

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SECOND LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 423**

Introduced by Krist, 10.

Read first time January 14, 2011

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-1901, 77-1902, 77-1909, 77-1914, 77-1915, and 77-1916,  
3 Reissue Revised Statutes of Nebraska; to change tax  
4 foreclosure provisions relating to liens of sanitary and  
5 improvement districts as prescribed; and to repeal the  
6 original sections.

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

1           Section 1. Section 77-1901, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           77-1901 Counties shall have a lien upon real estate  
4 within their boundaries for all taxes due thereon to the state, any  
5 governmental subdivision of the state, any municipal corporation, and  
6 any drainage or irrigation district. After any parcel of real estate  
7 has been offered for sale and not sold for want of bidders, the  
8 county board shall make and enter an order directing the county  
9 attorney to foreclose the lien for all taxes then delinquent,  
10 excluding any lien on real estate for special assessments levied by  
11 any sanitary and improvement district which ~~real estate has special~~  
12 assessments have not been previously offered for sale by the county  
13 treasurer, in the same manner and with like effect as in the  
14 foreclosure of real estate mortgages, except as otherwise  
15 specifically provided by sections 77-1903 to 77-1917.

16           Sec. 2. Section 77-1902, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18           77-1902 When land has been sold for delinquent taxes and  
19 a tax sale certificate or tax deed has been issued, the holder of  
20 such tax sale certificate or tax deed may, instead of demanding a  
21 deed or, if a deed has been issued, by surrendering the same in  
22 court, proceed in the district court of the county in which the land  
23 is situated to foreclose the lien for taxes represented by the tax  
24 sale certificate or tax deed and all subsequent tax liens thereon,  
25 excluding any lien on real estate for special assessments levied by

1 any sanitary and improvement district which ~~real estate has special~~  
2 assessments have not been previously offered for sale by the county  
3 treasurer, in the same manner and with like effect as in the  
4 foreclosure of a real estate mortgage, except as otherwise  
5 specifically provided by sections 77-1903 to 77-1917. Such action  
6 shall only be brought within six months after the expiration of three  
7 years from the date of sale of any real estate for taxes or special  
8 assessments.

9           Sec. 3. Section 77-1909, Reissue Revised Statutes of  
10 Nebraska, is amended to read:

11           77-1909 In its decree, the court shall ascertain and  
12 determine the amount of taxes, special assessments, and other liens,  
13 interest, and costs chargeable to each particular item of real  
14 property, excluding any lien on real estate for special assessments  
15 levied by any sanitary and improvement district which special  
16 assessments have not been previously offered for sale by the county  
17 treasurer, and award to the plaintiff an attorney's fee, unless  
18 waived by the plaintiff, in an amount equal to ten percent of the  
19 amount due which shall be taxed as part of the costs in the action  
20 and apportioned equitably as other costs.

21           Sec. 4. Section 77-1914, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23           77-1914 Upon confirmation of the sale, the clerk of the  
24 district court shall certify to the county treasurer the year or  
25 years of the taxes for which the real property was sold. The county

1 treasurer shall thereupon cancel the taxes for such years, and the  
2 proceedings shall operate as a release of such real property from all  
3 liens for the taxes included on the real property. The delivery of  
4 the sheriff's deed shall pass title to the purchaser free and clear  
5 of all liens and interests of all persons who were parties to the  
6 proceedings, who received service of process, and over whom the court  
7 had jurisdiction, excluding any lien on real estate for special  
8 assessments levied by any sanitary and improvement district which  
9 special assessments have not been previously offered for sale by the  
10 county treasurer.

11 Sec. 5. Section 77-1915, Reissue Revised Statutes of  
12 Nebraska, is amended to read:

13 77-1915 From the proceeds of the sale of any real  
14 property, the costs charged thereto shall first be paid. When the  
15 plaintiff is a private person, firm, or corporation, the balance  
16 thereof, or so much thereof as is necessary, shall be paid to the  
17 plaintiff. When the plaintiff is a governmental subdivision,  
18 municipal corporation, or drainage or irrigation district, the  
19 balance thereof, or so much thereof as is necessary, shall be paid to  
20 the county treasurer for distribution to the various governmental  
21 subdivisions, municipal corporations, or drainage or irrigation  
22 districts entitled thereto in discharge of all claims, excluding any  
23 lien on real estate for special assessments levied by any sanitary  
24 and improvement district which special assessments have not been  
25 previously offered for sale by the county treasurer.

1                   Sec. 6. Section 77-1916, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3                   77-1916 If a surplus remains after satisfying all costs  
4 and taxes against any particular item of real property, the excess  
5 shall be applied in the manner provided by law for the disposition of  
6 the surplus in the foreclosure of mortgages on real property. If the  
7 proceeds are insufficient to pay the costs and all the taxes, when  
8 the plaintiff is a governmental subdivision, a municipal corporation,  
9 or a drainage or irrigation district, the amount remaining shall be  
10 prorated among the governmental subdivisions, municipal corporations,  
11 and drainage or irrigation districts in the proportion of their  
12 interest in the decree of foreclosure. The proceeds of the sale of  
13 one item of real property shall not be applied to the discharge of a  
14 lien for taxes against another item of real property except when so  
15 directed by the decree for foreclosure under the circumstances set  
16 forth in section 77-1910. The lien on real estate for special  
17 assessments levied by any sanitary and improvement district shall not  
18 be entitled to any surplus unless such special assessments have been  
19 previously offered for sale by the county treasurer.

20                   Sec. 7. Original sections 77-1901, 77-1902, 77-1909,  
21 77-1914, 77-1915, and 77-1916, Reissue Revised Statutes of Nebraska,  
22 are repealed.