

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 532

Introduced by Kauth, 31.

Read first time January 22, 2025

Committee: Business and Labor

1 A BILL FOR AN ACT relating to immigration; to amend section 48-2911,
2 Reissue Revised Statutes of Nebraska; to require employers to use
3 the E-Verify system; to prohibit knowingly hiring an unauthorized
4 alien; to provide for penalties; to provide for discipline against
5 an employer's license; to provide civil penalties; to provide duties
6 for the Commissioner of Labor and the Department of Labor; to define
7 terms; to eliminate a requirement that public employers and public
8 contractors use the E-Verify system; to harmonize provisions; to
9 provide an operative date; to provide severability; to repeal the
10 original section; and to outright repeal section 4-1114, Reissue
11 Revised Statutes of Nebraska.
12 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** For purposes of sections 1 to 9 of this act:

2 (1) Agency means an agency, department, board, or commission of this
3 state or of a political subdivision of this state that issues a license
4 for purposes of operating a business in this state;

5 (2) Approved method of notice means certified mail or any other
6 manner of delivery by which the United States Postal Service can verify
7 delivery or by any method of service recognized under Chapter 25, article
8 5;

9 (3) Department means the Department of Labor;

10 (4) Employment has the same meaning as in section 48-604;

11 (5) Employee means an individual who performs labor or services in
12 this state for an employer pursuant to an employment relationship between
13 the person and employer;

14 (6)(a) Employer means a person engaged in an industry who has
15 twenty-five or more employees for each working day in each of twenty or
16 more calendar weeks in the current or preceding calendar year.

17 (b) Employer does not include:

18 (i) Local, state, or federal governmental agencies or political
19 subdivisions or any corporation wholly owned by such an agency or
20 subdivision; or

21 (ii) An entity that hires a bona fide independent contractor;

22 (7) E-Verify means the electronic verification of the work
23 authorization program of the Illegal Immigration Reform and Immigrant
24 Responsibility Act of 1996, 8 U.S.C. 1324a, or an equivalent federal
25 program designated by the United States Department of Homeland Security
26 or other federal agency authorized to verify the work eligibility status
27 of a newly hired employee pursuant to the Immigration Reform and Control
28 Act of 1986;

29 (8) License means any agency license, permit, certificate, approval,
30 registration, charter, or similar form of authorization required by law
31 and issued by an agency for the purpose of doing business in this state;

1 and

2 (9) Unauthorized alien has the same meaning as in 8 U.S.C. 1324a(h)
3 (3).

4 **Sec. 2.** (1) An employer shall, after making an offer of employment
5 which has been accepted by an employee, verify the employment
6 authorization of each such employee using E-Verify. Such verification
7 shall occur within the period after hiring stipulated by federal law,
8 regulations, and procedures.

9 (2) If the commissioner determines that an employer has violated
10 this section, the commissioner shall notify the employer of such
11 determination using an approved method of notice. The employer has
12 fifteen working days after the date of the notice to contest such
13 citation or penalty. Notice of contest shall be sent to the commissioner
14 who shall provide a hearing in accordance with the Administrative
15 Procedure Act.

16 (3)(a) Upon a final determination that an employer has violated this
17 section, the commissioner shall notify any agency which has issued a
18 license to such employer that such agency shall:

19 (i) Place such employer's license on probation for a period of one
20 year, during which time such employer shall file with the agency and the
21 department reports demonstrating the employer's compliance with sections
22 1 to 9 of this act; or

23 (ii) For a repeat violation, suspend such employer's license for a
24 period of at least ten days but not more than thirty days. The length of
25 such suspension shall be determined by the commissioner.

26 (b) For purposes of this section, a violation is a repeat violation
27 if the commissioner's notice regarding the violation under subsection (2)
28 of this section was sent within three years after the sending of a
29 previous notice under such subsection.

30 **Sec. 3.** (1) An employer shall not knowingly employ an unauthorized
31 alien. If an employer uses a contract, subcontract, or other independent

1 contractor agreement to obtain the labor of an alien in this state, and
2 the employer knowingly contracts with an unauthorized alien or with a
3 person who employs or contracts with an unauthorized alien to perform the
4 labor, the employer violates this subsection.

5 (2) If the commissioner determines that an employer has violated
6 this section, the commissioner shall notify the employer of such
7 determination using an approved method of notice. The employer has
8 fifteen working days after the date of the notice to contest such
9 citation or penalty. Notice of contest shall be sent to the commissioner
10 who shall provide a hearing in accordance with the Administrative
11 Procedure Act.

12 (3)(a) Upon a final determination that an employer has violated this
13 section, the commissioner shall notify any agency which has issued a
14 license to such employer of such determination.

15 (b) Within seventy-two hours after receiving such notice, the agency
16 shall suspend such employer's license. The license may be reinstated if
17 the employer:

18 (i) Demonstrates to the satisfaction of the commissioner that the
19 unauthorized alien has been terminated; and

20 (ii) Pays the commission a reinstatement fee in an amount equal to
21 the greater of:

22 (A) The commission's costs in investigating and enforcing the
23 violation; or

24 (B) One thousand dollars.

25 (c) If the violation of this section involved five or more
26 unauthorized aliens, the suspension shall last for an additional period
27 following satisfaction of the reinstatement conditions under subdivision
28 (3)(b) of this section. Such period shall be determined by the
29 commissioner and shall be at least seven days and not more than thirty
30 days.

31 (d) For a second violation of this section occurring within three

1 years after the date the commissioner sent the notice of a first
2 violation under subdivision (3)(a) of this section, the suspension shall
3 last for an additional period following satisfaction of the reinstatement
4 conditions under subdivision (3)(b) of this section. Such period shall be
5 determined by the commissioner and shall be at least thirty days and not
6 more than sixty days.

7 (e) For a third or subsequent violation of this section occurring
8 within six years after the date the commissioner sent the notice of a
9 first violation under subdivision (3)(a) of this section, the suspension
10 shall last for an additional one hundred eighty days following
11 satisfaction of the reinstatement conditions under subdivision (3)(b) of
12 this section.

13 (4) An employer who in good faith verifies the employment
14 authorization of a new employee using E-Verify shall, subject to rebuttal
15 by evidence, be presumed to have not knowingly violated this section.

16 (5) An employer who terminates an employee in order to comply with
17 this section shall not be subject to a civil action for wrongful
18 termination of the employee.

19 **Sec. 4.** The department shall develop and administer a statewide
20 random auditing program to inspect employers for compliance with sections
21 1 to 9 of this act.

22 **Sec. 5.** The department and its inspectors, agents, or designees
23 upon proper presentation of credentials to the owner, manager, or agent
24 of the employer may enter at reasonable times and have the right to
25 question either publicly or privately any employer, owner, manager or
26 agent and the employees of the employer and inspect, investigate,
27 reproduce, or photograph original business records relevant to
28 determining compliance with sections 1 to 9 of this act.

29 **Sec. 6.** (1) The department shall establish a dedicated public
30 website to assist employers in complying with sections 1 to 9 of this
31 act.

1 (2) The department shall maintain a public database of violations of
2 sections 1 to 9 of this act on its public website.

3 **Sec. 7.** Each agency shall include notice of the requirements of
4 sections 1 to 9 of this act in any application for a license.

5 **Sec. 8.** Sections 1 to 9 of this act shall be implemented in a
6 manner consistent with the federal laws, regulations, and procedures
7 governing E-Verify and the employment of unauthorized aliens, protecting
8 the civil rights of all persons and respecting the privileges and
9 immunities of United States citizens.

10 **Sec. 9.** The department may adopt and promulgate rules and
11 regulations to carry out sections 1 to 9 of this act.

12 **Sec. 10.** Section 48-2911, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 48-2911 Any contract between the state or a political subdivision
15 and a contractor shall require that each contractor who performs
16 construction or delivery service pursuant to the contract submit to the
17 state or political subdivision an affidavit attesting that (1) each
18 individual performing services for such contractor is properly classified
19 under the Employee Classification Act, (2) such contractor has completed
20 a federal I-9 immigration form and has such form on file for each
21 employee performing services, (3) such contractor has complied with
22 sections 1 to 9 of this act ~~section 4-114~~, (4) such contractor has no
23 reasonable basis to believe that any individual performing services for
24 such contractor is an undocumented worker, and (5) as of the time of the
25 contract, such contractor is not barred from contracting with the state
26 or any political subdivision pursuant to section 48-2907 or 48-2912. Such
27 contract shall also require that the contractor follow the provisions of
28 the Employee Classification Act. A violation of the act by a contractor
29 is grounds for rescission of the contract by the state or political
30 subdivision.

31 **Sec. 11.** This act becomes operative on January 1, 2026.

1 **Sec. 12.** If any section in this act or any part of any section is
2 declared invalid or unconstitutional, the declaration shall not affect
3 the validity or constitutionality of the remaining portions.

4 **Sec. 13.** Original section 48-2911, Reissue Revised Statutes of
5 Nebraska, is repealed.

6 **Sec. 14.** The following section is outright repealed: Section 4-114,
7 Reissue Revised Statutes of Nebraska.