

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB532

Hearing Date: Monday March 03, 2025
Committee On: Business and Labor
Introducer: Kauth
One Liner: Require employers to use E-Verify, prohibit knowingly hiring an unauthorized alien, and provide for discipline against employers' licenses

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	4	Senators Kauth, Hansen, McKeon, Sorrentino
Nay:	2	Senators McKinney, Raybould
Absent:		
Present Not Voting:	1	Senator Ibach

Testimony:

Proponents:

Senator Kathleen Kauth
Doug Kagan
Marilyn Asher
Susan Gumm
Jon Nebel
Alan Seybert

Representing:

Opening Presenter
Nebraska Taxpayers for Freedom
Self
Self
Nebraska State Council of Electrical Workers
Nebraska Taxpayers for Freedom

Opponents:

Nick Grandgenett
Natasha Naseem

Kris Bousquet
Dylan Severino

Representing:

Nebraska Appleseed
Center for Immigrant & Refugee Advancement (CIRA)
Nebraska State Dairy Association
American Civil Liberties Union of Nebraska (ACLU)

Neutral:

Felicia Hilton
Hunter Traynor

Representing:

North Central States Council of Carpenters
Nebraska Chamber, Greater Omaha Chamber, Lincoln Chamber of Commerce, Nebraska New Car and Truck Dealers Association, Nebraska Petroleum Marketers and Convenience Store Association

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:



LB 532 would amend Neb. Rev. Stat. § 48-2911 and repeal outright 4-114. LB 532 would require private employers to utilize the E-Verify system when hiring employees or face civil penalties, while removing the requirement that public contractors use E-Verify.

LB 532 requires private employers to use the E-Verify system. If they fail to do so, the Department of Labor (“DOL”) is empowered to issue citations to the employers regarding the failure. The DOL can then notify every agency that has issue a license to the employer have the license be placed on a period of probation or suspend it for a period of time. Repeat offenders will have stricter penalties.

LB 532 penalizes employers who knowingly employ unauthorized aliens through the issuance of citations by the DOL. Once a citation is issued, the DOL will suspend the employer’s license until the employer meets certain requirements for reinstatement. If five or more unauthorized aliens are found to be employed or the employer is a repeat offender, stricter penalties apply. The employer’s use of E-Verify system in good faith, unless investigation determines otherwise, is a defense to the knowing requirement to violate the Bill. Termination of an unauthorized alien to comply with LB 532 does not open up the employer to a wrongful termination claim.

The DOL is required to create a random auditing program to audit employers across the state of Nebraska to make sure they are not employing unauthorized aliens. To enforce LB 532, the DOL is given authority to enter businesses to question owners, employers, and employees as well as investigate business records to determine compliance with LB 532. The DOL is also required to establish a public website to assist compliance as well as maintain a public database of violations of LB 532. The DOL is also empowered to create rules and regulations to enforce the LB 532.

Agencies in the state of Nebraska who issue licenses shall notify potential employers of the requirements of LB 532 when they apply for their licenses.

Additionally, LB 532 is designed to be in accordance with all federal laws, regulations, and procedures related to the E-Verify system as well as the employment of authorized and unauthorized aliens.

Finally, LB 532 repeals outright section 4-114 which requires the state of Nebraska to not contract with companies unless they have used the E-Verify system to ensure they are not employing any unauthorized aliens.

Explanation of amendments:

The Standing Committee Amendment (AM 692) amends LB 532 and incorporates LB 397 and LB 544 as amended into LB 532.

AM 692 incorporates LB 532 as introduced with significant amending. The language of employer is changed from excluding those who hire a bona fide independent contractor to excluding all independent contractors of employers. A definition of employment is added. If a employer fails to use E-Verify, civil penalties of fines and suspensions of business licenses will be issued. Similar penalties have been added for knowingly hiring unauthorized aliens. The annual auditing requirements shall now be one to five percent of employers in Nebraska. The Department of Labor is required to submit an annual report to the Legislature regarding enforcement of the Bill. The sections removing the requirement of the state government to use E-Verify have been removed.

LB 397 - Sections 10, 11, 12, and 16 of AM 692

LB 397, introduced by Senator Moser, would amend Neb. Rev. Stat. § 44-3,158, 48-144.03, and 48-446. It would also repeal Neb. Rev. Stat. § 48-443, 48-444, and 48-445 outright.

LB 397 amends the Nebraska Workers’ Compensation Act (“Act”) to remove the requirement of employers subject to



the Act to have a safety committee. Employers have been required to have a safety committee since 1994. The safety committees created and maintained written injury prevention programs for each employer. The safety committees are assisted and supported by the Workplace Safety Consultation Program Cash Fund ("Fund").

As the safety committees are no longer required, employers would no longer be required to have one to be considered in good faith and entitled to be covered by workers' compensation insurance pursuant to the Act. Additionally, the Fund would no longer have a purpose, and is being terminated. The remaining funds would then be transferred to the General Fund.

References to outdated notices requirements are removed. The exception to the thirty-day notice for cancellation or nonrenewal of other workers' compensation policies for the failure of an employer to maintain a safety committee is removed, as the requirement to have a safety committee is being terminated with LB 397.

Testifiers on LB397:

Proponents:

Senator Mike Moser , Opening Presenter

Katie Thurber, Nebraska Department of Labor

Ryan McIntosh, National Federation of Independent Business, Nebraska for Worker's Compensation Equity and Fairness

Ansley Fellers, Nebraska Grocery Industry Association

Opponents:

Guillermo Pena, Nebraska Democratic Party Latinx (NDP)

Brandon Brown, Nebraska Association of Public Employees (NAPE)

Neutral: None

Committee vote to attach LB397:

Yes: 6 Kauth, Hansen, Ibach, McKeon, Raybould, Sorrentino;

No: 1 McKinney;

Absent: 0;

Present Not Voting: 0;

LB 544 - Sections 13 and 16 of AM 692

LB 544, introduced by Senator Dover, would amend Neb. Rev. Stat. § 48-628.

LB 544 requires that individuals who are receiving unemployment benefits to respond to job offers and to show up to job interviews. If they fail to respond to job offers or interviews within one week or fail to show up to an interview without notifying the possible employer of their need to cancel or reschedule, the individuals will lose unemployment benefits for the week.

LB 544 adds clarification about how a job interview or job offer can be communicated between the individual and the potential employer. The DOL may consider this evidence as part of its investigation into and verification of any information submitted by employers. This investigation is required before denying an individual unemployment benefits for the week.

Testifiers on LB544:

Proponents:



Senator Robert Dover , Opening Presenter
Andrew Wiens, FGA Action
Ansley Fellers, Nebraska Grocery Industry Association

Opponents: None
Neutral: None

Committee vote to attach LB544:

Yes: 6 Kauth, Hansen, Ibach, McKeon, Raybould, Sorrentino;
No: 1 McKinney;
Absent: 0;
Present Not Voting: 0;

Section by Section Summary:

Section 1: This is the definition section of the Bill.

Section 2: Requires employers to utilize the E-Verify system to determine the employment authorization of any individual the employer has extended a job offer. The DOL shall issue citations to employers if they violate this requirement. Employers have fifteen days to contest the citation or its penalty, which will trigger an administrative hearing. Penalties include civil fines and suspension of the business's license to operate in the state. The fines are larger for repeat offenders and the money collected will be distributed in accordance with Article VII, section 5, of the Constitution of Nebraska.

Section 3: Requires employers to not knowingly employ unauthorized aliens. The DOL shall issue citations to employers if they violate this requirement. Employers have fifteen days to contest the citation or its penalty, which will trigger an administrative hearing. Penalties include civil fines and suspension of the business's license to operate in the state. The fines are larger for repeat offenders and the money collected will be distributed in accordance with Article VII, section 5, of the Constitution of Nebraska. The use of E-Verify system in good faith is a defense to the knowing requirement to violate this section. Termination of an unauthorized alien to comply with this section does not open up the employer to a wrongful termination claim.

Section 4: Requires the DOL to create and run a statewide random auditing program to investigate employers for compliance with Sections 1 to 9. The DOL will audit between one and five percent of all employers in Nebraska each year.

Section 5: Gives the DOL authority to enter businesses to question owners, employers, and employees as well as investigate business records to determine compliance with Sections 1 to 9.

Section 6: Requires the DOL to establish a public website to assist employers in complying with Sections 1 to 9 as well as maintain a public database of violations of those sections.

Section 7: Requires agencies to include notice of the requirements of Sections 1 to 9 to be included in applications for any license in the state.

Section 8: Establishes that LB 532 shall be implemented in accordance with federal laws, regulations, and procedures covering E-Verify and the employment of unauthorized aliens.

Section 9: Allows the DOL to establish rules and regulations to enforce this Bill.



Section 10: Amends § 44-3,158 to remove the requirement of employers to establish a safety committee to be considered in good faith and entitled to be covered by workers' compensation insurance.

Section 11: Amends § 48-144.03 to remove the outdated notice requirements of the cancellation of a workers' compensation insurance policy. The exception to the thirty-day notice for cancellation or nonrenewal of workers' compensation policies for the failure of an employer to maintain a safety committee is removed.

Section 12: Terminates the Workplace Safety Consultation Program Cash Fund Fund under § 48-446 and moves the remaining funds to the General Fund.

Section 13: States that an individual will be disqualified for unemployment benefits for any weeks in which they fail to respond to a job offer or job interview within one week or fail to appear for a job interview without notification. Before denying benefits, the DOL must verify information from an employer and can consider the manner of communication established between the individual and the prospective employer in determining if they should be disqualified.

Section 14: Sections 1 to 9 become operative on January 1, 2026. The remaining sections become operative three months after adjournment of this legislative session.

Section 15: If any part of the Bill is declared unconstitutional, the remaining portions of the bill will remain valid.

Section 16: Repeals the original sections being amended.

Section 17: Repeals § 48-443, 48-444, and 48-445 outright.

Kathleen Kauth, Chairperson

