

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 799

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 service contracts; to adopt the Service
- 2 Contract Reporting Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 5 of this act shall be known and may be
2 cited as the Service Contract Reporting Act.

3 **Sec. 2.** For purposes of the Service Contract Reporting Act:

4 (1) City means a city of the metropolitan class;

5 (2) County means a county in this state with a population of more
6 than five hundred thousand inhabitants as determined by the most recent
7 federal decennial census;

8 (3) Division means the materiel division of the Department of
9 Administrative Services;

10 (4) Economic redevelopment area means an area in the State of
11 Nebraska in which:

12 (a) The average rate of unemployment in the area during the period
13 covered by the most recent federal decennial census or American Community
14 Survey 5-Year Estimate by the United States Bureau of the Census is at
15 least one hundred fifty percent of the average rate of unemployment in
16 the state during the same period; and

17 (b) The average poverty rate in the area is twenty percent or more
18 for the federal census tract in the area;

19 (5) Fiscal year means the twelve-month period used by the city,
20 county, or state agency for budgeting purposes;

21 (6) Qualified census tract means a qualified census tract as defined
22 in 26 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on January 1,
23 2026;

24 (7) Service contract means a contract awarded by a city, county, or
25 state agency for the provision of legal services, accounting services,
26 financial consulting services, management consulting services, health
27 care services, engineering services, architectural services, information
28 technology services, marketing and advertising services, human resources
29 consulting services, environmental consulting services, educational and
30 training services, snow removal and hauling services, janitorial
31 services, custodial and cleaning services, yard maintenance services, or

1 tree removal services;

2 (8) State agency means any agency, board, or commission of this
3 state other than the University of Nebraska, the Nebraska state colleges,
4 the courts, the Legislature, or any officer or state agency established
5 by the Constitution of Nebraska; and

6 (9) State aid means:

7 (a) For both cities and counties, state aid paid pursuant to
8 sections 60-3,202 and 77-3523;

9 (b) For cities, state aid to cities paid pursuant to sections
10 39-2501 to 39-2520, 60-3,190, and 77-27,139.04 and insurance premium tax
11 paid to cities; and

12 (c) For counties, state aid to counties paid pursuant to sections
13 60-3,184 to 60-3,190, insurance premium tax paid to counties, and
14 reimbursements to counties from funds appropriated pursuant to section
15 29-3933.

16 **Sec. 3.** On or before August 1, 2026, and on or before August 1 of
17 each year thereafter, each city, county, and state agency shall submit a
18 report to the division containing the following information:

19 (1) The name and address of each individual or entity that was
20 awarded a service contract during the most recently completed fiscal year
21 and the type of service involved in each such contract;

22 (2) The total dollar value of service contracts awarded during the
23 most recently completed fiscal year;

24 (3) The total dollar value of service contracts awarded during the
25 most recently completed fiscal year to an individual or entity located
26 within an economic redevelopment area or a qualified census tract; and

27 (4) A description of any efforts made by the city, county, or state
28 agency to increase the number of service contracts awarded to individuals
29 and entities located within economic redevelopment areas and qualified
30 census tracts.

31 **Sec. 4.** On or before September 1, 2026, and on or before September

1 1 of each year thereafter, the division shall compile the information
2 reported under section 3 of this act and shall electronically submit a
3 comprehensive report regarding such information to the Governor, the
4 Clerk of the Legislature, and the Urban Affairs Committee of the
5 Legislature. The division shall also make the comprehensive report
6 available on the website of the Department of Administrative Services.

7 **Sec. 5.** If any city or county fails to submit an annual report to
8 the division as required under section 3 of this act, the division shall
9 send notification of the noncompliance to the governing body of the
10 relevant city or county and to the State Treasurer. The State Treasurer
11 shall then suspend all distributions of state aid allocated to the city
12 or county until the annual report is submitted. Once the annual report
13 has been submitted, the city or county shall again become entitled to all
14 distributions of state aid, including any suspended distributions.