

LEGISLATIVE BILL 112

Approved by the Governor March 31, 1975

Introduced by Warner, 25

AN ACT to amend sections 16-672.05, 17-520, 17-918, 19-2412, 19-2419, 31-709.01, 31-755, 39-1619, and 39-1645, Reissue Revised Statutes of Nebraska, 1943, relating to works of internal improvement; to provide contract and payment provisions for work on prescribed works of internal improvement; to provide for payment of interest on delayed payments; to remove requirements for bid bonds; and to repeal the original sections.

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

Section 1. That section 16-672.05, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

16-672.05. After ordering any such improvements as provided in section 16-672.01, the mayor and city council may enter into a contract for the construction of the same in one or more contracts, but no work shall be done or contract let, if the estimated cost of the improvements, as determined by the city engineer, is in excess of two thousand dollars, until notice to contractors has been published once each week for three weeks in a newspaper published in the city, or if there be no newspaper published in said city, then in some newspaper of general circulation published in the county wherein such city is located. The notice shall state the extent of the work, and the kind of materials to be bid upon, including in such notice all kinds of material mentioned in the ordinance specified in section 16-672.01, and the time when bids will be received, the amount of a certified check required to accompany the bids, and may set forth the amount of the engineer's estimate of the cost of such improvements. Each bid shall be accompanied in a separate sealed envelope by a certified check in an amount to be specified in the notice, which amount shall be not less than fifteen per cent of the engineer's estimate of the total cost, which check shall be made payable to the city treasurer as security that the bidder to whom the contract may be awarded will promptly enter into a contract to construct the improvement in accordance with the notice to contractors, and give bond in the sum specified in said notice for the construction of same as therein required. Checks accompanying bids not accepted shall be promptly

~~returned-to--the--bidders:~~ The work provided for in sections 16-672.01 to 16-672.11, shall be done under a written contract with the lowest responsible bidder on the material selected after the bids are opened and in accordance with the requirements of the plans and specifications. The mayor and city council may reject any or all bids received and advertise for new bids in accordance herewith.

Sec. 2. That section 17-520, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

17-520. For all paving and improvements of the intersections and areas formed by the crossing of streets, avenues or alleys, and one half of the streets adjacent to real estate owned by the United States, the State of Nebraska or the city or village, the assessment shall be made upon all of the taxable property of the city or village; and for the payment of such paving or improvements the mayor and council or the board of trustees are hereby authorized to issue paving bonds of the city or village, in such denominations as they deem proper to be called Intersection Paving Bonds payable in not to exceed fifteen years from the date of said bonds, and to bear interest payable annually or semiannually. Such bonds shall not be issued until the work is completed and then not in excess of the cost of said improvements. For the purpose of making partial payments as the work progresses in paving, repaving, macadamizing or graveling, curbing and guttering or improvements of streets, avenues, alleys or intersections and areas formed by the crossing of streets, avenues, or alleys, or one half of the streets adjacent to real estate owned by the United States, the State of Nebraska or the city or village, warrants may be issued by the mayor and council, or the board of trustees, upon certificates of the engineer in charge showing the amount of the work completed and materials necessarily purchased and delivered for the orderly and proper continuation of the project, in a sum not exceeding eighty ninety-five per cent of the cost thereof, and upon completion and acceptance of the work issue a final warrant for the balance of the amount due the contractor, which warrants shall be redeemed and paid upon the sale of bonds authorized by law. The city or village shall pay to the contractor interest, at the rate of eight per cent per annum on the amounts due on partial and final payments, beginning forty-five days after the certification of the amounts due by the engineer in charge and approval by the governing body and running until the date that the warrant is tendered to the contractor. Nothing herein shall be construed as authorizing the mayor and council

or board of trustees to pave or gravel any intersections or areas formed by the crossing of streets, avenues or alleys, unless in connection with one or more blocks of street paving or graveling of which the paving or graveling of such intersection or area shall form a part.

Sec. 3. That section 17-918, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

17-918. After ordering any such improvements as provided for in section 17-917, the council or board may enter into a contract for the construction of same in one or more contracts, but no work shall be done or contract let until notice to contractors has been published in a newspaper of general circulation, published in such city or village, and if there be no newspaper of general circulation published in said city or village, then in some newspaper of general circulation published in the county wherein such city or village is located. The notice shall be published in at least two issues of such paper and shall state the extent of the work, and the kinds of material to be bid upon, including in such notice all kinds of material mentioned in the resolution specified in said section 17-913, the amount of the engineer's estimate of the cost of the said improvements, and the time when bids will be received. ~~7--and--the amount-of-certified-check-required-to-accompany-the-bids. Each-bid--shall--be--accompanied--in--a--separate--sealed envelope-by-certified-check-in-an-amount-to-be-named--in the-notice;--which-amount-shall-be-not-less-than--fifteen per-cent-of-the-engineer's-total--estimate--of--cost--and shall-be-made-payable-to-the-city-or--village--treasurer; as-security-that-the-bidder-to-whom-the-contract--may--be awarded--will-enter--into--a--contract--to--build--the improvement-in-accordance-with-the-notice-to-contractors; and-give-bond-in-the-sum-named-in--said--notice--for--the construction--of--same--as--therein--required.---Checks accompanying-bids-not-accepted-shall-be-retained--to--the bidders.~~ The work herein provided for shall be done under written contract with the lowest responsible bidder on the material selected after the bids are opened and in accordance with the requirements of the plans and specifications. The council or board may reject any or all bids received and advertise for new bids in accordance herewith.

Sec. 4. That section 19-2412, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

19-2412. The contract shall be let and the improvements made in the same manner as required for

street improvements. The city council or board of trustees of the village may direct the improvements to be made under a single contract or that separate bids be taken for the street improvement, installation of water mains and installation of sewers, but the aggregate of said contracts shall not exceed the estimate as shown in the ordinance creating the district. For the purpose of making partial payment as the work progresses warrants may be issued by the mayor and city council or the board of trustees of the village upon certificate of the engineer in charge showing the amount of the work completed and materials necessarily purchased and delivered for the orderly and proper continuance of the project in an amount not exceeding eighty-five ninety-five per cent of the cost thereof, which warrants shall be redeemed and paid from the amounts received on the special assessments or from the sale of bonds issued to pay the cost of the project as provided in section 19-2414. The city or village shall pay to the contractor interest, at the rate of eight per cent per annum on the amounts due on partial and final payments, beginning forty-five days after the certification of the amounts due by the engineer in charge and approval by the governing body and running until the date that the warrant is tendered to the contractor.

Sec. 5. That section 19-2419, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

19-2419. For the purpose of paying the cost of sidewalk improvements in any sidewalk district, the mayor and council or board of trustees shall have the power and may, by ordinance, cause to be issued bonds of the city or village, to be called Sidewalk Bonds of District No. ..., payable in not exceeding six years from date, and to bear interest annually or semiannually, with interest coupons attached. Such bonds shall be general obligations of the city or village, with principal and interest payable from a fund made up of the special assessments collected and supplemented by transfers from the general fund to make up any deficiency in the collection of the special assessments. For the purpose of making partial payments as the work progresses, warrants bearing interest may be issued by the mayor and council, or the board of trustees, upon certificate of the engineer in charge showing the amount of the work completed and materials necessarily purchased and delivered for the orderly and proper continuance of the project, in a sum not exceeding eighty ninety-five per cent of the cost thereof, which warrants shall be redeemed and paid upon the sale of the bonds issued and sold as aforesaid. The city or village shall pay to the

contractor interest, at the rate of eight per cent per annum on the amounts due on partial and final payments, beginning forty-five days after the certification of the amounts due by the engineer in charge and approval by the governing body and running until the date that the warrant is tendered to the contractor.

Sec. 6. That section 31-709.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

31-709.01. For the purpose of making partial payments as the work progresses, warrants may be issued by the trustees upon certificate of the engineer in charge, showing the amount of work completed and materials necessarily purchased and delivered for the orderly and proper continuation of the project, in a sum not exceeding eighty-five ninety-five per cent of the cost thereof, which warrants shall be redeemed and paid out of the proceeds of the sale of bonds issued and sold as authorized in section 31-709 and money collected on special assessments. The trustees shall pay to the contractor interest, at the rate of eight per cent per annum on the amounts due on partial and final payments, beginning forty-five days after the certification of the amounts due by the engineer in charge and approval by the board of trustees and running until the date that the warrant is tendered to the contractor. All special assessments which may be levied upon property especially benefited by such work or improvements shall, when collected, be set aside and constitute a sinking fund for the payment of the progress warrants and the interest and principal upon the bonds issued for the payment of said improvement.

Sec. 7. That section 31-755, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

31-755. For the purpose of paying the cost of the improvements herein provided for, the board of trustees, after such improvements have been completed and accepted, shall have the power to issue negotiable bonds of any such district, to be called sanitary and improvement district bonds, payable in not to exceed thirty years and such bonds shall be payable serially with the first maturity not later than five years from date of issue and bearing interest payable semiannually. Such bonds may either be sold by the district or delivered to the contractor in payment for the work, but in either case for not less than their par value. For the purpose of making partial payments as the work progresses, warrants may be issued by the board of

trustees upon certificates of the engineer in charge showing the amount of work completed and materials necessarily purchased and delivered for the orderly and proper continuation of the project, in a sum not to exceed eighty-five ninety-five per cent of the cost thereof. Such warrants shall draw interest at such rate as fixed by the board of trustees and endorsed on the warrants, from the date of presentation for payment and shall be redeemed and paid from the proceeds of special assessments or from the sale of the bonds issued and sold as aforesaid or from any other funds available for that purpose. The board of trustees shall pay to the contractor interest, at the rate of eight per cent per annum on the amounts due on partial and final payments, beginning forty-five days after the certification of the amounts due by the engineer in charge and approval by the board of trustees, and running until the date that the warrant is tendered to the contractor. The board of trustees shall levy special assessments on all lots, parcels or pieces of real estate benefited by the improvement to the extent of the benefits to such property, which when collected, shall be set aside and constitute a sinking fund for the payment of the interest and principal of said bonds. In addition to the special assessments provided for in this section, there shall be levied annually a tax upon the assessed value of all the taxable property in said district except intangible property which, together with such sinking fund derived from special assessments, shall be sufficient to meet payments of interest and principal as the same become due. Such tax shall be known as the sanitary and improvement district tax and shall be payable annually in money.

Sec. 8. That section 39-1619, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

39-1619. (1) For the payment of all improvements of the intersections and areas formed by the crossing of roads or alleys, and one half of the roads adjacent to real estate owned by the United States or the State of Nebraska, the assessment shall be made upon the assessed value of all the taxable property in such road improvement district, except intangible property, to be levied in the manner referred to in subsection (1) of section 39-1621, and for the payment of such improvements, the board of trustees is hereby authorized to issue paving bonds of the road improvement district, in such denominations as it deems to be proper, to be called Intersection Paving Bonds, payable over the life of the improvements and in no event exceeding twenty years from date. Such bonds shall bear interest payable

annually or semiannually, with interest coupons attached. For the prompt payment of such bonds, the full faith and credit of all the property in the district is pledged. Such bonds shall not be issued until the work is completed and then not in excess of the cost of said improvements.

(2) For the purpose of making partial payments as the work progresses, warrants may be issued by the board of trustees, upon certificates of the engineer in charge, showing the amount of the work completed and materials necessarily purchased and delivered for the orderly and proper continuation of the project, in a sum not exceeding eighty ninety-five per cent of the cost thereof, which warrants shall be redeemed and paid upon the sale of the bonds referred to in subsection (1) of this section and in section 39-1616 when issued and sold. The bonds may be sold or delivered to the contractor in payment at not less than par. The district shall pay to the contractor interest, at the rate of eight per cent per annum on the amounts due on partial and final payments, beginning forty-five days after the certification of the amounts due by the engineer in charge and approval by the governing body, and running until the date that the warrant is tendered to the contractor.

Sec. 9. That section 39-1645, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

39-1645. To pay the cost of the improvement as the work progresses the county may issue progress warrants drawn against the rural road improvement fund for the total cost of materials purchased on receipt of the materials, for the right-of-way acquired, for engineering and legal expense, and other incidental expenses, and eighty-five ninety-five per cent of the labor and material furnished cost of the work completed and materials necessarily purchased and delivered for the orderly and proper continuation of the project by the contractor as certified by the engineer in charge. On completion of the contract and the acceptance of the improvement by the county, a warrant may be drawn for the balance due the contractor. The warrants shall draw interest at the rate set by the county board. The county shall pay to the contractor interest, at the rate of eight per cent per annum on the amounts due on partial and final payments, beginning forty-five days after the certification of the amounts due by the engineer in charge and approval by the governing body and running until the date that the warrant is tendered to the contractor.

Sec. 10. That original sections 16-672.05, 17-520, 17-918, 19-2412, 19-2419, 31-709.01, 31-755, 39-1619, and 39-1645, Reissue Revised Statutes of Nebraska, 1943, are repealed.