

**ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013**  
**COMMITTEE STATEMENT**  
**LB97**

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**Hearing Date:** Wednesday February 13, 2013

**Committee On:** Revenue

**Introducer:** Mello

**One Liner:** Adopt the Nebraska Municipal Land Bank Act and authorize land banks to acquire tax-delinquent properties

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**Roll Call Vote - Final Committee Action:**

Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators Hadley, Hansen, Harr, Janssen, McCoy, Pirsch, Schumacher, Sullivan

**Nay:**

**Absent:**

**Present Not Voting:**

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**Proponents:**

Sen. Heath Mello  
Frank Alexander  
Amanda Brewer  
Jerry Stilmock  
Jamie Berglund  
James Thele  
Mike McMeekin  
Joe Kohout  
Gloria Austerberry  
Justin Brady

Lynn Rex  
Scott Makinster  
Deanna Walocha  
Mark Laughlin

**Opponents:**

Peter Katt

**Neutral:**

Chris Connolly  
Kent Rogert

**Representing:**

Introducer  
Center for Community Progress  
Habitat for Humanity  
NE Bankers Assoc.  
Greater Omaha Chamber of Commerce  
City of Omaha  
Omaha by Design  
United Cities of Sarpy Co.  
Omaha Together One Community  
NE Realtors Assoc./ Home Builders Assoc. of Lincoln/  
Metro Omaha Builders Assoc.  
League of NE Municipalities  
US Assets, LLC  
US Assets, LLC  
Self

**Representing:**

Self

**Representing:**

City of Lincoln  
Statewide Property Owners Assoc.

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**Summary of purpose and/or changes:**

The bill as drafted would establish the Nebraska Municipal Land Bank Act. Municipal Land Banks could be established in cities of the metropolitan class, or counties which contain at least three cities of the first class.

(Primary class cities, which is Lincoln only, would not be empowered to create this agency)

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Such agencies would be public corporations acting in a governmental capacity. The agency's primary purpose would be to facilitate the return to productive use properties which are

Vacant

Abandoned

or tax delinquent.

The terms vacant and abandoned are not defined in this bill.

Tax delinquent may refer to property tax delinquent, and not other tax delinquencies of property owners for any other tax, state, local or federal.

The agency created appears to have powers to enter into partnerships and joint ventures with private entities for the ownership of property. Properties acquired by the land bank are exempt from all taxation by the state or any political subdivision thereof.

The agency appears to be prohibited from using the power of eminent domain to acquire property. (see page 10, line 6), but has powers outlined on page 6 of the bill, line 16, which are listed as including sale, lease, encumbrance and alienation.

The agency may borrow money from private and public sources, (See page 13, line 7), and issue debt (see page 8, line 3). (See also page 15)

The agency appears to have power to sell property to private parties, and when such property becomes subject to property tax, withhold for its purposes 50% of the property taxes on such property, diverting it from the accounts of all other local governments.

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**Explanation of amendments:**

The Committee amendments rearranged and reordered several sections of the original bill. The changes clarified the Land Bank board members required levels of expertise, required a report be made to the Legislature on the board activities, and narrowed the ability of the Land Bank board to using an automatically accepted bidding process to acquire property.

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Galen Hadley, Chairperson