

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 711

Introduced by Hughes, 44.

Read first time January 05, 2022

Committee: Education

1 A BILL FOR AN ACT relating to the Board of Educational Lands and Funds;
2 to amend sections 72-257, 72-257.01, 72-258, 72-258.01, 72-258.02,
3 and 72-258.03, Reissue Revised Statutes of Nebraska; to change
4 provisions relating to the sale of educational land; to provide
5 duties; to redefine a term; to harmonize provisions; and to repeal
6 the original sections.

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

1 Section 1. Section 72-257, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 72-257 All lands, now owned or hereafter acquired by the state for
4 educational purposes, may be sold at the expiration of the present leases
5 if the purchaser intends to use the land for economic development. The
6 Board of Educational Lands and Funds shall retain all mineral rights in
7 the land sold. Prior to such sale, the appraised value of the land shall
8 be determined based on the current use of the land. The land ~~may be~~
9 ~~appraised for purposes of sale in the same manner as privately owned land~~
10 ~~by a certified general real property appraiser appointed by the board and~~
11 ~~thereafter shall be sold at public auction for sale at not less than the~~
12 ~~appraised value. When two or more contiguous tracts are under separate~~
13 ~~leases with different expiration dates, the board may, if it is deemed to~~
14 ~~be in the best interest of the state, defer the sale of any tract having~~
15 ~~an earlier lease expiration date and may offer the tract for lease for~~
16 ~~less than twelve years to coincide with the expiring lease of the~~
17 ~~contiguous tract, in order that the contiguous lands may eventually be~~
18 ~~offered for sale on the same date.~~

19 Sec. 2. Section 72-257.01, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 72-257.01 The Board of Educational Lands and Funds shall review and
22 set priorities for the sale of lands covered by leases expiring each
23 year, giving the highest priority to those lands which it determines,
24 considering all relevant factors, can be sold to the best advantage for
25 purposes of economic development. Any leaseholder or other interested
26 party may request that the land covered by any expiring lease be offered
27 for sale. Such request may include instructions for dividing the land
28 available to be sold, but such a division shall not result in any tract
29 of less than forty acres being sold or remaining unsold , and the board
30 ~~shall give consideration to such request in deciding whether to offer~~
31 ~~such land for sale.~~

1 Sec. 3. Section 72-258, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 72-258 (1) Educational land that is to be sold shall be offered for
4 sale at public auction by a representative of the Board of Educational
5 Lands and Funds and sold for at not less than the appraised value to the
6 highest bidder that intends to use the land for economic development.
7 Notice of such sale and the time and place where the same will be held
8 shall be given by publication three consecutive weeks in some legal
9 newspaper published in the county where the tracts of land or the lots
10 are located or, in case no legal newspaper is published in the county,
11 then in some legal newspaper of general circulation therein. The proof of
12 such publication shall be made by the affidavit of the publisher or
13 principal clerk of such newspaper or by some other person knowing about
14 the same and shall be filed in the office of the board.

15 (2) When the land consists of an undivided interest in realty, an
16 action to partition may be maintained in the same manner as provided by
17 law for the partition of real property among several joint owners.

18 (3) All notices of sale shall be posted in the office of the board.
19 The board may arrange for such commercial advertising of land sales as it
20 deems in the best interest of the state.

21 (4) A lessee requesting that a tract of land be sold at public
22 auction shall file an agreement with the board to pay the appraised value
23 or a higher amount as a minimum opening bid for the land. Within sixty
24 days after receipt by the board of the request, the board shall offer the
25 tract of land for sale at public auction with a minimum opening bid equal
26 to that amount stated in the accepted agreement for the minimum opening
27 bid and shall notify the lessee requesting the auction of the board's
28 determination prior to advertising the tract of land for sale. The
29 auction shall be held within one hundred twenty days after the board
30 accepts the agreement for a minimum opening bid.

31 (5) Any person or entity, other than such lessee, requesting that a

1 tract of land be sold at public auction shall file an agreement with the
2 board to pay the appraised value or a higher amount ~~value~~ as a minimum
3 opening bid for the land. Within sixty days after receipt by the board of
4 the request, the board shall determine whether or not to offer the tract
5 of land for sale at public auction with a minimum opening bid equal to
6 that amount stated in the accepted agreement for the minimum opening bid
7 and shall notify the person or entity requesting the auction of the
8 board's determination prior to advertising the tract of land for sale. If
9 the board determines to offer the tract of land for sale at public
10 auction, the auction shall be held within one hundred twenty days after
11 the board accepts the agreement for a minimum opening bid. If the board
12 determines not to offer the tract of land for sale, the offering price
13 and legal description of the tract of land shall be included in the
14 annual report to the Legislature.

15 (6) The sale shall be subject to confirmation by the board that the
16 requirements of this section have been met. Settlement shall be made by
17 paying cash of not less than twenty percent of the purchase price at the
18 time of sale, and the balance shall be payable in cash within ninety days
19 after the date of sale. If the person submitting the high bid for the
20 land fails to pay the balance of the purchase price and complete the sale
21 within ninety days, the person's ~~his or her~~ rights under the sale,
22 including the twenty percent downpayment, shall be forfeited by the board
23 and a new sale shall be authorized.

24 (7)(a) Land purchased pursuant to this section is subject to the
25 following conditions:

26 (i) The purchaser of the land shall start to improve or develop the
27 land within one year after the date of purchase; and

28 (ii) The appraised value of the land shall be twice as much as the
29 purchase price of the land at some point in time within five years after
30 the date of purchase.

31 (b) In the event of a failure of a condition established in this

1 subsection for purchased land:

2 (i) The Board of Educational Lands and Funds shall take all actions
3 necessary to reacquire such land for the State of Nebraska as educational
4 land;

5 (ii) The purchaser of such land shall sell such land to the State of
6 Nebraska as directed by the Board of Educational Lands and Funds pursuant
7 to subdivision (7)(b)(i) of this section; and

8 (iii) The Board of Educational Lands and Funds shall pay the
9 purchaser the appraised value for the land. The appraised value shall be
10 determined as of the date of the failed condition.

11 Sec. 4. Section 72-258.01, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 72-258.01 If ~~such~~ land ~~is~~ should not be sold according to the
14 ~~provisions of~~ sections 72-208, 72-257, 72-257.01, and 72-258, then the
15 land ~~it~~ shall be offered for lease as the Board of Educational Lands and
16 Funds shall provide for a period of not less than three years nor more
17 than eight years as the board, in its discretion, shall determine. ~~No~~
18 ~~such leased land shall be subsequently offered for sale until the~~
19 ~~expiration of such lease.~~

20 Sec. 5. Section 72-258.02, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 72-258.02 Whenever a portion of the National System of Interstate
23 and Defense Highways is constructed on school land and an interchange is
24 constructed on such school land, the Board of Educational Lands and Funds
25 shall offer such land for sale at public auction in such tracts as the
26 board shall determine and sell it for ~~at~~ not less than its appraised
27 value. The sale shall be made subject to the rights of leaseholders, if
28 any, and the leaseholder shall be paid for improvements and the value of
29 the leasehold for agricultural purposes. The sale shall be made in
30 accordance with ~~the provisions of~~ section 72-258.

31 Sec. 6. Section 72-258.03, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 72-258.03 For purposes of sections 72-201 to 72-274 sales of
3 educational lands at public auction, appraised value means is the value
4 as determined by a certified general real property appraiser in the same
5 manner as the value is determined for privately owned land. An appraised
6 value shall be determined by such an appraiser appointed by the Board of
7 Educational Lands and Funds. Such appraiser shall not have (1) a material
8 interest in the outcome of the sale or (2) a material relationship with a
9 member of the board by the Board of Educational Lands and Funds.

10 Sec. 7. Original sections 72-257, 72-257.01, 72-258, 72-258.01,
11 72-258.02, and 72-258.03, Reissue Revised Statutes of Nebraska, are
12 repealed.