ER135
LB847
AJC - 03/09/2026

E AND R AMENDMENTS TO LB 847

Introduced by Guereca, 7, Chairman Enrollment and Review

1. Strike the original sections and all amendments thereto and insert the following new sections:

Section 1. Sections 1 to 6 of this act shall be known and may be cited as the Nebraska Registered Apprenticeship Act.

Sec. 2. For purposes of the Nebraska Registered Apprenticeship Act, unless the context otherwise requires:

(1) Apprentice means a worker who is at least sixteen years of age and who is employed to learn an apprenticeable occupation under standards of apprenticeship fulfilling the requirements of 29 C.F.R. 29.5, as such regulation existed on January 1, 2026;

(2) Apprenticeable occupation means an occupation that is specified by industry and to which all of the following apply:

(a) The occupation involves skills that are customarily learned in a practical way through a structured, systematic program of on-the-job supervised learning;

(b) The occupation is clearly identified and commonly recognized throughout an industry;

(c) The occupation involves the progressive attainment of manual, mechanical, or technical skills and knowledge which, in accordance with the industry standard for the occupation, would require the completion of at least two thousand hours of on-the-job learning to attain; and

(d) The occupation requires related instruction to supplement the on-the-job learning;

(3) Apprenticeship agreement means a written agreement, accepted and recorded by the Nebraska Office of Registered Apprenticeship, between an apprentice and an apprenticeship sponsor that contains the terms and conditions of the apprentice's employment and training consistent with 29

ER135
LB847
AJC - 03/09/2026

C.F.R. part 29 and the Nebraska Registered Apprenticeship Act;

(4) Apprenticeship program means a program registered with the United States Department of Labor, Office of Apprenticeship, or the Nebraska Office of Registered Apprenticeship that includes terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices, including the requirement for a written apprenticeship agreement;

(5) Apprenticeship sponsor means an entity operating an apprenticeship program or an entity in whose name an apprenticeship program is being operated, which entity is registered with or approved by the United States Department of Labor, Office of Apprenticeship, or the Nebraska Office of Registered Apprenticeship. Apprenticeship sponsor includes a lead apprenticeship sponsor and an employer that provides training through a lead apprenticeship sponsor;

(6) Cancellation means the termination of the registration of a quality pre-apprenticeship program or apprenticeship program at the request of the apprenticeship sponsor or the termination of an apprenticeship agreement at the request of the apprentice;

(7) Commissioner means the Commissioner of Labor;

(8) Department means the Department of Labor;

(9) Employee organization means (a) any labor union, (b) any organization of any kind, or any agency or employee representation committee, association, group, or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning an employee benefit plan or other matters incidental to employment relationships, and (c) any employees' beneficiary association organized for the purpose, in whole or in part, of establishing an employee benefit plan;

(10) Employer means a person or organization employing an apprentice, whether or not such person or organization is a party to an apprenticeship agreement with the apprentice;

ER135
LB847
AJC - 03/09/2026

(11) Employer organization means a collective organization of manufacturers, retailers, or other employers of wage labor which seeks to coordinate the behavior of its member companies in matters of mutual interest;

(12) Large apprenticeship program means an apprenticeship program with more than three hundred fifty active apprentices;

(13) Lead apprenticeship sponsor means a trade organization, labor organization, employer association, or other incorporated entity representing a group of apprenticeship sponsors;

(14) On-the-job training means training provided by an employer to which all of the following apply:

(a) The training is provided to a paid apprentice who is engaged in productive work in an occupation, and the work provides knowledge or skills essential to the full and adequate performance of the occupation; and

(b) The training is limited in duration as appropriate to the occupation for which the apprentice is being trained, based on the content of the training, the apprentice's prior work experience, and the apprentice's service strategy, as appropriate;

(15) Public member means a member of the Nebraska Apprenticeship Council who is not representing an employer organization or employee organization and who is familiar with apprenticeable occupations;

(16) Quality pre-apprenticeship program means a program or set of strategies, registered by the Nebraska Office of Registered Apprenticeship, including basic skills training, academic skills remediation, or introduction to the industry, that is designed to prepare individuals for entry into an apprenticeship program;

(17)(a) Registered apprenticeship program means a program to which all of the following apply:

(i) The program has been accepted and recorded by the Nebraska Office of Registered Apprenticeship;

ER135
LB847
AJC - 03/09/2026

(ii) The program includes all of the following:

(A) Employer involvement;

(B) On-the-job training;

(C) Related training instruction from a lead apprenticeship sponsor;

(D) Paid work experience; and

(E) Receipt of a portable state or nationally recognized credential; and

(iii) The program is for the recruitment, selection, employment, and training of apprentices and is developed pursuant to 29 C.F.R part 29 and any rules and regulations adopted and promulgated pursuant to the Nebraska Registered Apprenticeship Act.

(b) Registered apprenticeship program includes a youth apprenticeship that otherwise qualifies as a registered apprenticeship program;

(18) Registration agency means the state agency that is responsible for registering apprenticeship programs and apprentices, providing technical assistance, and conducting reviews for compliance with federal law;

(19) Related training instruction means an organized and systematic form of instruction, other than on-the-job training, to which all of the following apply:

(a) The instruction is designed to provide an apprentice with knowledge of the subjects related to the apprentice's occupation; and

(b) The instruction is given in a classroom, through occupational or industrial courses, through correspondence or online courses, or through other forms of self-study;

(20) Small apprenticeship program means an apprenticeship program with three hundred fifty or fewer active apprentices; and

(21) Youth apprenticeship means an apprenticeship program that is designed specifically for an apprentice twenty-four years of age or under.

ER135
LB847
AJC - 03/09/2026

Sec. 3. (1) The Nebraska Office of Registered Apprenticeship is established within the department in accordance with 29 U.S.C. 50 and 29 C.F.R. part 29. The office shall be operated and managed by the commissioner or the commissioner's designee.

(2) The office is established for all of the following purposes:

(a) To serve as the state apprenticeship agency as defined in 29 C.F.R. 29.2, as such regulation existed on January 1, 2026;

(b) To serve as the registration agency for this state;

(c) To establish standards of apprenticeship for quality pre-apprenticeships, youth apprenticeships, registered apprenticeships, and other apprenticeships;

(d) To establish requirements regarding the registration of quality pre-apprenticeship programs, registered youth apprenticeship programs, registered apprenticeship programs, and other apprenticeship programs in the state when the sponsor of such programs chooses to certify or register the programs with the office; and

(e) To resolve disputes between parties to an apprenticeship agreement.

Sec. 4. (1) The Nebraska Office of Registered Apprenticeship shall develop standards to create a nationally recognized state apprenticeship completion credential in compliance with, but not exceeding, standards established in 29 C.F.R. 29.5 for completing a registered apprenticeship program.

(2)(a) The office shall approve or deny the registration of a registered apprenticeship program, whether for a new program or expansion of an existing program. The office shall provide an entity whose registration is not approved with specific reasons for the disapproval and an option for modifying the application for registration.

(b) The office shall approve or deny the registration of a new apprenticeship sponsor who is providing related training instruction. The applying sponsor's apprentices may enroll in an apprenticeship program

ER135
LB847
AJC - 03/09/2026

while approval is pending; however, training shall not begin until the registration is approved. The office shall provide an apprenticeship sponsor whose registration is not approved with specific reasons for the disapproval and an option for modifying the application for registration.

(3) The office shall establish competency-based apprenticeship frameworks based on the regional and statewide collection of valuable credentials.

(4) The office shall establish a plan to provide reciprocal approval, for federal purposes, to apprentices, apprenticeship programs, and standards that are registered in other states by the United States Department of Labor, Office of Apprenticeship, or a registration agency, if such reciprocity is requested by the apprenticeship sponsor. Apprenticeship sponsors seeking reciprocal approval shall meet wage and hour provisions and apprentice ratio standards of this state.

(5) The office may consider advice provided by the Nebraska Apprenticeship Council when completing the office's duties as set forth in this section.

(6) The office shall serve as the registration agency for quality pre-apprenticeships, youth apprenticeships, registered apprenticeships, and other apprenticeships.

(7) The office shall develop a plan providing a procedure for the cancellation or deregistration of programs and for temporary suspension, cancellation, or deregistration of apprenticeship agreements.

(8) The office shall not require affiliation with a labor organization, employer organization, or other limited-membership organization as a criterion of an apprenticeship program. This subsection does not prohibit labor organizations, employer organizations, and limited-membership organizations from requiring membership to participate in the apprenticeship training provided by the organization.

Sec. 5. (1) The Nebraska Apprenticeship Council is established as an advisory council within the department pursuant to 29 C.F.R. 29.13(a)

ER135
LB847
AJC - 03/09/2026

(2), as such regulation existed on January 1, 2026.

(2) Members of the council shall be appointed by the Governor for terms of three years.

(3)(a) The council shall include at least five voting members appointed by the Governor. The members must be primarily based in Nebraska and familiar with apprenticeable occupations. Familiarity with apprenticeable occupations shall be determined by actual experience with a Nebraska apprenticeship program.

(b) The council shall have an equal number of representatives of employer organizations and employee organizations and include public members who shall not number in excess of the number named to represent either employer organizations or employee organizations. The council shall be comprised of representatives with experience in both large apprenticeship programs and small apprenticeship programs in Nebraska.

(c) The Governor shall appoint a chairperson of the council from among the voting members.

(d) The commissioner, or the commissioner's designee, shall serve as an ex officio, nonvoting member.

(4) The council shall do all of the following:

(a) Advise the Nebraska Office of Registered Apprenticeship regarding the duties set forth in the Nebraska Registered Apprenticeship Act; and

(b) Provide community outreach and education regarding the benefits of apprenticeship.

Sec. 6. The department shall be responsible for implementation and enforcement of the Nebraska Registered Apprenticeship Act. The department may adopt and promulgate rules and regulations as necessary to carry out the act.

Sec. 7. Section 29-431, Revised Statutes Cumulative Supplement, 2024, is amended to read:

29-431 As used in sections 28-416, 29-422, 29-424, 29-425, 29-431 to

ER135
LB847
AJC - 03/09/2026

29-434, ~~48-1231,~~ and 53-173, unless the context otherwise requires, infraction means the violation of any law, ordinance, order, rule, or regulation, not including those related to traffic, which is not otherwise declared to be a misdemeanor or a felony. Infraction includes violations of section 60-6,267 and beginning January 1, 2024, section 60-6,279.

Sec. 8. Section 48-302, Revised Statutes Cumulative Supplement, 2024, is amended to read:

48-302 (1) No child under sixteen years of age shall be employed or permitted or suffered to work in any employment as defined in section 48-301 within this state unless the person or corporation employing the child procures and keeps on file, accessible to the attendance officers and to the Department of Labor and its assistants and employees, an employment certificate as prescribed in section 48-304 and keeps one complete list of all such children employed in the building on file in the building in which such children are employed.

(2) Upon the termination of the employment of a child <u>or when a child reaches the age of sixteen</u> ~~so registered whose certificate is so filed~~, such certificate shall be <u>retained by the employer for at least twelve months</u> ~~transmitted by the employer to the person authorizing the certificate pursuant to section 48-303~~ and shall be <u>accessible to the attendance officers and to the Department of Labor and its assistants and employees upon request</u> ~~turned over to such child upon demand~~.

(3) Any attendance officer or the Department of Labor or its assistants and employees may demand that any employer in whose place of business a child apparently under the age of sixteen years is employed or permitted or suffered to work, and whose employment certificate is not then filed as required by this section, either furnish within ten days satisfactory evidence that such child is in fact over sixteen years of age or cease to employ or permit or suffer such child to work in such place of business. The same evidence of the age of such child may be

ER135
LB847
AJC - 03/09/2026

required from such employer as is required on the issuance of an employment certificate as provided in section 48-304, and the employer furnishing such evidence shall not be required to furnish any further evidence of the age of the child.

(4) In case such employer fails to produce and deliver to the attendance officer or the Commissioner of Labor within ten days after demand such evidence of the age of any child as may be required under the provisions of section 48-304 and continues to employ such child or permit or suffer such child to work in such place of business, proof of the giving of such notice and of such failure to produce and file such evidence shall be prima facie evidence in any prosecution brought for a violation of this section that such child is under sixteen years of age and is unlawfully employed.

Sec. 9. Section 48-303, Revised Statutes Cumulative Supplement, 2024, is amended to read:

48-303 Except as otherwise provided in this section, an employment certificate shall be approved only by the principal of the school the child attends or by a person authorized by him or her in writing or, when there is no principal, by a person authorized by the chief administrative officer of the school or the superintendent of the school district in which the child resides, except that no person authorized by this section may approve such certificate for any child then in or about to enter his or her own employment or the employment of a firm or corporation of which he or she is a member, officer, or employee or in whose business he or she is interested. If a child who resides <u>outside of Nebraska</u> ~~in an adjoining state~~ seeks to work in Nebraska, the Department of Labor may approve the employment certificate. The officer or person approving such certificate may administer the oath provided for therein or in any investigation or examination necessary for the approval thereof. No fee shall be charged for approving any such certificate or for administering any oath or rendering any services related thereto. The school approving

ER135
LB847
AJC - 03/09/2026

the employment certificate, or the department if the department has approved the employment certificate, shall establish and maintain proper records where copies of all such certificates and all documents connected therewith shall be filed and preserved and shall provide the necessary clerical services for carrying out sections 48-302 to 48-313. The person who issued the employment certificate shall report to the department any complaint concerning the conditions of employment of a child for whom a certificate is in force. Upon receipt of the report, the department shall make such investigation as it deems advisable to protect an individual child or to promote the youth-work program.

Sec. 10. Section 48-309, Reissue Revised Statutes of Nebraska, is amended to read:

48-309 The age and schooling certificate provided for herein shall be made out upon blank forms prescribed and furnished ~~in triplicate~~ by the Department of Labor.

Sec. 11. Section 48-602, Revised Statutes Supplement, 2025, is amended to read:

48-602 For purposes of the Employment Security Law, unless the context otherwise requires:

(1) Agricultural labor means services performed:

(a) On a farm, in the employ of any employer, in connection with cultivating the soil or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, fur-bearing animals, and wildlife;

(b) In the employ of the owner, tenant, or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment or in salvaging timber or clearing land of brush and other debris left by a windstorm, if the major part of such service is performed on a farm;

(c) In connection with the production or harvesting of any commodity

ER135
LB847
AJC - 03/09/2026

in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(d)(i) In the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity, but only if such operator produced more than one-half of the commodity with respect to which such service is performed, or (ii) in the employ of a group of operators of farms, or a cooperative organization of which such operators are members, in the performance of service described in subdivision (1)(d)(i) of this section, but only if such operators produced more than one-half of the commodity with respect to which such service is performed. Subdivisions (1)(d)(i) and (ii) of this section shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

(e) On a farm operated for profit if such service is not in the course of the employer's trade or business;

(2) Base period means the first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year, except that if the individual is not monetarily eligible for unemployment benefits as determined pursuant to section 48-627.01 based upon wages paid during the first four of the five most recently completed calendar quarters, the department shall make a redetermination of monetary eligibility based upon an alternative base period which consists of the last four completed calendar quarters immediately preceding the first day of the claimant's benefit year;

(3) Benefits means the money payments payable to an individual with

ER135
LB847
AJC - 03/09/2026

respect to his or her unemployment;

(4) Benefit year, with respect to any individual, means the one-year period beginning with the first day of the first week with respect to which the individual first files a valid claim for benefits, and thereafter the one-year period beginning with the first day of the first week with respect to which the individual next files a valid claim for benefits after the termination of his or her last preceding benefit year. Any claim for benefits made in accordance with section 48-629 shall be deemed to be a valid claim for the purpose of this subdivision if the individual has been paid the wages for insured work required under section 48-627.01. For the purposes of this subdivision a week with respect to which an individual files a valid claim shall be deemed to be in, within, or during that benefit year which includes the greater part of such week;

(5) Calendar quarter means the period of three consecutive calendar months ending on March 31, June 30, September 30, or December 31, or the equivalent thereof as the Commissioner of Labor may by rule and regulation prescribe;

(6) Client means any individual, partnership, limited liability company, corporation, or other legally recognized entity that contracts with a professional employer organization to obtain professional employer services relating to worksite employees through a professional employer agreement;

(7) Combined tax means the employer liability consisting of contributions and the state unemployment insurance tax;

(8) Combined tax rate means the rate which is applied to wages to determine the combined taxes due;

(9) Commissioner means the Commissioner of Labor;

(10) Commodity means an agricultural commodity as defined in section 15(g) of the federal Agricultural Marketing Act, as amended, 12 U.S.C. 1141j;

ER135
LB847
AJC - 03/09/2026

(11) Contribution rate means the percentage of the combined tax rate used to determine the contribution portion of the combined tax;

(12) Contributions means that portion of the combined tax based upon the contribution rate portion of the combined tax rate which is deposited in the state Unemployment Compensation Fund as required by sections 48-648 and 48-649 to 48-649.04;

(13) Crew leader means an individual who furnishes individuals to perform service in agricultural labor for any other person, pays, either on his or her own behalf or on behalf of such other person, the individuals so furnished by him or her for the service in agricultural labor performed by them, and has not entered into a written agreement with such other person under which such individual is designated as an employee of such other person;

(14) Department means the Department of Labor;

(15) Employers engaged in the construction industry means all employers primarily engaged in business activities classified as sector 23 business activities under the North American Industry Classification System;

(16) Employment office means a free public employment office or branch thereof, operated by this state or maintained as a part of a state-controlled system of public employment offices, including public employment offices operated by an agency of a foreign government;

(17) Farm means stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards;

(18) Fund means the Unemployment Compensation Fund established by section 48-617 to which all contributions and payments in lieu of contributions required and from which all benefits provided shall be paid;

(19) Hearing officer means a person employed by the Department of

ER135
LB847
AJC - 03/09/2026

Labor who conducts hearings, contested cases, or other proceedings pursuant to the Employment Security Law;

(20) Hospital means an institution which has been licensed, certified, or approved by the Department of Health and Human Services as a hospital;

(21) Insured work means employment for employers;

(22) Leave of absence means any absence from work: (a) Mutually and voluntarily agreed to by the employer and the employee; (b) mutually and voluntarily agreed to between the employer and the employee's bargaining agent; or (c) to which the employee is entitled as a matter of state or federal law;

(23) Paid vacation leave means a period of time while employed or following separation from employment in which the individual renders no services to the employer but is entitled to receive vacation pay equal to or exceeding his or her base weekly wage;

(24) Payments in lieu of contributions means the money payments to the Unemployment Compensation Fund required by sections 48-649.04, 48-652, 48-660.01, and 48-661;

(25) Professional employer agreement means a written professional employer services contract whereby:

(a) A professional employer organization agrees to provide payroll services, employee benefit administration, or personnel services for a majority of the employees providing services to the client at a client worksite;

(b) The agreement is intended to be ongoing rather than temporary in nature; and

(c) Employer responsibilities for worksite employees, including those of hiring, firing, and disciplining, are shared between the professional employer organization and the client by contract. The term professional employer agreement shall not include a contract between a parent corporation, company, or other entity and a wholly owned

ER135
LB847
AJC - 03/09/2026

subsidiary;

(26) Professional employer organization means any individual, partnership, limited liability company, corporation, or other legally recognized entity that enters into a professional employer agreement with a client or clients for a majority of a client's workforce at a client worksite. The term professional employer organization does not include an insurer as defined in section 44-103 or a temporary help firm;

(27) Standard rate means the rate assigned to category twenty for that year under section 48-649.03. The standard rate shall be not less than five and four-tenths percent of the employer's annual taxable payroll;

(28) State includes, in addition to the states of the United States of America, any dependency of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, and the District of Columbia;

(29) State unemployment insurance tax means that portion of the combined tax which is based upon the state unemployment insurance tax rate portion of the combined tax rate and which is deposited in the Workforce Development Program Cash Fund <u>and the Business Innovation Cash Fund</u> as required by sections 48-648 and 48-649 to 48-649.04;

(30) State unemployment insurance tax rate means the percentage of the combined tax rate used to determine the state unemployment insurance tax portion of the combined tax;

(31) Temporary employee means an employee of a temporary help firm assigned to work for the clients of such temporary help firm;

(32) Temporary help firm means a firm that hires its own employees and assigns them to clients to support or supplement the client's workforce in work situations such as employee absences, temporary skill shortages, seasonal workloads, and special assignments and projects;

(33) Unemployed means an individual during any week in which the individual performs no service and with respect to which no wages are payable to the individual or any week of less than full-time work if the

ER135
LB847
AJC - 03/09/2026

wages payable with respect to such week are less than the individual's weekly benefit amount, but does not include any individual on a leave of absence or on paid vacation leave. When an agreement between the employer and a bargaining unit representative does not allocate vacation pay allowance or pay in lieu of vacation to a specified period of time during a period of temporary layoff or plant shutdown, the payment by the employer or his or her designated representative will be deemed to be wages as defined in this section in the week or weeks the vacation is actually taken;

(34) Unemployment Trust Fund means the trust fund in the Treasury of the United States of America established under section 904 of the federal Social Security Act, 42 U.S.C. 1104, as such section existed on January 1, 2015, which receives credit from the state Unemployment Compensation Fund;

(35) Wages, except with respect to services performed in employment as provided in subdivisions (4)(c) and (d) of section 48-604, means all remuneration for personal services, including commissions and bonuses, remuneration for personal services paid under a contract of hire, and the cash value of all remunerations in any medium other than cash. The reasonable cash value of remuneration in any medium other than cash shall be estimated and determined in accordance with rules and regulations adopted and promulgated by the commissioner. Wages includes tips which are received while performing services which constitute employment and which are included in a written statement furnished to the employer pursuant to section 6053(a) of the Internal Revenue Code as defined in section 49-801.01.

With respect to services performed in employment in agricultural labor as is provided in subdivision (4)(c) of section 48-604, wages means cash remuneration and the cash value of commodities not intended for personal consumption by the worker and his or her immediate family for such services. With respect to services performed in employment in

ER135
LB847
AJC - 03/09/2026

domestic service as is provided in subdivision (4)(d) of section 48-604, wages means cash remuneration for such services.

The term wages does not include:

(a) The amount of any payment, including any amount paid by an employer for insurance or annuities or into a fund to provide for such payment, made to, or on behalf of, an individual in employment or any of his or her dependents under a plan or system established by an employer which makes provision for such individuals generally or for a class or classes of such individuals, including any amount paid by an employer for insurance or annuities or into a fund to provide for any such payment, on account of (i) sickness or accident disability, except, in the case of payments made to an employee or any of his or her dependents, this subdivision (i) shall exclude from wages only payments which are received under a workers' compensation law, (ii) medical and hospitalization expenses in connection with sickness or accident disability, or (iii) death;

(b) The payment by an employer, without deduction from the remuneration of the employee, of the tax imposed upon an employee under section 3101 of the Internal Revenue Code as defined in section 49-801.01;

(c) Any payment on account of sickness or accident disability, or medical or hospitalization expenses in connection with sickness or accident disability, made by an employer to, or on behalf of, an individual after the expiration of six calendar months following the last calendar month in which such individual worked for such employer;

(d) Any payment made to, or on behalf of, an individual or his or her beneficiary (i) from or to a trust described in section 401(a) of the Internal Revenue Code as defined in section 49-801.01 which is exempt from tax under section 501(a) of the Internal Revenue Code as defined in section 49-801.01 at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as such

ER135
LB847
AJC - 03/09/2026

employee and not as a beneficiary of the trust or (ii) under or to an annuity plan which, at the time of such payment, meets the requirements of section 401 of the Internal Revenue Code as defined in section 49-801.01;

(e) Any payment made to, or on behalf of, an employee or his or her beneficiary (i) under a simplified employee pension as defined by the commissioner, (ii) under or to an annuity contract as defined by the commissioner, other than a payment for the purchase of such contract which is made by reason of a salary reduction agreement, whether evidenced by a written instrument or otherwise, (iii) under or to an exempt governmental deferred compensation plan as defined by the commissioner, (iv) to supplement pension benefits under a plan or trust, as defined by the commissioner, to take into account some portion or all of the increase in the cost of living since retirement, but only if such supplemental payments are under a plan which is treated as a welfare plan, or (v) under a cafeteria benefits plan;

(f) Remuneration paid in any medium other than cash to an individual for service not in the course of the employer's trade or business;

(g) Benefits paid under a supplemental unemployment benefit plan which satisfies the eight points set forth in Internal Revenue Service Revenue Ruling 56-249 as the ruling existed on January 1, 2015, and is in compliance with the standards set forth in Internal Revenue Service Revenue Rulings 58-128 and 60-330 as the rulings existed on January 1, 2015; and

(h) Remuneration for service performed in the employ of any state in the exercise of his or her duties as a member of the Army National Guard or Air National Guard or in the employ of the United States of America as a member of any military reserve unit;

(36) Week means such period of seven consecutive days as the commissioner may by rule and regulation prescribe;

(37) Week of unemployment with respect to any individual means any

ER135
LB847
AJC - 03/09/2026

week during which he or she performs less than full-time work and the wages payable to him or her with respect to such week are less than his or her weekly benefit amount;

(38) Wholly owned subsidiary means a corporation, company, or other entity which has eighty percent or more of its outstanding voting stock or membership owned or controlled, directly or indirectly, by the parent entity; and

(39) Worksite employee has the same meaning as the term covered employee in section 48-2702.

Sec. 12. Section 48-622.01, Revised Statutes Supplement, 2025, is amended to read:

48-622.01 There is hereby created in the state treasury a special fund to be known as the State Unemployment Insurance Trust Fund. The fund terminates on July 1, 2025, and the State Treasurer shall transfer any money in the fund on such date to the Workforce Development Program Cash Fund. Beginning July 1, 2025, all state unemployment insurance tax collected under sections 48-648 to 48-661, less refunds, shall be paid into the Workforce Development Program Cash Fund<u> and the Business Innovation Cash Fund</u>.

Sec. 13. Section 48-648, Revised Statutes Supplement, 2025, is amended to read:

48-648 (1) With respect to wages for employment, combined tax shall accrue and become payable by each employer not otherwise entitled to make payments in lieu of contributions for each calendar year in which he or she is subject to the Employment Security Law. Such combined tax shall become due and be paid by each employer to the commissioner for the Workforce Development Program Cash Fund<u>, the Business Innovation Cash Fund,</u> and the Unemployment Trust Fund in such manner and at such times as the commissioner may, by rule and regulation, prescribe. Such combined tax shall not be deducted, in whole or in part, from the wages of individuals in such employer's employ.

ER135
LB847
AJC - 03/09/2026

(2) The commissioner may require any employer whose annual payroll for either of the two preceding calendar years has equaled or exceeded one hundred thousand dollars to file combined tax returns and pay combined taxes owed by an electronic method approved by the commissioner, except when the employer establishes to the satisfaction of the commissioner that filing the combined tax return or payment of the tax by an electronic method would create a hardship for the employer.

(3) In the payment of any combined tax, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent. If the combined tax due for any reporting period is less than five dollars, the employer need not remit the combined tax.

(4) If two or more related corporations or limited liability companies concurrently employ the same individual and compensate such individual through a common paymaster which is one of such corporations or limited liability companies, each such corporation or limited liability company shall be considered to have paid as remuneration to such individual only the amounts actually disbursed by it to such individual and shall not be considered to have paid as remuneration to such individual amounts actually disbursed to such individual by another of such corporations or limited liability companies. An employee of a wholly owned subsidiary shall be considered to be concurrently employed by the parent corporation, company, or other entity and the wholly owned subsidiary whether or not both companies separately provide remuneration.

(5) The professional employer organization shall report and pay combined tax, penalties, and interest owed for wages earned by worksite employees under the client's employer account number using the client's combined tax rate. The client is liable for the payment of unpaid combined tax, penalties, and interest owed for wages paid to worksite employees, and the worksite employees shall be considered employees of the client for purposes of the Employment Security Law.

ER135
LB847
AJC - 03/09/2026

(6) The Commissioner of Labor may require by rule and regulation that each employer subject to the Employment Security Law shall submit to the commissioner quarterly wage reports on such forms and in such manner as the commissioner may prescribe. The commissioner may require by rule and regulation an annual administrative and operational support fee for such reports for employers eligible for experience rating under section 48-649.03 regardless of their election to be contributory or reimbursable. The annual administrative and operational support fee shall be a graduated fee based upon gross wages paid for the prior calendar year. Each employer shall be assigned a fee category pursuant to the table below.

Gross Wages Paid – Previous Calendar Year	Category
$0	1
$0.01 to $49,999.99	2
$50,000 to $99,999.99	3
$100,000 to $249,999.99	4
$250,000 to $499,999.99	5
$500,000 to $999,999.99	6
$1,000,000 to $1,999,999.99	7
$2,000,000 to $2,999,999.99	8
$3,000,000 to $3,999,999.99	9
$4,000,000 to $4,999,999.99	10
$5,000,000 to $5,999,999.99	11
$6,000,000 to $6,999,999.99	12
$7,000,000 to $7,999,999.99	13
$8,000,000 to $8,999,999.99	14
$9,000,000 to $9,999,999.99	15
$10,000,000 or more	16

The commissioner shall remit the annual administrative and

ER135
LB847
AJC - 03/09/2026

operational support fee to the State Treasurer for credit to the Contractor, Business, and Professional Employer Organization Registration Cash Fund. If the balance of the Contractor, Business, and Professional Employer Organization Registration Cash Fund reaches or exceeds fifteen million dollars at the close of any fiscal year, the commissioner shall, by rule and regulation, ratably reduce the annual administrative and operational support fee for the subsequent year in an amount sufficient to maintain the fund balance at or below such amount. The commissioner may require any employer whose annual payroll for either of the two preceding calendar years has equaled or exceeded one hundred thousand dollars to file wage reports by an electronic method approved by the commissioner, except when the employer establishes to the satisfaction of the commissioner that filing by an electronic method would create a hardship for the employer. The quarterly wage reports shall be used by the commissioner to make monetary determinations of claims for benefits.

Sec. 14. Section 48-649.01, Revised Statutes Supplement, 2025, is amended to read:

48-649.01 (1) By December 1 of each calendar year, the commissioner shall determine the state unemployment insurance tax rate for the following year based on information available through the department.

(2) If the state unemployment insurance tax rate is determined to be zero percent pursuant to subsection (1) of this section, the contribution rate for all employers shall equal one hundred percent of the combined tax rate.

(3) If the state unemployment insurance tax rate is not zero percent as determined in this section, the combined tax rate shall be divided so that not less than fifty ~~eighty~~ percent of the combined tax rate equals the contribution rate and not more than fifty ~~twenty~~ percent of the combined tax rate equals the state unemployment insurance tax rate except for employers who are assigned a combined tax rate of five and four-tenths percent or more. For those employers, the state unemployment

ER135
LB847
AJC - 03/09/2026

insurance tax rate shall equal zero and their combined tax rate shall equal their contribution rate.

(4) On or before December 31 of each calendar year, the commissioner shall designate the percentage and proportion of the state unemployment insurance tax rate that shall be remitted to the Workforce Development Program Cash Fund for the support of workforce development programs and to the Business Innovation Cash Fund for the support of workforce innovation programs. The department shall execute a memorandum of understanding with the Department of Economic Development before September 30 of each calendar year to ensure the commissioner receives sufficient information regarding the current status of programs administered under the Business Innovation Act, including any data necessary for the commissioner to make an informed determination pursuant to this section.

Sec. 15. Section 48-657, Revised Statutes Supplement, 2025, is amended to read:

48-657 (1)(a) If any employer defaults in any payment of combined tax or interest, the commissioner may make in any manner feasible and cause to be filed as a secured transaction as provided in article 9, Uniform Commercial Code, and in the real estate mortgage records of any county in which such employer is engaged in business or owns real or personal property, a statement, under oath, showing the amount of combined tax and interest in default, which statement, when filed for record, shall operate as a lien and mortgage on all of the real and personal property of the employer, subject only to the liens of prior record, and the property of such employer shall be subject to seizure and sale for the payment of such combined taxes and interest. Such lien on personal property may be enforced or dissolved in the manner provided by article 9, Uniform Commercial Code, and such liens on real estate may be enforced or dissolved in the manner provided by Chapter 25, article 21, in the enforcing and dissolving of real estate mortgages. This

ER135
LB847
AJC - 03/09/2026

subdivision shall only apply to liens filed prior to May 1, 1999.

(b) A lien for unpaid combined taxes filed or recorded pursuant to subdivision (a) of this subsection shall lapse at the earlier of its expiration date or the fifth anniversary of the filing or recording date, unless the commissioner files a notice of continuation in the place of the original filing or recording and with the appropriate filing officer in the manner provided for in the Uniform State Tax Lien Registration and Enforcement Act before such lien lapses. A notice of continuation shall include all of the information required by the act, the date of the filing or recording of the original lien, and a statement that the original lien is to be continued for ten years. Thereafter, such lien shall be enforced and notices of continuation filed in accordance with the act.

(c) On and after May 1, 1999, if any employer defaults in any payment of combined tax or interest, the commissioner may file a lien against such employer in accordance with the Uniform State Tax Lien Registration and Enforcement Act. Such liens shall set forth the amount of combined tax and interest in default and shall be continued and enforced as provided in the Uniform State Tax Lien Registration and Enforcement Act.

(2) It shall be the duty of the State of Nebraska, or any department or agency thereof, county boards, the contracting board of all cities, villages, and school districts, all public boards empowered by law to enter into a contract by public bidding for the erecting and finishing or the repairing of any public building, bridge, highway, or other public structure or improvement, and any officer or officers so empowered by law to enter into such contract to provide in such contract that the person, persons, firm, or corporation to whom the contract is awarded will pay to the Unemployment Compensation Fund of the State of Nebraska<u>, the Business Innovation Cash Fund,</u> and the Workforce Development Program Cash Fund unemployment combined tax and interest due under the Employment Security

ER135
LB847
AJC - 03/09/2026

Law on wages paid to individuals employed in the performance of such contract.

(3) No contract referred to in subsection (2) of this section shall be entered into by the State of Nebraska, a department or agency thereof, an officer or officers, or a board referred to in such subsection unless the contract contains the proviso mentioned in such subsection.

(4) Before final payment may be made on the final three percent of any such contract awarded on or after June 1, 1957, the State of Nebraska, department or agency thereof, officer or officers, or board awarding the contract must have received from the contractor a written clearance from the commissioner certifying that all payments then due of combined tax or interest which may have arisen under such contract have been made by the contractor or his or her subcontractor to the Unemployment Compensation Fund.

(5) The final three percent of any such contract referred to in subsection (4) of this section may be paid if the contractor has supplied a bond with a satisfactory surety company guaranteeing full payment to the Unemployment Compensation Fund<u>, the Business Innovation Cash Fund,</u> and the Workforce Development Program Cash Fund of all combined tax and interest due under the Employment Security Law.

Sec. 16. Section 48-1231, Reissue Revised Statutes of Nebraska, is amended to read:

48-1231 (1) An employee having a claim for wages which are not paid within thirty days of the regular payday designated or agreed upon may institute suit for such unpaid wages in the proper court. If an employee establishes a claim and secures judgment on the claim, such employee shall be entitled to recover the full amount of the judgment and all costs of such suit, including reasonable attorney's fees. If the cause is taken to an appellate court and the employee recovers a judgment, the appellate court shall award reasonable attorney's fees to the employee. If the employee fails to recover a judgment in excess of the amount that

ER135
LB847
AJC - 03/09/2026

may have been tendered within thirty days of the regular payday by an employer, such employee shall not recover the attorney's fees provided by this subsection. If the court finds that no reasonable dispute existed as to the fact that wages were owed or as to the amount of such wages, the court may order the employee to pay the employer's attorney's fees and costs of the action as assessed by the court.

(2) If an employee works for an employer that is not subject to the Nebraska Fair Employment Practice Act and such employee is aggrieved by a violation of section 48-1235, the employee may bring a suit against such employer in the proper court to recover the damages sustained by reason of such violation. If an employee prevails in a suit brought pursuant to this subsection, such employee shall be entitled to recover the full amount of the judgment and all costs of such suit, including reasonable attorney's fees. If the cause is taken to an appellate court and the employee recovers a judgment, the appellate court shall award reasonable attorney's fees to the employee.

~~(3) An employer who fails to furnish a wage statement under subsection (2) of section 48-1230 shall be guilty of an infraction as defined in section 29-431 and shall be subject to a fine pursuant to section 29-436.~~

(3) ~~(4)~~ If an employee institutes suit against an employer under subsection (1) or (2) of this section, any citation that is issued against such employer under section 48-1234 and that relates directly to the facts in dispute shall be admitted into evidence unless specifically excluded by the court. If a citation has been contested as described in subsection (3) of section 48-1234, it shall not be admitted into evidence under this subsection until after such contest has been resolved.

Sec. 17. Section 48-1233, Reissue Revised Statutes of Nebraska, is amended to read:

48-1233 (1) The Commissioner of Labor shall have the authority to subpoena records and witnesses related to the enforcement of the Nebraska

ER135
LB847
AJC - 03/09/2026

Wage Payment and Collection Act. The commissioner or his or her agent may inspect all related records and gather testimony on any matter relative to the enforcement of the act when the information sought is relevant to a lawful investigative purpose and is reasonable in scope.

(2) In case of contumacy by or refusal to obey a subpoena issued to any person, any court of competent jurisdiction, upon application by the commissioner, may issue to that person an order requiring such person to appear before the commissioner or the officer designated by the commissioner to produce documentary evidence if so ordered or to give evidence touching on the matter under investigation or in question. Any failure to obey the order of the court may be punished by the court as a contempt of the court.

Sec. 18. Section 48-1234, Reissue Revised Statutes of Nebraska, is amended to read:

48-1234 (1) The Commissioner of Labor shall issue a citation to an employer when an investigation reveals that the employer may have violated the Nebraska Wage Payment and Collection Act ~~, other than a violation of subsection (2) of section 48-1230~~.

(2) When a citation is issued, the commissioner shall notify the employer of the proposed administrative penalty, if any, by certified mail or any other manner of delivery by which the United States Postal Service can verify delivery or by any method of service recognized under Chapter 25, article 5. The administrative penalty shall be not more than five hundred dollars in the case of a first violation and not more than five thousand dollars in the case of a second or subsequent violation.

(3) The employer has fifteen working days after the date of the citation or penalty to contest such citation or penalty. Notice of contest shall be sent to the commissioner who shall provide a hearing in accordance with the Administrative Procedure Act.

(4) Any employer who has an unpaid citation for a violation of the Nebraska Wage Payment and Collection Act shall be barred from contracting

ER135
LB847
AJC - 03/09/2026

with the state or any political subdivision until such citation is paid. If a citation has been contested as described in subsection (3) of this section, it shall not be considered an unpaid citation under this subsection until after such contest has been resolved.

(5) Citations issued under this section and the names of employers who have been issued a citation shall be made available to the public upon request, except that this subsection shall not apply to any citations that are being contested as described in subsection (3) of this section.

Sec. 19. Section 48-1706, Reissue Revised Statutes of Nebraska, is amended to read:

48-1706 Each application shall be accompanied by a fee. The Commissioner of Labor shall establish the amount of the fee, which shall not exceed seven hundred fifty dollars, by rule and regulation. The fee shall be established with due regard for the costs of administering the Farm Labor Contractors Act. All fees so collected shall be deposited in the Contractor, Business, and Professional Employer Organization Registration Cash Fund.

Sec. 20. Section 48-2107, Revised Statutes Cumulative Supplement, 2024, is amended to read:

48-2107 ~~(1)~~ Each application or renewal under section 48-2105 shall be signed by the applicant and accompanied by a fee not to exceed forty dollars. The commissioner may adopt and promulgate rules and regulations to establish the criteria for acceptability of filing documents and making payments electronically. The criteria may include requirements for electronic signatures. The commissioner may refuse to accept any electronic filings or payments that do not meet the criteria established. The fee shall not be required when an amendment to an application is submitted. The commissioner shall remit the fees collected under this subsection to the State Treasurer for credit to the Contractor, Business, and Professional Employer Organization Registration Cash Fund.

ER135
LB847
AJC - 03/09/2026

~~(2) A contractor shall not be required to pay the fee under subsection (1) of this section if (a) the contractor is self-employed and does not pay more than three thousand dollars annually to employ other persons in the business and the application contains a statement made under oath or equivalent affirmation setting forth such information or (b) the contractor only engages in the construction of water wells or installation of septic systems. At any time that a contractor no longer qualifies for exemption from the fee, the fee shall be paid to the department. Any false statement made under subdivision (2)(a) of this section shall be a violation of section 28-915.01.~~

Sec. 21. Section 48-2710, Reissue Revised Statutes of Nebraska, is amended to read:

48-2710 (1) The department shall adopt a schedule of fees for initial registration, annual registration renewal, and limited registration, not to exceed two thousand five hundred dollars for initial registration, one thousand five hundred dollars for annual registration renewal, and one thousand dollars for limited registration. Such fees shall not exceed those reasonably necessary for the administration of the Professional Employer Organization Registration Act.

(2) Fees imposed pursuant to this section shall be remitted to the State Treasurer for credit to the Contractor<u>, Business,</u> and Professional Employer Organization Registration Cash Fund.

Sec. 22. Section 48-2905, Reissue Revised Statutes of Nebraska, is amended to read:

48-2905 <u>(1) The commissioner may make such investigations as he or she finds necessary or appropriate to determine whether there is compliance with the Employee Classification Act. Investigations shall take place at the times and places as the commissioner directs. For purposes of any investigation under this section, the commissioner or any person designated by him or her may interview persons at the worksite, take photographs, and utilize other reasonable investigatory techniques.</u>

ER135
LB847
AJC - 03/09/2026

The conduct of the investigation shall be such as to preclude unreasonable disruption of the operations of the worksite. Investigations may be conducted, without prior notice, by correspondence, telephone conversations, or review of materials submitted to the department.

(2) The commissioner or any officer designated by him or her shall have the power to administer oaths and affirmations, issue subpoenas, compel the attendance of witnesses, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records which the commissioner deems relevant or material to the inquiry.

(3) In case of contumacy by or refusal to obey a subpoena issued to any person, any court of competent jurisdiction, upon application by the commissioner, may issue to that person an order requiring such person to appear before the commissioner or the officer designated by the commissioner to produce documentary evidence if so ordered or to give evidence touching on the matter under investigation or in question. Any failure to obey the order of the court may be punished by the court as a contempt of the court.

(4) ~~The department shall establish and operate a hotline and website for individuals to report suspected violations of the Employee Classification Act. The hotline and website may be operated in conjunction with the requirements of the Contractor Registration Act. At a minimum, the department shall require the reporting individual to provide contact information and a description of the suspected violation including the name of the business and job site location.~~ Except to the extent needed in any administrative hearing, civil action, or criminal proceeding brought to enforce the Employment Security Law, Nebraska Revenue Act of 1967, or Nebraska Workers' Compensation Act, information obtained by the department under this section or obtained from any individual pursuant to the administration of the Employee Classification Act shall be held confidential.

ER135
LB847
AJC - 03/09/2026

Sec. 23. Section 81-406, Reissue Revised Statutes of Nebraska, is amended to read:

81-406 (1) The Contractor, Business, and Professional Employer Organization Registration Cash Fund is created. The fund shall be administered by the Department of Labor and shall consist of fees collected by the department pursuant to the Farm Labor Contractors Act, the Contractor Registration Act, and the Professional Employer Organization Registration Act, the annual administrative and operational support fee described in section 48-648, and such sums as are appropriated to the fund by the Legislature.

(2) The fund shall be used for:

(a) Enforcing ~~enforcing~~ and administering:

(i) The Employment Security Law;

(ii) The ~~the~~ Farm Labor Contractors Act;

(iii) The ~~, the~~ Contractor Registration Act;

(iv) The ~~, the~~ Employee Classification Act;

(v) The ~~, and the~~ Professional Employer Organization Registration Act; ~~.~~

(vi) The Non-English-Speaking Workers Protection Act;

(vii) The Wage and Hour Act;

(viii) The Nebraska Wage Payment and Collection Act;

(ix) The Nebraska Healthy Families and Workplaces Act;

(x) The child labor provisions found in sections 48-302 to 48-313;

(xi) The veterans preference provisions found in sections 48-225 to 48-231 and section 48-238;

(xii) The military employment provisions found in sections 55-160 to 55-166; and

(xiii) The onsite safety and health consultation program provided to private sector employers under 29 C.F.R. part 1908;

(b) Any other purposes related to the proper administration of programs under the Department of Labor, as determined by the Commissioner

ER135
LB847
AJC - 03/09/2026

of Labor; and

(c) Workforce development grants to be used in accordance with subsection (2) of section 81-407. No transfer from the Contractor, Business, and Professional Employer Organization Registration Cash Fund shall be made to the Workforce Development Program Cash Fund for this purpose except on written authorization by the Governor at the request of the Commissioner of Labor.

(3) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. ~~Money in the Contractor and Professional Employer Organization Registration Cash Fund may be transferred to the General Fund at the direction of the Legislature.~~

~~The State Treasurer shall transfer one million seven hundred thousand dollars from the Contractor and Professional Employer Organization Registration Cash Fund to the General Fund on or before June 15, 2018, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.~~

Sec. 24. Section 81-1201.21, Revised Statutes Supplement, 2025, is amended to read:

81-1201.21 (1) There is hereby created the Job Training Cash Fund. The fund shall be under the direction of the Department of Economic Development. Money may be transferred to the fund pursuant to subdivision (1)(b)(iii) of section 48-621 and from the Cash Reserve Fund at the direction of the Legislature. The department shall establish a subaccount for all money transferred from the Cash Reserve Fund to the Job Training Cash Fund on or after July 1, 2005.

(2) The money in the Job Training Cash Fund or the subaccount established in subsection (1) of this section shall be used (a) to provide reimbursements for job training activities, including employee

ER135
LB847
AJC - 03/09/2026

assessment, preemployment training, on-the-job training, training equipment costs, and other reasonable costs related to helping industry and business locate or expand in Nebraska, (b) to provide upgrade skills training of the existing labor force necessary to adapt to new technology or the introduction of new product lines, or (c) as provided in section 79-2308. The department shall give a preference to job training activities carried out in whole or in part within an enterprise zone designated pursuant to the Enterprise Zone Act or an opportunity zone designated pursuant to the federal Tax Cuts and Jobs Act, Public Law 115-97.

(3) The department shall establish a subaccount within the fund to provide training grants for training employees and potential employees of businesses that (a) employ twenty-five or fewer employees on the application date, (b) employ, or train for potential employment, residents of rural areas of Nebraska, or (c) are located in or employ, or train for potential employment, residents of high-poverty areas as defined in section 81-1203. The department shall calculate the amount of prior year investment income earnings accruing to the fund and allocate such amount to the subaccount for training grants under this subsection. The subaccount shall also be used as provided in the Teleworker Job Creation Act. The department shall give a preference to training grants for businesses located in whole or in part within an enterprise zone designated pursuant to the Enterprise Zone Act.

(4) On April 5, 2018, any funds that were dedicated to carrying out sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~ but were not yet expended shall be transferred to the Intern Nebraska Cash Fund.

(5) Transfers may be made from the Job Training Cash Fund to the General Fund at the direction of the Legislature. Any money in the Job Training Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

ER135
LB847
AJC - 03/09/2026

Sec. 25. Section 81-1210.01, Reissue Revised Statutes of Nebraska, is amended to read:

~~81-1210.01~~ For purposes of sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~:

(1) Department means the Department of Labor ~~Economic Development~~;

(2) Internship means employment of a student in a professional or technical position for a limited period of time, by a business in Nebraska, in which the student:

(a) Gains valuable applied work experiences;

(b) Increases knowledge and develops connections that assist with career decisionmaking;

(c) Has the opportunity to match with an employer seeking talent to evaluate, develop, and retain; or

(d) Receives credited or certified training for skilled positions that will help resolve skilled workforce shortages and create talent pipelines for Nebraska industries; and

(3) Student means any person who:

(a) Is in eleventh or twelfth grade in a public or private high school or a school which elects pursuant to section 79-1601 not to meet accreditation or approval requirements in Nebraska;

(b) Is enrolled in a college, a university, a certified training institution, or some other institution of higher education; or

(c) Applies for an internship within twelve months following graduation from a public or private secondary school, a school that elects pursuant to section 79-1601 not to meet accreditation or approval requirements in Nebraska, or a college, a university, a certified training institution, or some other institution of higher education.

Sec. 26. Section 81-1210.02, Reissue Revised Statutes of Nebraska, is amended to read:

~~81-1210.02~~ (1) The intent of sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~ is to provide students with valuable internship

ER135
LB847
AJC - 03/09/2026

opportunities in order to retain such students in the State of Nebraska at institutions of higher education, convert students to full-time employment in Nebraska, and attract workers to Nebraska by assisting Nebraska businesses willing to provide paid internships.

(2) A business may apply to the department for a grant to assist in providing a student an internship if:

(a) The business certifies that the internship meets the definition of internship in section 25 of this act ~~81-1210.01~~;

(b) The business will pay the student at least the state minimum hourly wage for the internship;

(c) The internship will be completed within the State of Nebraska;

(d) The internship will be completed within a period of no more than twenty-four months; and

(e) The internship will be for a duration sufficient to allow the student to gain significant valuable work experience and knowledge.

(3)(a) The department may provide grants for internships to reimburse the cost of wages paid to businesses with less than one hundred fifty full-time-equivalent employees.

(b) The department may also provide grants for internships to any business to reimburse the costs for any of the following:

(i) Tuition reimbursement for courses at institutions of higher education;

(ii) Internship housing;

(iii) Transportation expenses relating to internships; and

(iv) Internship administrative or recruitment costs.

(c) The maximum grant award per internship is seven thousand five hundred dollars.

(4) A business may apply for no more than two grants for the same student and shall not be awarded more than one hundred grants total in any twelve-month period.

(5) A business may allow a student to telecommute if the business is

ER135
LB847
AJC - 03/09/2026

located in Nebraska and the college, university, or other institution of higher education in which the student is enrolled is in Nebraska.

(6) The department shall, to the extent possible, assure that the distribution of grants under sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~ provides equitable access to the grants by all geographic areas of the state.

(7) The department shall, to the extent possible, assure that the grants awarded pursuant to sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~ are for internships which provide valuable learning opportunities for students who will be seeking employment in a professional or technical field.

(8) The department shall not allocate more than one million five hundred thousand dollars in any one fiscal year from the Job Training Cash Fund or its subaccounts for purposes of this section. The department may receive funds from public, private, or other sources for purposes of this section.

(9) The department shall develop a qualified action plan by January 1 of each even-numbered year. The plan shall, at a minimum, set forth the department's priorities and selection criteria for awarding grants for internships. In order to encourage students from across Nebraska to pursue internships, the plan shall also include strategies for affirmatively marketing internships to Nebraska students in high schools, colleges, universities, and other institutions of higher education in Nebraska. Such strategies shall place an emphasis on marketing to underserved student populations as defined by the department in the plan. The department shall submit the plan to the Governor for approval.

(10) ~~The department shall execute a memorandum of understanding with the Department of Labor before December 31, 2022, to ensure the exchange of available Department of Labor data throughout the continuum from prekindergarten to postsecondary education to the workforce.~~ The department may utilize data and agreements under sections 79-776, 85-110,

ER135
LB847
AJC - 03/09/2026

85-309, and 85-1511.

(11) The department shall submit an annual report to the Governor and the Legislature on or before July 1 of each year which includes, but is not limited to, a description of the demand for internship grants and programs under sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~ from all geographic regions in Nebraska, a listing of the recipients and amounts of internship grants awarded in the previous fiscal year, the impact of the internship grants, and an evaluation of the internship grants and programs under sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~ based on the documented goals of the recipients. The report submitted to the Legislature shall be submitted electronically. The department may require recipients to provide periodic performance reports to enable the department to fulfill the requirements of this subsection. The report shall contain no information that is protected by state or federal confidentiality laws.

(12) The department may enter into a contract with a Nebraska-based nonprofit entity for the purposes of carrying out any or all of the provisions of sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~.

Sec. 27. Section 81-1210.03, Reissue Revised Statutes of Nebraska, is amended to read:

~~81-1210.03~~ The department may adopt and promulgate rules and regulations to govern the award and disbursement of grants pursuant to sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~.

Sec. 28. Section 81-1210.04, Revised Statutes Supplement, 2025, is amended to read:

~~81-1210.04~~ (1) The Intern Nebraska Cash Fund is created. The fund shall be used to carry out sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~. The fund shall consist of money transferred to the fund by the Legislature and money donated as gifts, bequests, or other contributions from public or private entities. Transfers may be made from the fund to the General Fund at the direction of the Legislature. Any

ER135
LB847
AJC - 03/09/2026

money in the Intern Nebraska Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) The Department of Labor ~~Economic Development~~, or any entity with which the department contracts for such purpose, may use up to five percent of any appropriation to carry out sections 25 to 27 of this act ~~81-1210.01 to 81-1210.03~~ for administrative services.

Sec. 29. Section 81-12,152, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,152 Sections 81-12,152 to 81-12,166 and section 32 of this act shall be known and may be cited as the Business Innovation Act.

Sec. 30. Section 81-12,154, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,154 The purpose of the Business Innovation Act is to encourage and support the transfer of Nebraska-based technology and innovation in rural and urban areas of Nebraska in order to create high growth, high technological companies, small businesses, and microenterprises and to enhance creation of wealth and quality jobs. The Legislature finds that the act will:

(1) Provide technical assistance planning grants pursuant to section 81-12,157 to facilitate phase one applications for the federal grant program;

(2) Provide financial assistance pursuant to section 81-12,157 to companies receiving phase one and phase two grants pursuant to the federal grant program;

(3) Provide financial assistance pursuant to section 81-12,158 to companies or individuals creating prototypes;

(4) Establish a financial assistance program pursuant to section 81-12,159 for innovation in value-added agriculture;

(5) Establish a financial assistance program for innovation in biosciences;

ER135
LB847
AJC - 03/09/2026

(6) Establish a financial assistance program pursuant to section 81-12,160 to identify commercial products and processes;

(7) Provide financial assistance pursuant to section 81-12,161 to companies using Nebraska public or private college and university researchers and facilities for applied research projects;

(8) Provide support and funding pursuant to section 81-12,162 for microlending entities, microenterprise entities, and innovation hubs; ~~and~~

(9) Provide support for locally owned and operated Nebraska-based, high growth businesses by providing technical resources to foster development, growth, and high wage creation. For purposes of this subdivision, Nebraska-based, high growth business means a corporation, partnership, limited liability company, limited partnership, or limited liability partnership registered with the Secretary of State that has two to fifty employees and has annual sales of no less than five hundred thousand dollars and no more than two million five hundred thousand dollars; and ~~.~~

(10) Establish that any entity receiving financial assistance under the Business Innovation Act and that employs any person in this state, whether or not such entity is subject to the Employment Security Law, shall be required to submit to the Department of Labor quarterly wage reports on such forms and in such manner as the Commissioner of Labor may require.

Sec. 31. Section 81-12,155, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,155 In selecting projects to receive financial assistance under the Business Innovation Act, the department shall develop a qualified action plan by January 1 of each even-numbered year. The plan shall set forth selection criteria to be used to determine priorities which are appropriate to local conditions and the state's economy, including the state's immediate need for innovation development, proposed increases in jobs and investment, private dollars leveraged, industry

ER135
LB847
AJC - 03/09/2026

support and participation, and repayment, in part or in whole, of financial assistance awarded under the act. The plan shall also include selection criteria establishing that any entity applying for financial assistance under the Business Innovation Act that employs any person in this state, whether or not such entity is subject to the Employment Security Law, shall be required to submit to the Department of Labor quarterly wage reports on such forms and in such manner as the Commissioner of Labor may require. ~~The department shall submit the plan to the Governor for approval.~~

Sec. 32. (1) The Business Innovation Cash Fund is created. The fund shall be used to carry out the Business Innovation Act, except that the fund shall not be used for purposes of sections 81-12,155.01 and 81-12,163.01. The fund shall consist of deposits to the fund as required by sections 48-648 and 48-649 to 48-649.04. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) Money in the fund shall be expended by the department for the purpose of:

(a) Carrying out the Business Innovation Act, except that such money shall not be expended for the purpose of carrying out the Bioscience Innovation Program; and

(b) Payment of unemployment benefits if determined necessary by the Commissioner of Labor.

(3) The department, or any entity with which the department contracts for such purpose, may use up to five percent of any appropriation from the fund for administrative expenses.

Sec. 33. Section 81-12,158, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,158 (1) The department shall establish a financial assistance program to provide financial assistance to businesses that employ no more

ER135
LB847
AJC - 03/09/2026

than five hundred employees or to individuals for the purposes of creating a prototype of a product stemming from research and development at a business operating in Nebraska or a public or private college or university in Nebraska.

(2)(a) Until three months after April 20, 2022, funds shall be matched by nonstate funds equivalent in money equal to fifty percent of the funds requested; and

(b) Beginning three months after April 20, 2022, funds shall be matched by nonstate funds equivalent in money equal to:

(i) Twenty-five percent of the funds requested if the applicant's principal residence or principal place of business is located in an economic redevelopment area within a city of the metropolitan class; or

(ii) Fifty percent of the funds requested for any other applicant.

(3) Matching funds may be from any nonstate source, including private foundations, federal or local government sources, quasi-governmental entities, or commercial lending institutions, or any other funds whose source does not include funds appropriated by the Legislature.

(4) The amount the department may provide shall not exceed one hundred fifty thousand dollars per project.

(5) A business or individual applying for financial assistance under this section shall include a business plan that includes a proof-of-concept demonstration.

(6) Financial assistance under this section shall be expended within twenty-four months after the date of the awarding decision.

(7) The department may award up to six million dollars per year for financial assistance under this section<u> and, beginning in fiscal year 2027-28, shall award a minimum amount per year under this section. Such minimum amount shall be equal to the lesser of four million dollars or the total amount needed to fund all applications that qualify for funding under this section</u>.

ER135
LB847
AJC - 03/09/2026

Sec. 34. Section 81-12,160, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,160 (1) The department shall establish a financial assistance program to provide financial assistance to businesses operating in Nebraska that employ no more than five hundred employees or to individuals that have a prototype of a product or process for the purposes of commercializing such product or process. The applicant shall submit a feasibility study stating the potential sales and profit projections for the product or process.

(2) The department shall create a program with the following provisions to support commercialization of a product or process:

(a) Commercialization infrastructure documentation, including market assessments and start-up strategic planning;

(b) Promotion, marketing, advertising, and consulting;

(c) Management and business planning support;

(d) Linking companies and entrepreneurs to mentors;

(e) Preparing companies and entrepreneurs to acquire venture capital; and

(f) Linking companies to sources of capital.

(3) Funds shall be matched by nonstate funds equal to fifty percent of the funds requested. Matching funds may be from any nonstate source, including private foundations, federal or local government sources, quasi-governmental entities, or commercial lending institutions, or any other funds whose source does not include funds appropriated by the Legislature.

(4) The department shall not provide more than five hundred thousand dollars to any one project. The ~~Each year the~~ department may award up to six million dollars per year under this section and, beginning in fiscal year 2027-28, shall award a minimum amount per year under this section. Such minimum amount shall be equal to the lesser of four million dollars or the total amount needed to fund all applications that qualify for

ER135
LB847
AJC - 03/09/2026

funding under this section.

(5) Financial assistance provided under this section shall be expended within twenty-four months after the date of the awarding decision.

(6) To carry out this section, the department shall contract with one statewide venture development organization that is incorporated in the State of Nebraska and exempt for federal tax purposes under section 501(c)(3) of the Internal Revenue Code.

Sec. 35. Section 81-12,163, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,163 (1) It is the intent of the Legislature to appropriate fifteen million dollars to the department for fiscal year 2027-28 and each fiscal year thereafter for purposes of carrying out the Business Innovation Act.

(2) ~~(1)~~ It is the intent of the Legislature that (a) the four million dollars saved due to the elimination of funding for the Angel Investment Tax Credit Act be used to increase the appropriation to the department for the Business Innovation Act by four million dollars for fiscal year 2021-22 and each fiscal year thereafter and (b) the one hundred thousand dollars saved due to the reduction in tax credits authorized under the Angel Investment Tax Credit Act for calendar year 2019 be used to increase the appropriation to the Department of Revenue by one hundred thousand dollars for fiscal year 2019-20 to offset the costs incurred by the Department of Revenue to implement Laws 2019, LB334.

(3) ~~(2)~~ Up to five percent of the funds appropriated for the Business Innovation Act may be used by the department, or by a nonprofit entity with which the department contracts, for administrative expenses.

Sec. 36. The Revisor of Statutes shall assign sections 25 to 28 of this act to Chapter 81, article 4.

Sec. 37. Original sections 48-309, 48-1231, 48-1233, 48-1234,

ER135
LB847
AJC - 03/09/2026

48-1706, 48-2710, 48-2905, 81-406, 81-1210.01, 81-1210.02, 81-1210.03, 81-12,152, 81-12,154, 81-12,155, 81-12,158, 81-12,160, and 81-12,163, Reissue Revised Statutes of Nebraska, sections 29-431, 48-302, 48-303, and 48-2107, Revised Statutes Cumulative Supplement, 2024, and sections 48-602, 48-622.01, 48-648, 48-649.01, 48-657, 81-1201.21, and 81-1210.04, Revised Statutes Supplement, 2025, are repealed.

Sec. 38. The following sections are outright repealed: Sections 48-307, 48-2906, and 48-2909, Reissue Revised Statutes of Nebraska.

2. On page 1, strike beginning with "labor" in line 1 through line 5 and insert "labor; to amend sections 48-309, 48-1231, 48-1233, 48-1234, 48-1706, 48-2710, 48-2905, 81-406, 81-1210.01, 81-1210.02, 81-1210.03, 81-12,152, 81-12,154, 81-12,155, 81-12,158, 81-12,160, and 81-12,163, Reissue Revised Statutes of Nebraska, sections 29-431, 48-302, 48-303, and 48-2107, Revised Statutes Cumulative Supplement, 2024, and sections 48-602, 48-622.01, 48-648, 48-649.01, 48-657, 81-1201.21, and 81-1210.04, Revised Statutes Supplement, 2025; to adopt the Nebraska Registered Apprenticeship Act; to change and eliminate provisions relating to child labor; to redefine a term; to change provisions relating to the combined tax and the state unemployment insurance tax rate under the Employment Security Law; to provide for an annual administrative and operational support fee for certain employers under the Employment Security Law; to change penalty provisions and provide powers to the Commissioner of Labor under the Nebraska Wage Payment and Collection Act; to change provisions relating to fees under the Contractor Registration Act; to provide and eliminate powers of the Commissioner of Labor and eliminate reporting requirements and the hotline and website for reporting suspected violations under the Employee Classification Act; to rename the Contractor and Professional Employer Organization Registration Cash Fund and change permitted uses of the fund; to transfer administration of student internships from the Department of Economic Development to the Department of Labor; to change provisions relating to legislative

ER135
LB847
AJC - 03/09/2026

findings, qualified action plans, and financial assistance programs and create a fund under the Business Innovation Act; to state legislative intent regarding appropriations; to provide a duty for the Revisor of Statutes; to harmonize provisions; to repeal the original sections; and to outright repeal sections 48-307, 48-2906, and 48-2909, Reissue Revised Statutes of Nebraska.".