

ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026
COMMITTEE STATEMENT
LB847

Hearing Date: Monday January 26, 2026
Committee On: Business and Labor
Introducer: Kauth
One Liner: Adopt the Nebraska Registered Apprenticeship Act and change provisions relating to the combined tax rate under the Employment Security Law

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

Vote Results:
Aye: 7 Senators Kauth, Hansen, Ibach, McKinney, Meyer, F., Raybould, Sorrentino
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Kathleen Kauth
Katie Thurber
Ron Sedlacek

Ana Lopez Shalla
Christine Widman

Opponents:

Neutral:

* ADA Accommodation Written Testimony

Representing:

Opening Presenter
Nebraska Department of Labor
Nebraska Chamber of Commerce, Greater Omaha Chamber of Commerce, Lincoln Chamber of Commerce, and Nebraska Federation of Independent Business (NFIB) of Nebraska
University of Nebraska
Nebraska Hospital Association

Representing:

Representing:

Summary of purpose and/or changes:

LB 847 creates the Nebraska Registered Apprenticeship Act ("Act") and it would amend Neb. Rev. Stat. § 48-649.01.

LB 847 would create the Nebraska Office of Registered Apprenticeship ("Office") within the Department of Labor ("Department"). Currently apprenticeships are overseen by the US Department of Labor. Federal regulations allow state agencies to act in place of the federal Department of Labor, but, until now, Nebraska has not created an agency to serve in that capacity.



LB 847 is designed to further Governor Pillen's Good Life, Great Careers initiative by developing a modern workforce through a large number of new apprenticeships. Nebraska has been lacking in apprenticeship opportunities in recent years. In order to attract workers and keep people in the state, creating far more opportunities for people to work and develop desperately needed skills is necessary.

LB 847 also allows the Department to move more funds to the Workforce Development Program Cash Fund to invest in workforce development initiatives. Currently, the Department can use twenty percent of the unemployment combined tax rate for workforce development. The Bill would increase that percentage to fifty. The State Unemployment Fund already has significantly more funds than it needs and attempts to reduce it have not been as successful as hoped. No business will be paying more in taxes; the money currently collected will have the flexibility to be used in different ways.

Explanation of amendments:

The Committee considered and adopted an amendment which accomplishes the following:

The Standing Committee Amendment (AM 2141) substitutes for the bill and incorporates LB 847 as amended as well as LB 747, LB 864, LB 1015, and LB 1173 as amended.

LB 847 as amended – Sections 1, 2, 3, 4, 5, 6, 14, and 34 of the Standing Committee Amendment

The changes to LB 847 include adding definitions for what a small apprenticeship program is and what a large apprenticeship program is. It also expands the definition of employee organization to include employee benefit plan and beneficiary associations. Additionally, it attaches further requirements to who may sit on the council, focusing on those who are based in Nebraska, have actually worked with apprenticeship programs in Nebraska, as well as representing both small and large apprenticeship programs.

LB 747 – Sections 7, 8, 9, 10, 16, 17, 18, 20, 22, 34, and 35 of the Standing Committee Amendment.

LB 747 was introduced by Senator Sorrentino. It would amend Neb. Rev. Stat. § 29-431, 48-302, 48-303, 48-309, 48-1231, 48-1233, 48-1234, 48-2107, and 48-2905. It would also outright repeal Neb. Rev. Stat. § 48-307, 48-2906, and 48-2909.

Currently, an infraction may be prosecuted by a County Attorney's office if an employer fails to furnish a wage statement as required under 48-1230. Practically, this infraction has never been prosecuted so the Department is seeking to have the infraction be removed so it can deal with failure to issue the report as an administrative penalty within the Department.

LB 747 expands the Department's subpoena powers and its ability to enforce an employer's refusal to comply with the subpoena or provide the requested documentation. The subpoena can now be enforced in a local court and failure to abide by the subpoena can be found to be contempt of court. This will allow the Department to effectively enforce violations of the Wage Payment and Collection Act and the Employee Classification Act.

Finally, employers are now required to keep employment certificates for children for twelve months after they reached age sixteen or twelve months after their employment was terminated. Those certificates are to be made available to the Department and to school attendance officers. Certificates are now available to children in any state, not just neighboring states. Additionally, the forms no longer have to be provided in triplicate as the Department has moved to electronic forms.

Testifiers on LB747:



Proponents:

Senator Tony Sorrentino , Opening Presenter
Katie Thurber, Nebraska Department of Labor

Opponents: None

Neutral:

Ryan McIntosh, National Federation of Independent Business, Nebraska Grocery Industry Association, Nebraska Chamber of Commerce and Industry, Greater Omaha Chamber of Commerce, Lincoln Chamber of Commerce

Committee vote to attach LB747:

Yes: 7 Kauth, Hansen, Ibach, McKinney, Meyer, F., Raybould, Sorrentino;

No: 0;

Absent: 0;

Present Not Voting: 0;

LB 864 – Sections 24, 25, 26, 27, 28, 33, and 34 of the Standing Committee Amendment

LB 864 was introduced by Senator Prokop. It would amend Neb. Rev. Stat. § 81-1201.21, 81-1210.01, 81-1210.02, 81-1210.03, and 81-1210.04.

LB 864 would move the InternNE program from the Department of Economic Development to the Department of Labor. The Department of Labor would no longer be required to share its data with the Department of Economic Development to help run the program as the Department of Economic Development no longer has the InternNE program.

LB 864 moves the changes to the statutory language regarding the InternNE to new sections and deletes the previous references. Any money still left in the Job Training Cash Fund is moved to the Intern Nebraska Cash Fund, which shall fund the InternNE program.

Testifiers on LB864:

Proponents:

Senator Jason Prokop , Opening Presenter
Katie Thurber, Nebraska Department of Labor
Jennifer Creager, Greater Omaha Chamber, Lincoln Chamber of Commerce, Nebraska Chamber of Commerce and Industry, Nebraska Economic Developers Assn

Opponents: None

Neutral: None

Committee vote to attach LB864:

Yes: 7 Kauth, Hansen, Ibach, McKinney, Meyer, F., Raybould, Sorrentino;

No: 0;

Absent: 0;

Present Not Voting: 0;

LB 1015 – Sections 11, 12, 13, 14, 15, 29, 30, 31, 32, and 34 of the Standing Committee Amendment

LB 1015 was introduced by Senators Ibach and Dorn. It would amend Neb. Rev. Stat. § 48-602, 48-622.01, 48-648, 48-649.01, 48-657, 81-12,152, 81-12,154, and 81-12,155.



LB 1015 creates the Business Innovation Cash Fund (“Fund”) to better fund the Business Innovation Act (“Act”). The Fund is funded by a percentage of the money collected by the Department from the state unemployment insurance tax rate. The Commissioner of the Department is required to inform the state of how much of the tax rate they will be designating for the Fund as well as the Workforce Development Program Cash Fund. The Department of Economic Development is required to give the Department updated information by September 30 so the Commissioner can set the appropriate rate.

If a public entity awards a public contract, the public entity is required to make sure that the business or individual they contracted with pays the Fund the correct tax rate.

Any entity receiving financial assistance under the Act shall be required to supply the Department quarterly wage reports.

The Fund can be used to carry out the Act, pay out unemployment benefits if it became necessary, and the Department can use up to five percent for administrative expenses.

Testifiers on LB1015:

Proponents:

Senator Teresa Ibach , Opening Presenter

Katie Thurber, Nebraska Department of Labor

Richard Baier, Invest Nebraska

Laurel Oetken, Open Range

Kim Preston, Center for Rural Affairs

Eric Dinger, Lincoln, Omaha, and Nebraska Chambers of Commerce

Taylor Korensky, Straight Edge Innovations, LLC Appsky, LLC, Appsky Ventures, LLC

Opponents: None

Neutral: None

Committee vote to attach LB1015:

Yes: 7 Kauth, Hansen, Ibach, McKinney, Meyer, F., Raybould, Sorrentino;

No: 0;

Absent: 0;

Present Not Voting: 0;

LB 1173 – Sections 13, 19, 20, 21, 23, and 34 of the Standing Committee Amendment

LB 1173 was introduced by Senator Kauth. It would amend Neb. Rev. Stat. § 48-648, 48-1706, 48-2107, 48-2710, and 81-406.

The Department of Labor is required by law to administer a significant number of acts, to include the Employment Security Act, the Wage and Hour Act, the Nebraska Wage Payment and Collection Act, the Nebraska Healthy Families and Workplaces Act, and programs like the veterans preference and military employment provisions. These administrative duties incur significant costs. Historically, the Department has relied on the federal Department of Labor for funding to cover these costs. However, as government shutdowns and federal fights over disbursement of funds have become common place, the Department has struggled to pay for these administrative costs at a timely manner. LB 1173 would provide them with a different and more reliable source of funding that they would have available to use when federal funds are not timely received or when facing the possibility of defunding. It also allows



the Department to cover the administrative costs of enforcement of state laws that do not receive federal funding.

LB 1173 renames the Contractor and Professional Employer Organization Registration Cash Fund to the Contractor, Business, and Professional Employer Organization Registration Cash Fund ("Fund"). Additionally, it allows the Department to assess an annual filing fee of up to \$250 for all employers under the Employment Security Act. The fees would pay into the Fund, which would be used to cover the administrative costs of almost all of the Acts and programs the Department is required by law to administer. It would also allow the fees to be used for workforce development grants, but only at the written authorization of the Governor.

The Standing Committee Amendment changes the \$250 annual fee to a graduate fee based on gross wages paid out in the previous years. The exact amounts would be determined by the Department of Labor on an annual basis in order to keep the balance of the Contractor, Business, and Professional Employer Organization Registration Cash Fund at no more than fifteen million dollars.

Testifiers on LB1173:

Proponents:

Senator Kathleen Kauth , Opening Presenter
Katie Thurber, Nebraska Department of Labor

Opponents:

Ronald Sedlacek, Nebraska Chamber of Commerce, Omaha Chamber of Commerce
Ansley Fellers, Nebraska Grocery Industry Association, Nebraska Federation of Independent Businesses

Neutral: None

Committee vote to attach LB1173:

Yes: 7 Kauth, Hansen, Ibach, McKinney, Meyer, F., Raybould, Sorrentino;

No: 0;

Absent: 0;

Present Not Voting: 0;

Section by Section Summary

Section 1: Creates the Nebraska Registered Apprenticeship Act.

Section 2: This is the definition section of the Nebraska Registered Apprenticeship Act. Many of the definitions are taken from or refer directly to the federal statutes regarding apprenticeship programs.

Section 3: The Nebraska Office of Registered Apprenticeship is established within the Department in conformity with federal regulations. The Office will establish standards of apprenticeship for all recognized types of apprenticeships and establish requirements for registration of all recognized types of apprenticeships in the state. The Office will also resolve disputes between parties to an apprenticeship agreement.

Section 4: The Office will develop standards to create a nationally recognized state apprenticeship in compliance with federal standards. The Office will approve or deny the registration of new apprenticeships or expansions of current ones. The Office will establish competency-based apprenticeship frameworks based on a collection of valuable credentials. The Office will develop a reciprocity process for apprenticeships in other states in accordance with federal standards. Reciprocal approval shall require apprenticeship sponsors to meet wage and hour provisions and apprentice ratio standards of Nebraska and not the state they are registered in. The Office shall not require affiliation



with certain organizations, to include labor unions, as a requirement of an apprenticeship program. Those organizations may require membership to have individuals take part of the apprenticeships the organizations are offering.

Section 5: The Nebraska Apprenticeship Council is established as an advisory council within the department pursuant to federal regulations. The section details who make up the council and what their duties are.

Section 6: The Department is in charge of implementing and enforcing the Nebraska Registered Apprenticeship Act. The Department may create and adopt rules and regulations as needed to do so.

Section 7: Neb. Rev. Stat. § 29-431 is amended to remove § 48-1231 from the definition of infraction.

Section 8: Neb. Rev. Stat. § 48-302 is amended to require that an employer maintain an employer certification for any child that they employed for an additional twelve months after the child was terminated or reached the age of sixteen. The employer shall make the certificate accessible to attendance officers and the Department

Section 9: Neb. Rev. Stat. § 48-303 is amended to allow the Department to approve an employment certificate for children from any state outside Nebraska and not just neighboring states.

Section 10: Neb. Rev. Stat. § 48-309 is amended to remove the requirement that age and schooling certificated provided the Department be done in triplicate.

Section 11: Neb. Rev. Stat. § 48-602 is amended to include the Fund as where the tax collected is deposited as part of the definition of state unemployment insurance tax for purposes of the Employment Security Law.

Section 12: Neb. Rev. Stat. § 48-622.01 is amended to have money collected as part of the state unemployment insurance tax to be paid into the Fund.

Section 13: Neb. Rev. Stat. § 48-648 is amended to include the Fund in where the money collected through the combined tax paid on wages for employment by employers is deposited. The Contractor and Professional Employer Organization Registration Cash Fund is renamed to the Contractor, Business, and Professional Employer Organization Registration Cash Fund. Employers would now be required to pay an annual filing fee of up to two hundred fifty dollars with their required quarterly wage reports. The fees would be paid into the Fund.

Section 14: Neb. Rev. Stat. § 48-649.01 is amended to lower the combined tax rate to not less than fifty percent of the combined tax rate equals the contribution rate and not more than fifty percent of the combined tax rate equals the state unemployment insurance tax rate for most employers. The Commissioner, every year before December 31st, is required to designate the percentage and amount of the state unemployment insurance tax rate will be paid to Workforce Development Program Cash Fund and the Fund. The Department of Economic Department is required to give the Department update information of programs administered under the Act so the Commissioner knows how much money to designate for the Fund.

Section 15: Neb. Rev. Stat. § 48-657 is amended to require that the proper unemployment combined tax and interest is paid into the Fund by those awarded a public contract by any public entity. The public entity is required to ensure the proper amount is paid by those they have awarded the contract to.

Section 16: Neb. Rev. Stat. § 48-1231 is amended to remove the infraction for failing to furnish a wage statement as required by the section.



Section 17: Neb. Rev. Stat. § 48-1233 is amended to allow the Department to enforce its subpoena powers by allowing the Commissioner to order those who are refusing to respond properly to a Department subpoena to appear before them. Those brought before the Commissioner shall be required to bring evidence required by the subpoena. Failure to do so can be punished as contempt of the court.

Section 18: Neb. Rev. Stat. § 48-1234 is amended to remove the exception of subsection 2 of 48-1230 from being considered a violation of the Nebraska Wage Payment and Collection Act.

Section 19: Neb. Rev. Stat. § 48-1706 is amended to rename the Fund.

Section 20: Neb. Rev. Stat. § 48-2107 is amended to remove the exceptions to paying the fee for filing to be registered as a contractor in the state of Nebraska or filing for a renewal of that license. The Fund is also renamed.

Section 21: Neb. Rev. Stat. § 48-2710 is amended to rename the Fund.

Section 22: Neb. Rev. Stat. § 48-2905 is amended to expand the authority of the Commissioner to investigate employers to ensure they are in compliance with the Employee Classification Act. It also expands the Department's ability to enforce subpoenas it issues in the manner detailed in Section 6. Finally, it removes the need for a hotline and website to report suspected violations of the Act.

Section 23: Neb. Rev. Stat. § 81-406 is amended to change the name of the Fund. It also expands the acceptable uses of the Fund for the Department to be able to administrate nearly all of the Acts and programs it is required to administer under state and federal law. Workforce development grants can be made from the Fund, but only by written authorization of the Governor.

Section 24: Neb. Rev. Stat. § 81-1201.21 is amended to move any funds left in the Job Training Cash Fund to the Intern Nebraska Cash Fund.

Section 25: Neb. Rev. Stat. § 81-1210.01 is amended to change the definition of department from Department of Economic Development to the Department of Labor.

Section 26: Neb. Rev. Stat. § 81-1210.02 is amended to move the InternNE program from the Department of Economic Development to the Department of Labor. It gets rid of the requirement that the Department of Labor share its data with the Department of Economic Development for purposes of InternNE. It amends references to other sections to the new sections created in section 6.

Section 27: Neb. Rev. Stat. § 81-1210.03 is amended to allow the Department to develop rules and regulations for the awarding and disbursement of grants under sections 2 to 4 of this Bill.

Section 28: Neb. Rev. Stat. § 81-1210.04 is amended to have the Intern Nebraska Cash Fund be used for implementing sections 2 to 4 of this Bill. It also moves the use of the funds from the Department of Economic Development to the Department of Labor.

Section 29: Neb. Rev. Stat. § 81-12,152 is amended to add section 32 of this Bill to the Business Innovation Act.

Section 30: Neb. Rev. Stat. § 81-12,154 is amended to require that any entity receiving financial assistance under the Business Innovation Act and employing people in this state shall submit a quarterly wage report to the Department.

Section 31: Neb. Rev. Stat. § 81-12,155 is amended to require the plan for selecting beneficiaries of the Business



Innovation Act to require those selected to submit a quarterly wage report to the Department.

Section 32: Creates the Business Innovation Cash Fund which is to be used to carry out the Business Innovation Act. Any money in the Fund to be invested shall be invested by the state investment officer. The Fund shall not be used for the Bioscience Innovation Program. Not more than five percent of the Fund shall be used for administrative costs.

Section 33: Assigns sections 25 to 28 of Chapter 81, article 4.

Section 34: Repeals the original sections being amended.

Section 35: Outright repeals Neb. Rev. Stat. § 48-307, 48-2906, and 48-2909.

48-307.

Employment certificate; filing with Department of Labor.

The superintendent of public schools in all cities having a population of more than one thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census and the presiding officer of all other school boards shall furnish a duplicate copy of all certificates issued under sections 48-302 to 48-313 to the Department of Labor. The duplicate certificates in the form set forth in section 48-309 shall be filed with the Department of Labor at the time of the issuance of the original certificate.

48-2906.

Investigations.

The department shall timely investigate all credible reports made pursuant to section 48-2905.

48-2909.

Report; contents.

The department shall provide electronically an annual report to the Legislature regarding compliance with and enforcement of the Employee Classification Act. The report shall include, but not be limited to, the number of reports received from both its hotline and website, the number of investigated reports, the findings of the reports, the amount of combined tax, interest, and fines collected, the number of referrals to the Department of Revenue, Nebraska Workers' Compensation Court, and appropriate prosecuting authority, and the outcome of such referrals.

Kathleen Kauth, Chairperson

