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Nebraska -- Governor Signs Anti-Misclassification Bill: *CENTRAL* [04/15/10]

Nebraska Gov. Dave Heineman (R) has signed legislation to prohibit contractors from misclassifying employees as independent contractors.

Legislative Bill 563 by Sen. Steve Lathrop of Omaha was passed by the Legislature on a 43-1 vote on April 12.

Lathrop said, in introducing the bill, that such misclassification "hurts employees, legitimate employers and the state" by making employees ineligible for unemployment and workers' compensation benefits, creates an unfair advantage for unscrupulous contractors and prevents the state from collecting taxes for unemployment programs.

LB 563 creates a presumption that a worker for a construction company or delivery service is an employee and not an independent contractor.

The Department of Labor is given authority to enforce the act, including assessing fines of \$500 per employee for first violations and \$5,000 per employee for subsequent violations.

For more information on LB 653 go to http://nebraskalegislature.gov/bills/view_bill.php?DocumentID=6200.

Source: Nebraska Legislature

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