

## LEGISLATIVE BILL 24

Approved by the Governor February 24, 1973

Introduced by C. Carsten, 2

AN ACT to amend section 17-807, Reissue Revised Statutes of Nebraska, 1943, and sections 16-325, 16-502, and 18-301, Revised Statutes Supplement, 1972, relating to cities and villages; to harmonize provisions which exempt officers and members of appointed boards and commissions from conflicts of interest in contracts up to ten thousand dollars; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 16-325, Revised Statutes Supplement, 1972, be amended to read as follows:

16-325. (1) There may be in each city a board of public works which shall consist of three members, each having a three-year term of office, or five members, each having a five-year term of office, the number to be set by ordinance, which members shall be residents of said city and be appointed by the mayor, by and with the assent of the council. When such board is first established, one member shall be appointed for a term of one year, one for two years, and one for three years and, in the case of a five member board, an additional member shall be so appointed for four years and another for five years. Thereafter, as their terms expire, all members shall be appointed for a full term of three or five years as the case may be. The mayor, by and with the assent of the council, shall designate one of the members of such board to be the chairman thereof.

(2) Each of the members of the board of public works shall, before entering upon the discharge of his duties, take an oath to discharge faithfully the duties of his office. Except as provided in section 70-624.04, no member of such board shall ever be directly or indirectly interested in any contract entered into by the board on behalf of such city nor be interested, either directly or indirectly, in the purchase of any material to be used or applied for municipal purposes for more than ten thousand dollars in any year.

(3) It shall be the duty of the board of public works to (a) make contracts on behalf of the city for the performance of all such work and erection of all such

improvements in the manner provided in section 16-321, (b) superintend the performance of all such work and the erection of all such improvements, (c) approve the estimates of the city engineer, which may be made from time to time, of the value of the work as the same may progress, (d) accept any work done or improvements made when the same shall be fully completed according to contract, subject to the approval of the mayor and council, and (e) perform such other duties as may be conferred upon such board by ordinance.

(4) Any member of the board of public works may at any time be removed from office by the mayor and a majority of the council, and the proceedings in regard thereto shall be entered in the journal of the council.

Sec. 2. That section 16-502, Revised Statutes Supplement, 1972, be amended to read as follows:

16-502. Except as provided in section 70-624.04, no officer or member of an appointed board or commission of any city shall be interested, directly or indirectly, in any contract to which the corporation, or anyone for its benefit, is a party, when the consideration of the same is in an amount in excess of ten thousand dollars in any one year, and no contract may be divided for the purpose of evading the requirements of this section; and such interest in any such contract shall void the obligation thereof on the part of such corporation; Provided, the receiving of deposits, cashing of checks, and buying and selling warrants and bonds of indebtedness of any such city by a financial institution shall not be considered a contract under the provisions of this section. Nor shall any officer receive any pay or perquisites from the city other than his salary, as provided by ordinance and the law relating to cities of the first class, and the city council shall not pay or appropriate any money or any valuable thing to any person not an officer for the performance of any act, service or duty, the doing or performance of which shall come within the proper scope of the duties of any officer of such corporation, unless the same is specifically appropriated and ordered by a vote of three-fourths of all the members elected to the council; Provided, that ownership of less than one per cent of the outstanding stock of any class in a corporation shall not constitute an interest, direct or indirect, within the meaning of this section.

Sec. 3. That section 17-807, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

17-807. No member of the board of public works shall ever be financially interested, directly or indirectly, in any contract entered into by them on behalf of such city for more than ten thousand dollars in one year.

Sec. 4. That section 18-301, Revised Statutes Supplement, 1972, be amended to read as follows:

18-301. Except as provided in section 70-624.04, any officer of any city or village in this state who shall be interested, directly or indirectly, in any contract to which the city or village is a party, or who shall enter into any contract to furnish or shall furnish to any contractor or subcontractor with a city or village of which he is an officer, any material to be used in performing any contract with such city or village, when the consideration of either of such type of contract is in-an-amount-in-excess-of-two for more than ten thousand dollars in any one year, shall, upon conviction thereof, be fined in any sum not less than one thousand dollars nor more than five thousand dollars; Provided, the receiving of deposits, cashing of checks, and buying and selling warrants and bonds of indebtedness of any city or village of this state by a financial institution shall not be considered a contract under the provisions of this section; and provided further, that ownership of less than one per cent of the outstanding stock of any one class shall not constitute an interest, direct or indirect, within the meaning of this section. No contract may be divided for the purpose of evading the requirements of this section.

Sec. 5. That original section 17-807, Reissue Revised Statutes of Nebraska, 1943, and sections 16-325, 16-502, and 18-301, Revised Statutes Supplement, 1972, are repealed.