

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 418**

FINAL READING

Introduced by Cavanaugh, 6; Bolz, 29; DeBoer, 10; Gragert, 40; Groene, 42; Hunt, 8; McDonnell, 5; Quick, 35; Hansen, M., 26.

Read first time January 18, 2019

Committee: Business and Labor

1 A BILL FOR AN ACT relating to state government; to amend sections 48-193,  
2 48-194, 48-195, 48-196, 48-197, 48-1,108, 81-8,224, 81-8,239.02, and  
3 81-1021, Reissue Revised Statutes of Nebraska, and sections 48-122  
4 and 48-1,110, Revised Statutes Cumulative Supplement, 2018; to  
5 provide for settlement of claims of alien dependents, define a term,  
6 provide for applicability of changes, change provisions relating to  
7 claims, and prohibit debt collection while a matter is pending  
8 before the Nebraska Workers' Compensation Court as prescribed under  
9 the Nebraska Workers' Compensation Act; to change provisions  
10 relating to tort claims against the state; to change provisions  
11 relating to the State Self-Insured Liability Fund and state  
12 vehicles; to harmonize provisions; and to repeal the original  
13 sections.  
14 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 48-122, Revised Statutes Cumulative Supplement,  
2 2018, is amended to read:

3 48-122 (1) If death results from injuries and the deceased employee  
4 leaves one or more dependents dependent upon his or her earnings for  
5 support at the time of injury, the compensation, subject to section  
6 48-123, shall be not more than the maximum weekly income benefit  
7 specified in section 48-121.01 nor less than the minimum weekly income  
8 benefit specified in section 48-121.01, except that if at the time of  
9 injury the employee receives wages of less than the minimum weekly income  
10 benefit specified in section 48-121.01, then the compensation shall be  
11 the full amount of such wages per week, payable in the amount and to the  
12 persons enumerated in section 48-122.01 subject to the maximum limits  
13 specified in this section and section 48-122.03.

14 (2) When death results from injuries suffered in employment, if  
15 immediately prior to the accident the rate of wages was fixed by the day  
16 or hour, or by the output of the employee, the weekly wages shall be  
17 taken to be computed upon the basis of a workweek of a minimum of five  
18 days, if the wages are paid by the day, or upon the basis of a workweek  
19 of a minimum of forty hours, if the wages are paid by the hour, or upon  
20 the basis of a workweek of a minimum of five days or forty hours,  
21 whichever results in the higher weekly wage, if the wages are based on  
22 the output of the employee.

23 (3) Upon the death of an employee, resulting through personal  
24 injuries as defined in section 48-151, whether or not there are  
25 dependents entitled to compensation, the reasonable expenses of burial,  
26 not exceeding ten thousand dollars, without deduction of any amount  
27 previously paid or to be paid for compensation or for medical expenses,  
28 shall be paid to his or her dependents, or if there are no dependents,  
29 then to his or her personal representative.

30 (4) Compensation under the Nebraska Workers' Compensation Act to  
31 alien dependents who are not residents of the United States shall be the

1 same in amount as is provided in each case for residents, except that at  
2 any time within one year after the death of the injured employee the  
3 employer may at his or her option commute all future installments of  
4 compensation to be paid to such alien dependents. The amount of the  
5 commuted payment shall be determined as provided in section 48-138.

6 (5)(a)(i) Except as provided in subdivision (5)(a)(ii) of this  
7 section, the consular officer ~~(5) The consul general, consul, vice consul~~  
8 ~~general, or vice consul~~ of the nation of which the employee, whose injury  
9 results in death, is a citizen, ~~or the representative of such consul~~  
10 ~~general, consul, vice consul general, or vice consul~~ residing within the  
11 State of Nebraska shall be regarded as the sole legal representative of  
12 any alien dependents of the employee residing outside of the United  
13 States and representing the nationality of the employee.

14 (ii) At any time prior to the final settlement, a nonresident alien  
15 dependent may file with the Nebraska Workers' Compensation Court a power  
16 of attorney designating any suitable person residing in this state to act  
17 as attorney in fact in proceedings under the Nebraska Workers'  
18 Compensation Act. If the compensation court determines that the interests  
19 of the nonresident alien dependent will be better served by such person  
20 than by the consular officer, the compensation court shall appoint such  
21 person to act as attorney in fact in such proceedings. In making such  
22 determination the court shall consider, among other things, whether a  
23 consular officer's jurisdiction includes Nebraska and the responsiveness  
24 of the consular officer to attempts made by an attorney representing the  
25 employee to engage such consular officer in the proceedings.

26 (b) Such consular officer, or appointed person ~~his or her~~  
27 ~~representative, residing in the State of Nebraska,~~ shall have in behalf  
28 of such nonresident alien dependents, the exclusive right to institute  
29 proceedings for, adjust, and settle all claims for compensation provided  
30 by the Nebraska Workers' Compensation Act, and to receive the  
31 distribution to such nonresident alien dependents of all compensation

1 arising thereunder.

2 (c) A person appointed under subdivision (5)(a)(ii) of this section  
3 shall furnish a bond satisfactory to the compensation court conditioned  
4 upon the proper application of any money received as compensation under  
5 the Nebraska Workers' Compensation Act. Before the bond is discharged,  
6 such appointed person shall file with the compensation court a verified  
7 account of receipts and disbursements of such money.

8 (d) For purposes of this section, consular officer means a consul  
9 general, vice consul general, or vice consul or the representative of any  
10 such official residing within the State of Nebraska.

11 (6) The changes made to this section by this legislative bill apply  
12 to cases under the Nebraska Workers' Compensation Act that are pending on  
13 the effective date of this act and to cases filed on or after such date.

14 Sec. 2. Section 48-193, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 48-193 For purposes of sections 48-192 to 48-1,109, unless the  
17 context otherwise requires:

18 (1) State agency shall include all departments, agencies, boards,  
19 courts, bureaus, and commissions of the State of Nebraska and  
20 corporations the primary function of which is to act as, and while acting  
21 as, instrumentalities or agencies of the State of Nebraska, including the  
22 University of Nebraska and the state colleges, but shall not include  
23 corporations that are essentially private corporations or entities  
24 created pursuant to the Interlocal Cooperation Act or the Joint Public  
25 Agency Act. State agency shall not be construed to include any contractor  
26 with the State of Nebraska except and unless such contractor comes within  
27 the provisions of section 48-116;

28 ~~(2) State Claims Board shall mean the board created by section~~  
29 ~~81-8,220;~~

30 (2) (3) Employee of the state shall mean any one or more officers or  
31 employees of the state or any state agency and shall include duly

1 appointed members of boards or commissions when they are acting in their  
2 official capacity. State employee shall not be construed to include any  
3 employee of an entity created pursuant to the Interlocal Cooperation Act  
4 or the Joint Public Agency Act or any contractor with the State of  
5 Nebraska unless such contractor comes within the provisions of section  
6 48-116;

7 (3) (4) Workers' compensation claim shall mean any claim against the  
8 State of Nebraska arising under the Nebraska Workers' Compensation Act;  
9 and

10 (4) (5) Award shall mean any amount determined by the Risk Manager  
11 and the Attorney General State Claims Board to be payable to a claimant  
12 under sections 48-192 to 48-1,109 or the amount of any compromise or  
13 settlement under such sections.

14 Sec. 3. Section 48-194, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 48-194 The Risk Manager, ~~on behalf of the State Claims Board and~~  
17 with the advice of the Attorney General, shall have the authority to pay  
18 claims of all workers' compensation benefits when liability is  
19 undisputed. In any claims when liability or the amount of liability is  
20 disputed by the Attorney General, authority is hereby conferred upon the  
21 Attorney General to consider, ascertain, adjust, determine, and allow any  
22 workers' compensation claim. If any such claim is compromised or settled,  
23 the approval of the claimant, the Risk Manager State Claims Board, and  
24 the Attorney General shall be required and such settlements also shall be  
25 approved by the Nebraska Workers' Compensation Court following the  
26 procedure in the Nebraska Workers' Compensation Act.

27 Sec. 4. Section 48-195, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 48-195 The risk management and state claims division of the  
30 Department of Administrative Services may ~~State Claims Board~~ shall,  
31 pursuant to the Administrative Procedure Act, adopt and promulgate such

1 rules and regulations as are necessary to carry out sections 48-192 to  
2 48-1,109.

3 Sec. 5. Section 48-196, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 48-196 The Risk Manager ~~State Claims Board~~ may delegate to a state  
6 agency the handling of workers' compensation claims of employees of that  
7 agency, under the supervision and direction of the Attorney General.

8 Sec. 6. Section 48-197, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 48-197 All claims under sections 48-192 to 48-1,109 shall be filed  
11 with the Risk Manager. The Risk Manager shall immediately advise the  
12 Attorney General of the filing of any claim. It shall be the duty of the  
13 Attorney General to cause a complete investigation to be made of all such  
14 claims. Whenever any state agency receives notice or has knowledge of any  
15 alleged injury under the Nebraska Workers' Compensation Act, such state  
16 agency shall immediately file a first report of such alleged injury with  
17 the Nebraska Workers' Compensation Court and the Risk Manager and shall  
18 file such other forms as may be required by such court or the Risk  
19 Manager board.

20 Sec. 7. Section 48-1,108, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 48-1,108 Whenever a claim or suit against the state is covered by  
23 workers' compensation insurance, the provisions of the insurance policy  
24 on defense and settlement shall be applicable notwithstanding any  
25 inconsistent provisions of sections 48-192 to 48-1,109. The Attorney  
26 General and the Risk Manager ~~State Claims Board~~ shall cooperate with the  
27 insurance company.

28 Sec. 8. (1) After receipt of the notices provided for in this  
29 section, no debt collection shall be undertaken by a provider of  
30 services, supplier of services, collection agency, collector, or creditor  
31 attempting to collect a debt incurred against an employee or his or her

1 spouse for treatment of a work-related injury while the matter is pending  
2 in the compensation court until final adjudication of the case regarding  
3 such debt.

4 (2) Notice under this section shall be made in writing and provided  
5 to each provider of services, supplier of services, collection agency,  
6 collector, or creditor as described in subsection (1) of this section.  
7 Notice shall not be imputed to any party from the service of notice upon  
8 another party.

9 (3) The initial notice shall contain the provider's name, employee's  
10 name, date of the injury, and a description of the injury, together with  
11 the filing date and case number pending in the compensation court. Within  
12 thirty days after the initial notice, an additional notice shall be  
13 provided specifically identifying the debt upon which collection should  
14 be stayed, unless identification was made in the initial notice. Notice  
15 shall be void if it fails to provide the proper information or is not  
16 provided within the required timeframes, or until proper notice is  
17 provided.

18 (4) Notice shall be made by personally delivering the notice to the  
19 person on whom it is to be served or by sending it by first-class mail  
20 addressed to the person or business entity on whom it is to be served at  
21 his or her residence or the principal office address of a business  
22 entity, or by a method otherwise agreed to between the parties. Each  
23 provider, supplier, collection agency, collector, or creditor shall not  
24 be deemed to be notified under this section unless receipt of the notice  
25 can be demonstrated.

26 (5) If collection efforts continue after both notices are received  
27 by the entity seeking to collect, the notices may be forwarded to the  
28 Attorney General requesting his or her assistance in gaining compliance  
29 with this act. The entity seeking to collect shall be copied on such  
30 notification to the Attorney General, and shall be given a reasonable  
31 period of time to respond to the notice and to cure any noncompliance. If

1 noncompliance continues, the Attorney General may take such reasonable  
2 steps as is necessary to ensure compliance with this section. No private  
3 cause of action shall exist under this section. A violation of this  
4 section shall not be considered a violation of any other state or federal  
5 law.

6 (6) After notice is provided, collection lawsuits may be stayed,  
7 where applicable, by the plaintiff in a pending collection case, until  
8 final adjudication by the compensation court of the matter of the debt  
9 alleged to be subject to this section.

10 (7) The statute of limitations on the collection of such debt shall  
11 be tolled during the pendency of the compensation case from the date the  
12 case was filed with the compensation court.

13 (8) This section shall have no applicability outside of the Nebraska  
14 Workers' Compensation Act and shall not apply to any other cause of  
15 action under state or federal law.

16 Sec. 9. Section 48-1,110, Revised Statutes Cumulative Supplement,  
17 2018, is amended to read:

18 48-1,110 Sections 48-101 to 48-1,117 and section 8 of this act shall  
19 be known and may be cited as the Nebraska Workers' Compensation Act.

20 Sec. 10. Section 81-8,224, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 81-8,224 (1) Any award to a claimant and any judgment in favor of a  
23 claimant under the State Tort Claims Act shall be certified by the Risk  
24 Manager or State Claims Board to the Director of Administrative Services  
25 who shall promptly issue a warrant for payment of such award or judgment  
26 out of the Tort Claims Fund or State Insurance Fund, as appropriate, if  
27 sufficient money is available in the fund, except that no portion in  
28 excess of fifty thousand dollars of any award or judgment shall be paid  
29 until such award or judgment has been reviewed by the Legislature and  
30 specific appropriation made therefor. All awards and judgments which  
31 arise out of the same facts and circumstances shall be reported to the

1 ~~Legislature if the aggregated amount exceeds fifty thousand dollars~~  
2 ~~aggregated for the purpose of determining whether such awards and~~  
3 ~~judgments shall be reviewed by the Legislature and specific appropriation~~  
4 ~~made therefor.~~

5 (2) Any award, judgment, or associated costs on a claim which is  
6 covered by liability insurance or by group self-insurance, the amount of  
7 which falls within the applicable policy's self-insured retention, shall  
8 be paid from the State Insurance Fund.

9 (3) Delivery of any warrant in satisfaction of an award or judgment  
10 shall be made only upon receipt of a written release by the claimant in a  
11 form approved by the State Claims Board.

12 Sec. 11. Section 81-8,239.02, Reissue Revised Statutes of Nebraska,  
13 is amended to read:

14 81-8,239.02 The following separate permanent revolving funds are  
15 established in the state treasury for use under the Risk Management  
16 Program according to the purposes for which each fund is established:

17 (1) The State Insurance Fund is hereby created for the purpose of  
18 purchasing insurance to cover property, fidelity, and liability risks of  
19 the state and workers' compensation claims against the state and other  
20 risks to which the state or its agencies, officials, or employees are  
21 exposed and for paying related expenses, including the costs of  
22 administering the Risk Management Program. The fund may receive deposits  
23 from assessments against state agencies to provide insurance coverage as  
24 directed by the Risk Manager. The Risk Manager may retain in the fund  
25 sufficient money to pay for any deductibles, self-insured retentions, or  
26 copayments as may be required by such insurance policies and Risk  
27 Management Program expenses;

28 (2) The State Self-Insured Property Fund is hereby created for the  
29 purpose of replacing, repairing, or rebuilding state property which has  
30 incurred damage or is suffering other loss not fully covered by insurance  
31 and for paying related expenses. The fund may receive deposits from

1 assessments against state agencies to provide property coverage as  
2 directed by the Risk Manager. The Risk Manager may assess state agencies  
3 to provide self-insured property coverage;

4 (3) The State Self-Insured Indemnification Fund is hereby created  
5 for the purpose of paying indemnification claims under section  
6 81-8,239.05. Indemnification claims shall include payments for awards,  
7 settlements, and associated costs, including appeal bonds and reasonable  
8 costs associated with a required appearance before any tribunal. The fund  
9 may receive deposits from assessments against state agencies to pay for  
10 the costs associated with providing and supporting indemnification  
11 claims. The creation of this fund shall not be interpreted as expanding  
12 the liability exposure of the state or its agencies, officials, or  
13 employees; and

14 (4) The State Self-Insured Liability Fund is hereby created for the  
15 purpose of paying compensable liability and fidelity claims against the  
16 state or its agencies, officials, or employees which are not fully  
17 covered by insurance and for which there is insufficient agency funding  
18 and for which a legislative appropriation is made under ~~the provisions of~~  
19 section 81-8,239.11. The fund may be used to pay claims against the state  
20 or its agencies, officials, or employees for which there is a specific  
21 provision of law for the resolution of such claims but which are not  
22 otherwise payable from the State Insurance Fund, State Self-Insured  
23 Property Fund, State Self-Insured Indemnification Fund, Workers'  
24 Compensation Claims Revolving Fund, or Tort Claims Fund. Such claims  
25 shall include payments for awards, settlements, and associated costs,  
26 including appeal bonds and reasonable costs associated with a required  
27 appearance before any tribunal. The creation of this fund shall not be  
28 interpreted as expanding the liability exposure of the state or its  
29 agencies, officials, or employees. The Risk Manager shall report  
30 electronically all claims and judgments paid from the State Self-Insured  
31 Liability Fund to the Clerk of the Legislature annually. The report shall

1 include the name of the claimant, the amount claimed and paid, and a  
2 brief description of the claim, including any agency, program, and  
3 activity under which the claim arose. Any member of the Legislature may  
4 receive an electronic copy of the report by making a request to the Risk  
5 Manager.

6 Sec. 12. Section 81-1021, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 81-1021 (1) All motor vehicles acquired by the State of Nebraska  
9 except any vehicle rented as a bureau fleet vehicle shall be indelibly  
10 and conspicuously lettered, in plain letters of a contrasting color or  
11 reflective material:

12 (a) On each side thereof with the words State of Nebraska and  
13 following such words the name of whatever board, department, bureau,  
14 division, institution, including the University of Nebraska or state  
15 college, office, or other state expending agency of the state to which  
16 the motor vehicle belongs; and

17 (b) On the back thereof with the words State of Nebraska.

18 (2) This section shall not apply to motor vehicles used or  
19 controlled by:

20 (a) The Nebraska State Patrol, the Public Service Commission, the  
21 Game and Parks Commission, deputy state sheriffs employed by the Nebraska  
22 Brand Committee and State Fire Marshal for state law enforcement  
23 purposes, inspectors employed by the Nebraska Liquor Control Commission,  
24 and persons employed by the Tax Commissioner for state revenue  
25 enforcement purposes, the exemption for state law enforcement purposes  
26 and state revenue enforcement purposes being confined strictly to the  
27 seven agencies specifically named;

28 (b) The Department of Health and Human Services or the Department of  
29 Correctional Services for the purpose of apprehending and returning  
30 escaped offenders or parole violators to facilities in the Department of  
31 Correctional Services and transporting offenders and personnel of the

1 Department of Correctional Services and patients and personnel of the  
2 Department of Health and Human Services who are engaged in off-campus  
3 program activities;

4 (c) The Military Department;

5 (d) Vocational rehabilitation counselors and the Department of  
6 Health and Human Services for the purposes of communicable disease  
7 control, for the prevention and control of those communicable diseases  
8 which endanger the public health, or used by the Department of Health and  
9 Human Services in the enforcement of drug control laws or for other  
10 investigation purposes;

11 (e) The Department of Agriculture for special investigative  
12 purposes;

13 (f) The Nebraska Motor Vehicle Industry Licensing Board for  
14 investigative purposes; ~~and~~

15 (g) The Insurance Fraud Prevention Division of the Department of  
16 Insurance for investigative purposes; and -

17 (h) The Department of Justice.

18 Sec. 13. Original sections 48-193, 48-194, 48-195, 48-196, 48-197,  
19 48-1,108, 81-8,224, 81-8,239.02, and 81-1021, Reissue Revised Statutes of  
20 Nebraska, and sections 48-122 and 48-1,110, Revised Statutes Cumulative  
21 Supplement, 2018, are repealed.