (as amended by AM 2268) and LB 788.

The amended bill's provisions change some fees, such as the contractor registration fee. Current law places that fee at \$40. LB 1016 changes that to a fee of "up to" \$40. Based on the fees changed in LB 1016, the Department of Labor estimates a General Fund revenue loss of \$300 per year and cash fund revenue loss of \$223,335 per year. There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1016	AM: 2350	AGENCY/POLT. SUB: Department of Labor	
REVIEWED BY: Neil Sullivan	DATE: 2/25/2020	PHONE: (402) 471-4179	
COMMENTS: The Department of Labor assessment of fiscal impact from LB 1016 as amended by AM 2350 appears reasonable.			

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**2020**

**LB<sup>(1)</sup> 1016 AM2350**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Katie Thurber Date Prepared: <sup>(4)</sup> 2-21-2020 Phone: <sup>(5)</sup> 402-471-9912

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____ (\$300)	_____	_____ (\$300)
CASH FUNDS	_____	_____ (\$223,335)	_____	_____ (\$223,335)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>===== (\$223,635)</b>	<b>=====</b>	<b>===== (\$223,635)</b>

Explanation of Estimate: Section 7 of AM2350 proposes to amend the contractor registration fee from a set rate of \$40 to any amount up to \$40. On average, 14,889 fee-paying contractors register with NDOL per year. If the fee is reduced from \$40 to \$25, there will be a decrease in the Cash Fund Revenue of \$223,335 per year. Using a rate anywhere from \$10 to \$40 will generate revenue from \$148,890 to \$595,560.

Section 12 of AM2350 proposes to repeal provisions relating to employment agencies. Currently, Private Employment Agency Fees are \$150 per year. Since 2017, only two (2) businesses have registered per year. Per Neb. Rev. Stat. §48-514, all money paid to the Commissioner of Labor or license fees under section 48-503 are paid over to the State Treasurer.

The remaining sections of AM2350 have no fiscal impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Salaries.....	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>