

**ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024**  
**COMMITTEE STATEMENT**  
**LB1190**

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**Hearing Date:** Tuesday February 13, 2024  
**Committee On:** Urban Affairs  
**Introducer:** McKinney  
**One Liner:** Adopt the Professional Service Contract Reporting Act

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

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**Vote Results:**  
**Aye:** 6 Senators Cavanaugh, J., Day, Hardin, Hunt, Lowe, McKinney  
**Nay:** 1 Senator Blood  
**Absent:**  
**Present Not Voting:**

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**Testimony:**

<b>Proponents:</b> Senator Terrell McKinney	<b>Representing:</b> Opening Presenter
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<b>Opponents:</b>	<b>Representing:</b>
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<b>Neutral:</b>	<b>Representing:</b>
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\* ADA Accommodation Written Testimony

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**Summary of purpose and/or changes:**

LB 1190 creates the Professional Service Contract Reporting Act.

This act would require qualified cities, counties, and state agencies to submit a report to the Department of Administrative Services, detailing the entity involved in the professional service contract, the total dollar value of the contracts, and a description of any effort made by the entity to increase the number of contracts located within economic redevelopment areas and qualified census tracts.

Failure to comply will result in allocated funds being withheld from the city or country.

**Section-by-Section Summary:**

Section 1 creates and names Sections 1 through 5 as the Professional Service Contract Reporting Act.

Section 2 creates definitions for the Act, including city, county, division, economic development area, fiscal year, professional service contract, qualified census tract, state agency, and state aid.

Of note:

City means a city of the metropolitan class,

County means a county in this state with a population of more than five hundred thousand inhabitants,



Division means the Materiel Division of the Department of Administrative Services, and,  
State agency means any agency, board, or commission of this state other than the University of Nebraska, the Nebraska State colleges, the courts, the Legislature, or any officer or state agency established by the Constitution of Nebraska.

Section 3 states that on or before August 1, 2024 that each city, county, and state agency, as defined in the Act, will submit a report to the Division containing everything under subsections 1 through 4.

This includes:

the name and address of each individual or entity that was awarded a professional service contract during the most recently completed fiscal year and the type of professional service involved in each such contract,

The total dollar value of professional service contracts awarded during the most recently completed fiscal year

A description of any efforts made by the city, county, or state agency to increase the number of contracts awarded to individuals and entities located within economic redevelopment areas and qualified census tracts

Section 4 states that on or before September 1, 2024, the division shall compile information under section 3 and shall report it to the Governor, Clerk of the Legislature and the Urban Affairs Committee of the Legislature.

Section 5 states that failure to submit this report with the information under section 3 will result in a notification from the division to a city or county as under noncompliance to the State Treasurer. Additionally, funds allocated to said city or county will be withheld for up to six months until the report is submitted correctly.

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**Explanation of amendments:**

AM 2686 creates the following changes:

-As requested by the State Treasurer's office, all distributions of state aid allocated to the city or county shall be suspended until the annual report is submitted. Once the report is submitted, state aid (along with any suspended distributions) shall be allocated back to the city or county

-The definition of "professional service contract" under section 2(7) is redefined as follows: "Service contract means a contract awarded by a city, county, or state agency for the provision of legal services, accounting services, financial consulting services, management consulting services, healthcare services, engineering services, architectural services, information technology services, marketing and advertising services, human resources consulting services, environmental consulting services, educational and training services, snow removal and hauling services, janitorial services, yard maintenance services, and tree removal services."

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Terrell McKinney, Chairperson

