

LEGISLATIVE BILL 797

Approved by the Governor April 14, 2026

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

A BILL FOR AN ACT relating to municipalities; to amend sections 16-321 and 17-568.01, Reissue Revised Statutes of Nebraska; to increase minimum bidding amount requirements for cities of the first class, cities of the second class, and villages as prescribed; and to repeal the original sections.

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

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

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

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

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

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

(5) A municipal electric utility may enter into a contract for the enlargement or improvement of the electric system or for the purchase of equipment used for such enlargement or improvement without advertising for bids if the price is: (a) Ninety Thirty thousand dollars or less; (b) one hundred eighty sixty thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of one million dollars; (c) two hundred fifty ninety thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of five million dollars; ~~or~~ (d) three one hundred twenty thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of ten million dollars; (e) five hundred thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of twenty million dollars; (f) seven hundred fifty thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of thirty million dollars; or (g) one million dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of seventy-five million dollars.

(6) The advertisement provided for in subsections (3) and (4) of this section shall be published at least seven days prior to the bid closing in a legal newspaper in or of general circulation in the city. In case of a public emergency resulting from infectious or contagious diseases, destructive windstorms, floods, snow, war, or an exigency or pressing necessity or unforeseen need calling for immediate action or remedy to prevent a serious loss of, or serious injury or damage to, life, health, or property, estimates of costs and advertising for bids may be waived in the emergency ordinance authorized by section 16-405 when adopted by a three-fourths vote of the city council and entered of record.

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

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

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

17-568.01 (1) The city engineer in a city of the second class or village engineer shall, when requested by the mayor, city council, or village board of trustees, make estimates of the cost of labor and material which may be done or furnished by contract with the city or village and make all surveys, estimates, and calculations necessary to be made for the establishment of grades, the building of culverts, sewers, electric light systems, waterworks, power plants, public heating systems, bridges, curbing, and gutters, the improvement of streets, and the erection and repair of buildings and shall perform such other duties as the city council or village board of trustees may require.

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

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

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

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

(5) A municipal electric utility may enter into a contract for the enlargement or improvement of the electric system or for the purchase of equipment used for such enlargement or improvement without advertising for bids if the price is: (a) Ninety ~~Thirty~~ thousand dollars or less; (b) one hundred eighty ~~sixty~~ thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of one million dollars; (c) two hundred fifty ~~ninety~~ thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of five million dollars; ~~or~~ (d) three ~~one~~ hundred twenty thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of ten million dollars; (e) five hundred thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of twenty million dollars; (f) seven hundred fifty thousand dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of thirty million dollars; or (g) one million dollars or less and the municipal electric utility has gross annual revenue from retail sales in excess of seventy-five million dollars.

(6) The advertisement provided for in subsections (3) and (4) of this section shall be published at least seven days prior to the bid closing in a legal newspaper in or of general circulation in the city or village. In case of a public emergency resulting from infectious or contagious diseases, destructive windstorms, floods, snow, war, or an exigency or pressing necessity or unforeseen need calling for immediate action or remedy to prevent a serious loss of, or serious injury or damage to, life, health, or property, estimates of costs and advertising for bids may be waived in the emergency ordinance authorized by section 17-613 when adopted by a three-fourths vote of the city council or village board of trustees and entered of record.

(7) If, after advertising for bids as provided in subsections (3), (4),

and (6) of this section, the city council or village board of trustees receives fewer than two bids on a contract or if the bids received by the city council or village board of trustees contain a price which exceeds the estimated cost, the mayor and the city council or village board of trustees may negotiate a contract in an attempt to complete the proposed enlargement or general improvements at a cost commensurate with the estimate given.

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

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