

# Business and Labor Committee

## Nebraska Legislature

Report as required by Neb. Rev. Stat. § 84-948  
One Hundred Seventh Legislature  
Second Session

### Committee Members

Senator Ben Hansen, Chair, District 16  
Senator Carol Blood, Vice Chair District 3  
Senator Tim Gragert, District 40  
Senator Steve Halloran, District 33  
Senator Steve Lathrop, District 12  
Senator Matt Hansen, District 26  
Senator Megan Hunt, District 8

### Committee Staff

Benson Wallace, Legal Counsel  
Christina Campbell, Committee Clerk

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## **Occupational Board Reform Act**

The Legislature passed the Occupational Board Reform Act in 2018 (Neb. Rev. Stat. §§ 84-901 to 84-920) with an operative date of July 1, 2019. The act requires that:

“Beginning in 2019, each standing committee of the Legislature shall annually review and analyze approximately twenty percent of the occupational regulations within the jurisdiction of the committee and prepare and submit an annual report electronically to the Clerk of the Legislature by December 15 of each year as provided in this section. Each committee shall complete this process for all occupational regulations within its jurisdiction within five years and every five years thereafter. Each report shall include the committee's recommendations regarding whether the occupational regulations should be terminated, continued, or modified.” (Neb. Rev. Stat. § 84-948)

There were five such occupational regulations identified under the jurisdiction of the Business and Labor Committee, (1) Employment Agent; (2) Boiler/Pressure Vessel Inspector; (3) Locksmith; (4) Professional Employer Organization; and (5) Contractor/Sub-Contractor. The committee selects one occupational licensing regulation to review each year in the five year period. For 2019, the committee selected to review Boil/Pressure Vessel Inspector, for 2020 the committee selected Locksmith, for 2021 the Committee selected Professional Employer Organization and for 2022 the Committee selected Contractor/Sub-Contractor.

**Committee Findings**

Neb. Rev. Stat. § 84-948 requires the report to include the following with answers in bold:

(3) A committee's report shall include, but not be limited to, the following:

(a) The title of the regulated occupation and the name of the occupational board responsible for enforcement of the occupational regulations;

**The Nebraska Contractor Registration Act requires contractors and subcontractors doing business in Nebraska to register with the Nebraska Department of Labor.**

(b) The statutory citation or other authorization for the creation of the occupational regulations and occupational board;

**The Nebraska Contractor Registration Act;  
Neb. Rev. Stat. §§ 48-2101 to 48-117**

(c) The number of members of the occupational board and how the members are appointed;

**N/A: The Department of Labor as a whole operates the registration process.**

(d) The qualifications for membership on the occupational board;

**N/A**

(e) The number of times the occupational board is required to meet during the year and the number of times it actually met;

**N/A**

(f) Annual budget information for the occupational board for the five most recently completed fiscal years;

Year	Contractors Registered	Revenue
2018	17,098	\$594,353
2019	17,492	\$625,052
2020	17,708	\$631,295
2021	19,589	\$438,379
2022	20,075	\$229,837 (Jan-June)

(g) For the immediately preceding five calendar years, or for the period of time less than five years for which the information is practically available, the number of government certifications, occupational licenses, and registrations the occupational board has issued, revoked, denied, or assessed penalties against, listed anonymously and separately per type of credential, and the reasons for such revocations, denials, and other penalties;

Year	Contractors Registered	Revenue
2018	17,098	\$594,353
2019	17,492	\$625,052
2020	17,708	\$631,295
2021	19,589	\$438,379
2022	20,075	\$229,837 (Jan-June)

(h) A review of the basic assumptions underlying the creation of the occupational regulations;

**Under the Act, It is the intent of the Legislature that all contractors doing business in Nebraska be registered with the department. It is not the intent of the Legislature to endorse the quality or performance of services provided by any individual contractor. Neb. Rev. Stat. § 48-2102**

(j) A comparison of whether and how other states regulate the occupation.

<https://www.homeadvisor.com/r/state-by-state-licensing-requirements/>

(4) Subject to subsection (5) of this section, each committee shall also analyze, and include in its report, whether the occupational regulations meet the policies stated in section 84-946 considering the following recommended courses of action for meeting such policies:

**The regulations appear to be consistent with Neb. Rev. Stat. § 48-2102**

(a) If the need is to protect consumers against fraud, the likely recommendation will be to strengthen powers under the Uniform Deceptive Trade Practices Act or require disclosures that will reduce misleading attributes of the specific goods or services;

N/A

(b) If the need is to protect consumers against unclean facilities or to promote general health and safety, the likely recommendation will be to require periodic inspections of such facilities;

N/A

(c) If the need is to protect consumers against potential damages from failure by providers to complete a contract fully or up to standards, the likely recommendation will be to require that providers be bonded;

N/A

(d) If the need is to protect a person who is not party to a contract between the provider and consumer, the likely recommendation will be to require that the provider have insurance;

N/A

(e) If the need is to protect consumers against potential damages by transient providers, the likely recommendation will be to require that providers register their businesses with the Secretary of State;

N/A

(f) If the need is to protect consumers against a shortfall or imbalance of knowledge about the goods or services relative to the providers' knowledge, the likely recommendation will be to enact government certification; and

N/A

(g) If the need is to address a systematic information shortfall such that a reasonable consumer is unable to distinguish between the quality of providers, there is an absence of institutions that provide adequate guidance to the consumer, and the consumer's inability to distinguish between providers and the lack of adequate guidance allows for undue risk of present, significant, and substantiated harms, the likely recommendation will be to enact an occupational license.

N/A

(5) If a lawful occupation is subject to the Nebraska Regulation of Health Professions Act, the analysis under subsection (4) of this section shall be made using the least restrictive method of regulation as set out in section 71-6222.

N/A

(6) In developing recommendations under this section, the committee shall review any report issued to the Legislature pursuant to the Nebraska Regulation of Health Professions Act, if applicable, and consider any findings or recommendations of such report related to the occupational regulations under review.

N/A

(7) If the committee finds that it is necessary to change occupational regulations, the committee shall recommend the least restrictive regulation consistent with the public interest and the policies in this section and section 84-946.

N/A

### **Conclusion**

Contractors and Sub-Contractors are required to register with the Nebraska Department of Labor in accordance with The Nebraska Contractor Registration Act. In the last 5 years an average of 17,972 have registered with the Department. The registration process is through an online portal that asks basic questions like address, number of employees, and type of work performed. There is no requirement of experience or bond that must be satisfied. The registration requires a \$25 annual fee, lowered from \$40 in December of 2020. The current balance of the fund is \$1,522,388.54. Funds are used to administer the registration program. The regulations and fees are similar to surrounding states and have not caused any notable positive or negative externalities.