

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 878

Introduced by Walz, 15.

Read first time January 09, 2020

Committee:

- 1 A BILL FOR AN ACT relating to the Nebraska Political Accountability and
- 2 Disclosure Act; to amend sections 49-1425 and 49-14,103.01, Reissue
- 3 Revised Statutes of Nebraska; to redefine immediate family; to
- 4 change and eliminate provisions related to an interest in contracts;
- 5 and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 49-1425, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 49-1425 Immediate family shall mean a child of an individual
4 ~~residing in an individual's household~~, a spouse of an individual, or an
5 individual claimed by that individual or that individual's spouse as a
6 dependent for federal income tax purposes.

7 Sec. 2. Section 49-14,103.01, Reissue Revised Statutes of Nebraska,
8 is amended to read:

9 49-14,103.01 (1) For purposes of sections 49-14,103.01 to
10 49-14,103.06, unless the context otherwise requires, officer means (a) a
11 member of the board of directors of a natural resources district, (b) a
12 member of any board or commission of any county, school district, city,
13 or village which spends and administers its own funds, who is dealing
14 with a contract made by such board or commission, (c) any elected county,
15 school district, educational service unit, city, or village official, and
16 (d) a member of any board of directors or trustees of a hospital district
17 as provided by the Nebraska Local Hospital District Act or a county
18 hospital as provided by sections 23-3501 to 23-3519. Officer does not
19 mean volunteer firefighters or ambulance drivers with respect to their
20 duties as firefighters or ambulance drivers.

21 (2) Except as provided in section 49-1499.04 or 70-624.04, no
22 officer may have an interest in any contract to which his or her
23 governing body, or anyone for its benefit, is a party. The existence of
24 such an interest in any contract shall render the contract voidable by
25 decree of a court of competent jurisdiction as to any person who entered
26 into the contract or took assignment of such contract with actual
27 knowledge of the prohibited conflict.

28 (3) An action to have a contract declared void under this section
29 may be brought by the county attorney, the governing body, or any
30 resident within the jurisdiction of the governing body and shall be
31 brought within one year after the contract is signed or assigned. The

1 decree may provide for the reimbursement of any person for the reasonable
2 value of all money, goods, material, labor, or services furnished under
3 the contract, to the extent that the governing body has benefited
4 thereby.

5 (4) The prohibition in this section shall apply only when the
6 officer or his or her parent, spouse, or child (a) has a business
7 association as defined in section 49-1408 with the business involved in
8 the contract or (b) will receive a payment, ~~direct pecuniary fee~~, or
9 commission as a result of the contract.

10 (5) The prohibition in this section does not apply if the contract
11 is an agenda item approved at a board meeting and the interested officer:

12 (a) Makes a declaration on the record to the governing body
13 responsible for approving the contract regarding the nature and extent of
14 his or her interest prior to official consideration of the contract;

15 (b) Does not vote on the matters of granting the contract, making
16 payments pursuant to the contract, or accepting performance of work under
17 the contract, or similar matters relating to the contract, except that if
18 the number of members of the governing body declaring an interest in the
19 contract would prevent the body with all members present from securing a
20 quorum on the issue, then all members may vote on the matters; and

21 (c) Does not act for the governing body which is party to the
22 contract as to inspection or performance under the contract in which he
23 or she has an interest.

24 ~~(6) An officer who (a) has no business association as defined in~~
25 ~~section 49-1408 with the business involved in the contract or (b) will~~
26 ~~not receive a direct pecuniary fee or commission as a result of the~~
27 ~~contract shall not be deemed to have an interest within the meaning of~~
28 ~~this section.~~

29 (6) ~~(7)~~ The receiving of deposits, cashing of checks, and buying and
30 selling of warrants and bonds of indebtedness of any such governing body
31 by a financial institution shall not be considered a contract for

1 purposes of this section. The ownership of less than five percent of the
2 outstanding shares of a corporation shall not constitute an interest
3 within the meaning of this section.

4 (7) ~~(8)~~ If an officer's parent, spouse, or child is an employee of
5 his or her governing body, the officer may vote on all issues of the
6 contract which are generally applicable to (a) all employees or (b) all
7 employees within a classification and do not single out his or her
8 parent, spouse, or child for special action.

9 (8) ~~(9)~~ Section 49-14,102 does not apply to contracts covered by
10 sections 49-14,103.01 to 49-14,103.06.

11 (9)(a) ~~(10)(a)~~ This section does not prohibit a director of a
12 natural resources district from acting as a participant in any of the
13 conservation or other general district programs which are available for
14 like participation to other residents and landowners of the district or
15 from granting, selling, or otherwise transferring to such district any
16 interest in real property necessary for the exercise of its powers and
17 authorities if the cost of acquisition thereof is equal to or less than
18 that established by a board of three credentialed real property
19 appraisers or by a court of competent jurisdiction in an eminent domain
20 proceeding.

21 (b) District payments to a director of a natural resources district
22 of the market value for real property owned by him or her and needed for
23 district projects, or for cost sharing for conservation work on such
24 director's land or land in which a director may have an interest, shall
25 not be deemed subject to this section.

26 Sec. 3. Original sections 49-1425 and 49-14,103.01, Reissue Revised
27 Statutes of Nebraska, are repealed.