

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 797

Introduced by Urban Affairs Committee: McKinney, 11, Chairperson;
Cavanaugh, J., 9; Quick, 35; Rountree, 3.

Read first time January 07, 2026

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to municipalities; to amend sections 16-321
- 2 and 17-568.01, Reissue Revised Statutes of Nebraska; to increase
- 3 minimum bidding amount requirements for cities of the first class,
- 4 cities of the second class, and villages as prescribed; and to
- 5 repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 16-321, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 16-321 (1) The city engineer of a city of the first class shall,
4 when requested by the mayor or city council, make estimates of the cost
5 of labor and material which may be done or furnished by contract with the
6 city and make all surveys, estimates, and calculations necessary to be
7 made for the establishment of grades, the building of culverts, sewers,
8 electric light systems, waterworks, power plants, public heating systems,
9 bridges, curbing, and gutters, the improvement of streets, and the
10 erection and repair of buildings and shall perform such other duties as
11 the city council may require. When the city has appointed a board of
12 public works, and the mayor and city council have by ordinance so
13 authorized, such board may utilize its own engineering staff and may hire
14 consulting engineers for the design and installation of extensions and
15 improvements of the works under the jurisdiction of the board of public
16 works. Whenever the mayor and city council have authorized the same, the
17 board of public works may purchase material and employ labor for the
18 enlargement or improvement of the systems and works under the
19 jurisdiction of the board.

20 (2) Except as provided in section 18-412.01, no contract for
21 enlargement or general improvements, such as water extensions, sewers,
22 public heating systems, bridges, work on streets, or any other work or
23 improvement when the cost of such improvement is assessed to the
24 property, costing over ninety ~~thirty~~ thousand dollars shall be made
25 unless it is first approved by the city council.

26 (3) Except as provided in section 18-412.01, before the city council
27 makes any contract in excess of ninety ~~thirty~~ thousand dollars for
28 enlargement or general improvements, such as water extensions, sewers,
29 public heating systems, bridges, work on streets, or any other work or
30 improvement when the cost of such enlargement or improvement is assessed
31 to the property, an estimate of the cost shall be made by the city

1 engineer and submitted to the city council. In advertising for bids as
2 provided in subsections (4) and (6) of this section, the city council may
3 publish the amount of the estimate.

4 (4) Advertisements for bids shall be required for any contract
5 costing over ninety ~~thirty~~ thousand dollars entered into (a) for
6 enlargement or general improvements, such as water extensions, sewers,
7 public heating systems, bridges, work on streets, or any other work or
8 improvement when the cost of such enlargement or improvement is assessed
9 to the property, or (b) for the purchase of equipment used in the
10 construction of such enlargement or general improvements.

11 (5) A municipal electric utility may enter into a contract for the
12 enlargement or improvement of the electric system or for the purchase of
13 equipment used for such enlargement or improvement without advertising
14 for bids if the price is: (a) Ninety ~~Thirty~~ thousand dollars or less; (b)
15 one hundred eighty ~~sixty~~ thousand dollars or less and the municipal
16 electric utility has gross annual revenue from retail sales in excess of
17 one million dollars; (c) two hundred fifty ~~ninety~~ thousand dollars or
18 less and the municipal electric utility has gross annual revenue from
19 retail sales in excess of five million dollars; ~~or~~ (d) three ~~one~~ hundred
20 ~~twenty~~ thousand dollars or less and the municipal electric utility has
21 gross annual revenue from retail sales in excess of ten million dollars;
22 (e) five hundred thousand dollars or less and the municipal electric
23 utility has gross annual revenue from retail sales in excess of twenty
24 million dollars; (f) seven hundred fifty thousand dollars or less and the
25 municipal electric utility has gross annual revenue from retail sales in
26 excess of thirty million dollars; or (g) one million dollars or less and
27 the municipal electric utility has gross annual revenue from retail sales
28 in excess of seventy-five million dollars.

29 (6) The advertisement provided for in subsections (3) and (4) of
30 this section shall be published at least seven days prior to the bid
31 closing in a legal newspaper in or of general circulation in the city. In

1 case of a public emergency resulting from infectious or contagious
2 diseases, destructive windstorms, floods, snow, war, or an exigency or
3 pressing necessity or unforeseen need calling for immediate action or
4 remedy to prevent a serious loss of, or serious injury or damage to,
5 life, health, or property, estimates of costs and advertising for bids
6 may be waived in the emergency ordinance authorized by section 16-405
7 when adopted by a three-fourths vote of the city council and entered of
8 record.

9 (7) If, after advertising for bids as provided in subsections (3),
10 (4), and (6) of this section, the city council receives fewer than two
11 bids on a contract or if the bids received by the city council contain a
12 price which exceeds the estimated cost, the mayor and the city council
13 may negotiate a contract in an attempt to complete the proposed
14 enlargement or general improvements at a cost commensurate with the
15 estimate given.

16 (8) If the materials are of such a nature that, in the opinion of
17 the manufacturer and with the concurrence of the city council or board of
18 public works, no cost can be estimated until the materials have been
19 manufactured or assembled to the specific qualifications of the city, the
20 city council or board of public works may authorize the manufacture and
21 assemblage of such materials and may thereafter approve the estimated
22 cost expenditure when it is provided by the manufacturer.

23 **Sec. 2.** Section 17-568.01, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 17-568.01 (1) The city engineer in a city of the second class or
26 village engineer shall, when requested by the mayor, city council, or
27 village board of trustees, make estimates of the cost of labor and
28 material which may be done or furnished by contract with the city or
29 village and make all surveys, estimates, and calculations necessary to be
30 made for the establishment of grades, the building of culverts, sewers,
31 electric light systems, waterworks, power plants, public heating systems,

1 bridges, curbing, and gutters, the improvement of streets, and the
2 erection and repair of buildings and shall perform such other duties as
3 the city council or village board of trustees may require.

4 When a city of the second class has appointed a board of public
5 works, and the mayor and city council have by ordinance so authorized,
6 the board of public works may utilize its own engineering staff and may
7 hire consulting engineers for the design and installation of extensions
8 and improvements of the works under the jurisdiction of the board of
9 public works. Whenever the mayor and city council have authorized the
10 same, the board of public works may purchase material and employ labor
11 for the enlargement or improvement of the systems and works under the
12 jurisdiction of the board of public works.

13 (2) Except as provided in section 18-412.01, no contract for
14 enlargement or general improvements, such as water extensions, sewers,
15 public heating systems, bridges, work on streets, or any other work or
16 improvement when the cost of such enlargement or improvement is assessed
17 to the property, costing over ninety ~~thirty~~ thousand dollars shall be
18 made unless it is first approved by the city council or village board of
19 trustees.

20 (3) Except as provided in section 18-412.01, before the city council
21 or village board of trustees makes any contract in excess of ninety
22 ~~thirty~~ thousand dollars for enlargement or general improvements, such as
23 water extensions, sewers, public heating systems, bridges, work on
24 streets, or any other work or improvement when the cost of such
25 enlargement or improvement is assessed to the property, an estimate of
26 the cost shall be made by the city engineer or village engineer and
27 submitted to the city council or village board of trustees. In
28 advertising for bids as provided in subsections (4) and (6) of this
29 section, the city council or village board of trustees may publish the
30 amount of the estimate.

31 (4) Advertisements for bids shall be required for any contract

1 costing over ninety thirty thousand dollars entered into (a) for
2 enlargement or general improvements, such as water extensions, sewers,
3 public heating systems, bridges, work on streets, or any other work or
4 improvement when the cost of such enlargement or improvement is assessed
5 to the property, or (b) for the purchase of equipment used in the
6 construction of such enlargement or general improvements.

7 (5) A municipal electric utility may enter into a contract for the
8 enlargement or improvement of the electric system or for the purchase of
9 equipment used for such enlargement or improvement without advertising
10 for bids if the price is: (a) Ninety Thirty thousand dollars or less; (b)
11 one hundred eighty sixty thousand dollars or less and the municipal
12 electric utility has gross annual revenue from retail sales in excess of
13 one million dollars; (c) two hundred fifty ninety thousand dollars or
14 less and the municipal electric utility has gross annual revenue from
15 retail sales in excess of five million dollars; ~~or~~ (d) three one hundred
16 ~~twenty~~ thousand dollars or less and the municipal electric utility has
17 gross annual revenue from retail sales in excess of ten million dollars;
18 (e) five hundred thousand dollars or less and the municipal electric
19 utility has gross annual revenue from retail sales in excess of twenty
20 million dollars; (f) seven hundred fifty thousand dollars or less and the
21 municipal electric utility has gross annual revenue from retail sales in
22 excess of thirty million dollars; or (g) one million dollars or less and
23 the municipal electric utility has gross annual revenue from retail sales
24 in excess of seventy-five million dollars.

25 (6) The advertisement provided for in subsections (3) and (4) of
26 this section shall be published at least seven days prior to the bid
27 closing in a legal newspaper in or of general circulation in the city or
28 village. In case of a public emergency resulting from infectious or
29 contagious diseases, destructive windstorms, floods, snow, war, or an
30 exigency or pressing necessity or unforeseen need calling for immediate
31 action or remedy to prevent a serious loss of, or serious injury or

1 damage to, life, health, or property, estimates of costs and advertising
2 for bids may be waived in the emergency ordinance authorized by section
3 17-613 when adopted by a three-fourths vote of the city council or
4 village board of trustees and entered of record.

5 (7) If, after advertising for bids as provided in subsections (3),
6 (4), and (6) of this section, the city council or village board of
7 trustees receives fewer than two bids on a contract or if the bids
8 received by the city council or village board of trustees contain a price
9 which exceeds the estimated cost, the mayor and the city council or
10 village board of trustees may negotiate a contract in an attempt to
11 complete the proposed enlargement or general improvements at a cost
12 commensurate with the estimate given.

13 (8) If the materials are of such a nature that, in the opinion of
14 the manufacturer and with the concurrence of the city council, village
15 board of trustees, or board of public works, no cost can be estimated
16 until the materials have been manufactured or assembled to the specific
17 qualifications of the purchasing municipality, the city council, village
18 board of trustees, or board of public works may authorize the manufacture
19 and assemblage of such materials and may thereafter approve the estimated
20 cost expenditure when it is provided by the manufacturer.

21 **Sec. 3.** Original sections 16-321 and 17-568.01, Reissue Revised
22 Statutes of Nebraska, are repealed.