

LEGISLATURE OF NEBRASKA

ONE HUNDRED THIRD LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 97

Introduced by Mello, 5; Ashford, 20; McGill, 26; Nordquist, 7.

Read first time January 10, 2013

Committee: Revenue

A BILL

1 FOR AN ACT relating to land banks; to amend sections 77-1759,
2 77-1807, 77-1809, 77-1810, 77-3211, and 77-3213, Reissue
3 Revised Statutes of Nebraska, and sections 77-1736.06,
4 77-1915, and 77-1916, Revised Statutes Cumulative
5 Supplement, 2012; to adopt the Nebraska Municipal Land
6 Bank Act; to change provisions relating to property tax
7 refunds, payment of taxes, and collection of delinquent
8 real property taxes; to provide for transfers of real
9 property from land reutilization authorities; to
10 harmonize provisions; and to repeal the original
11 sections.

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

1 Section 1. Sections 1 to 18 of this act shall be known
2 and may be cited as the Nebraska Municipal Land Bank Act.

3 Sec. 2. The Legislature finds and declares as follows:

4 (1) Nebraska's municipalities are important to the social
5 and economic vitality of the state, and many municipalities are
6 struggling to cope with vacant, abandoned, and tax-delinquent
7 properties;

8 (2) Vacant, abandoned, and tax-delinquent properties
9 represent lost revenue to municipalities and large costs associated
10 with demolition, safety hazards, and the deterioration of
11 neighborhoods;

12 (3) There is an overriding public need to confront the
13 problems caused by vacant, abandoned, and tax-delinquent properties
14 through the creation of new tools for municipalities to use to turn
15 vacant spaces into vibrant places; and

16 (4) Land banks are one of the tools that can be utilized
17 by municipalities to facilitate the return of vacant, abandoned, and
18 tax-delinquent properties to productive use.

19 Sec. 3. For purposes of the Nebraska Municipal Land Bank
20 Act:

21 (1) Board means the board of directors of a land bank;

22 (2) Land bank means a land bank established in accordance
23 with the act;

24 (3) Municipality means any city or village of this state
25 that is located (a) within a county in which a city of the

1 metropolitan class is located or (b) within a county in which at
2 least three cities of the first class are located; and

3 (4) Real property means lands, lands under water,
4 structures, and any and all easements, air rights, franchises, and
5 incorporeal hereditaments and every estate and right therein, legal
6 and equitable, including terms for years and liens by way of
7 judgment, mortgage, or otherwise, and any and all fixtures and
8 improvements located thereon.

9 Sec. 4. (1) A municipality may elect to create a land
10 bank by the adoption of an ordinance which specifies the following:

11 (a) The name of the land bank;

12 (b) The initial individuals to serve as members of the
13 board and the length of terms for which they are to serve; and

14 (c) The qualifications and terms of office of members of
15 the board.

16 (2) Two or more municipalities may elect to enter into an
17 agreement pursuant to the Interlocal Cooperation Act to create a
18 single land bank to act on behalf of such municipalities, which
19 agreement shall contain the information required by subsection (1) of
20 this section.

21 (3) Each land bank created pursuant to the Nebraska
22 Municipal Land Bank Act shall be deemed to be a public corporation
23 acting in a governmental capacity and a political subdivision of the
24 state and shall have permanent and perpetual duration until
25 terminated and dissolved in accordance with section 14 of this act.

1 (4) The primary goal of any land bank shall be to
2 facilitate the return of vacant, abandoned, and tax-delinquent
3 properties to productive use.

4 Sec. 5. (1) The board shall consist of:

5 (a) Seven voting members appointed by the mayor of the
6 municipality or municipalities that created the land bank and
7 confirmed by a two-thirds vote of the governing body of the
8 municipality or municipalities that created the land bank. The voting
9 members of the board shall (i) be residents of the municipality or
10 municipalities that created the land bank or be representing an
11 entity whose primary place of business is within the municipality or
12 municipalities that created the land bank, (ii) have verifiable
13 skills, expertise, and knowledge in the areas of market-rate and
14 affordable residential, commercial, industrial, and mixed-use real
15 estate development, financing, law, purchasing and sales, asset
16 management, and economic and community development, (iii) to the
17 greatest extent possible, represent the racial and ethnic diversity
18 of the municipality or municipalities that created the land bank, and
19 (iv) include the following:

20 (A) At least one member representing realtors;

21 (B) At least one member representing the banking
22 industry;

23 (C) At least one member representing real estate
24 developers;

25 (D) At least one member representing a chamber of

1 commerce;

2 (E) At least one member representing a nonprofit
3 corporation involved in affordable housing; and

4 (F) At least one member representing multi-family
5 residential or commercial property owners;

6 (b) As a nonvoting, ex officio member, the planning
7 director of each municipality that created the land bank or his or
8 her designee; and

9 (c) Such other nonvoting members as are appointed by the
10 mayor of the municipality or municipalities that created the land
11 bank.

12 (2) The members of the board shall select annually from
13 among themselves a chairperson, a vice-chairperson, a treasurer, and
14 such other officers as the board may determine.

15 (3) A public official or public employee shall be
16 eligible to be a member of the board.

17 (4) A vacancy on the board among the appointed board
18 members shall be filled in the same manner as the original
19 appointment.

20 (5) Board members shall serve without compensation.

21 (6) The board shall meet in regular session according to
22 a schedule adopted by the board and shall also meet in special
23 session as convened by the chairperson or upon written notice signed
24 by a majority of the voting members. The presence of a majority of
25 the voting members of the board shall constitute a quorum.

1 (7)(a) Except as otherwise provided in subdivisions (b),
2 (c), and (d) of this subsection, all actions of the board shall be
3 approved by the affirmative vote of a majority of the voting members
4 present and voting.

5 (b) Any action of the board on the following matters
6 shall be approved by a majority of the voting members:

7 (i) Adoption of bylaws and other rules and regulations
8 for conduct of the land bank's business;

9 (ii) Hiring or firing of any employee or contractor of
10 the land bank. This function may, by majority vote of the voting
11 members, be delegated by the board to a specified officer or
12 committee of the land bank, under such terms and conditions, and to
13 the extent, that the board may specify;

14 (iii) The incurring of debt;

15 (iv) Adoption or amendment of the annual budget; and

16 (v) Sale, lease, encumbrance, or alienation of real
17 property, improvements, or personal property with a value of more
18 than fifty thousand dollars.

19 (c) Any action of the board on the following matters
20 shall be approved by a two-thirds majority of the voting members:

21 (i) Approval of a resolution of dissolution pursuant to
22 section 14 of this act; and

23 (ii) Adoption of policies and procedures for
24 automatically accepted bids pursuant to subsection (9) of this
25 section.

1 (d) If the municipality or municipalities that created
2 the land bank require that particular forms of disposition of real
3 property or dispositions of real property located within specified
4 jurisdictions be subject to specified voting and approval
5 requirements of the board pursuant to subsection (6) of section 10 of
6 this act, any such actions shall be approved as required by such
7 municipality or municipalities.

8 (8) Members of a board shall not be liable personally on
9 the bonds or other obligations of the land bank, and the rights of
10 creditors shall be solely against such land bank.

11 (9) The board shall adopt policies and procedures to
12 specify the conditions that must be met in order for the land bank to
13 give an automatically accepted bid as authorized in sections 17 and
14 18 of this act. The adoption of such policies and procedures shall
15 require the approval of two-thirds of the voting members of the
16 board.

17 Sec. 6. A land bank may employ such agents and employees,
18 permanent or temporary, as it may require, and may determine the
19 qualifications and fix the compensation and benefits of such persons.

20 Sec. 7. (1) A land bank shall have the following powers:

21 (a) To adopt, amend, and repeal bylaws for the regulation
22 of its affairs and the conduct of its business;

23 (b) To sue and be sued in its own name and plead and be
24 impleaded in all civil actions;

25 (c) To borrow money from private lenders, from

1 municipalities, from the state, or from federal government funds as
2 may be necessary for the operation and work of the land bank;

3 (d) To issue negotiable revenue bonds and notes according
4 to the provisions of the Nebraska Municipal Land Bank Act;

5 (e) To procure insurance or guarantees from the state or
6 federal government of the payments of any debts or parts thereof
7 incurred by the land bank and to pay premiums in connection
8 therewith;

9 (f) To enter into contracts and other instruments
10 necessary, incidental, or convenient to the performance of its duties
11 and the exercise of its powers, including, but not limited to,
12 agreements under the Interlocal Cooperation Act for the joint
13 exercise of powers under the Nebraska Municipal Land Bank Act;

14 (g) To enter into contracts and other instruments
15 necessary, incidental, or convenient to the performance of functions
16 by the land bank on behalf of municipalities or agencies or
17 departments of municipalities, or the performance by municipalities
18 or agencies or departments of municipalities of functions on behalf
19 of the land bank;

20 (h) To make and execute contracts and other instruments
21 necessary or convenient to the exercise of the powers of the land
22 bank;

23 (i) To provide foreclosure prevention counseling and re-
24 housing assistance;

25 (j) To procure insurance against losses in connection

1 with the real property, assets, or activities of the land bank;

2 (k) To invest money of the land bank, at the discretion
3 of the board, in instruments, obligations, securities, or property
4 determined proper by the board and name and use depositories for its
5 money;

6 (l) To enter into contracts for the management of, the
7 collection of rent from, or the sale of real property of the land
8 bank;

9 (m) To design, develop, construct, demolish, reconstruct,
10 rehabilitate, renovate, relocate, and otherwise improve real property
11 or rights or interests in real property of the land bank;

12 (n) To fix, charge, and collect fees and charges for
13 services provided by the land bank;

14 (o) To fix, charge, and collect rents and leasehold
15 payments for the use of real property of the land bank for a period
16 not to exceed twelve months, except that such twelve-month limitation
17 shall not apply if the real property of the land bank is subject to a
18 lease with a remaining term of more than twelve months at the time
19 such real property is acquired by the land bank;

20 (p) To grant or acquire a license, easement, lease, as
21 lessor and as lessee, or option with respect to real property of the
22 land bank;

23 (q) To enter into partnerships, joint ventures, and other
24 collaborative relationships with municipalities and other public and
25 private entities for the ownership, management, development, and

1 disposition of real property; and

2 (r) To do all other things necessary or convenient to
3 achieve the objectives and purposes of the land bank or other laws
4 that relate to the purposes and responsibilities of the land bank.

5 (2) A land bank shall neither possess nor exercise the
6 power of eminent domain.

7 Sec. 8. (1) A land bank may acquire real property or
8 interests in real property by gift, devise, transfer, exchange,
9 foreclosure, purchase, or otherwise on terms and conditions and in a
10 manner the land bank considers proper.

11 (2) A land bank may acquire real property or interests in
12 real property by purchase contracts, lease-purchase agreements,
13 installment sales contracts, or land contracts and may accept
14 transfers from political subdivisions upon such terms and conditions
15 as agreed to by the land bank and the political subdivision.
16 Notwithstanding any other law to the contrary, any political
17 subdivision may transfer to the land bank real property and interests
18 in real property of the political subdivision on such terms and
19 conditions and according to such procedures as determined by the
20 political subdivision.

21 (3) A land bank shall maintain all of its real property
22 in accordance with the laws and ordinances of the jurisdiction in
23 which the real property is located.

24 (4) A land bank shall not own or hold real property
25 located outside the jurisdictional boundaries of the municipality or

1 municipalities that created the land bank. For purposes of this
2 subsection, jurisdictional boundaries of a municipality does not
3 include the extraterritorial zoning jurisdiction of such
4 municipality.

5 (5) A land bank may accept transfers of real property and
6 interests in real property from a land reutilization authority on
7 such terms and conditions, and according to such procedures, as
8 mutually determined by the transferring land reutilization authority
9 and the land bank.

10 Sec. 9. The real property of a land bank and the land
11 bank's income and operations are exempt from all taxation by the
12 state or any political subdivision thereof.

13 Sec. 10. (1) A land bank shall hold in its own name all
14 real property acquired by the land bank irrespective of the identity
15 of the transferor of such property.

16 (2) A land bank shall maintain and make available for
17 public review and inspection an inventory of all real property held
18 by the land bank.

19 (3) A land bank shall determine and set forth in policies
20 and procedures of the board the general terms and conditions for
21 consideration to be received by the land bank for the transfer of
22 real property and interests in real property, which consideration may
23 take the form of monetary payments and secured financial obligations,
24 covenants and conditions related to the present and future use of the
25 property, contractual commitments of the transferee, and such other

1 forms of consideration as determined by the board to be in the best
2 interest of the land bank.

3 (4) A land bank may convey, exchange, sell, transfer,
4 grant, release and demise, pledge, and hypothecate any and all
5 interests in, upon, or to real property of the land bank. A land bank
6 may lease as lessor real property of the land bank for a period not
7 to exceed twelve months, except that such twelve-month limitation
8 shall not apply if the real property of the land bank is subject to a
9 lease with a remaining term of more than twelve months at the time
10 such real property is acquired by the land bank.

11 (5) The municipality or municipalities that created the
12 land bank may establish by resolution or ordinance a hierarchical
13 ranking of priorities for the use of real property conveyed by a land
14 bank. Such ranking shall take into consideration the highest and best
15 use that, when possible, will bring the greatest benefit to the
16 community. The priorities may include, but are not limited to, (a)
17 use for purely public spaces and places, (b) use for affordable
18 housing, (c) use for retail, commercial, and industrial activities,
19 and (d) such other uses and in such hierarchical order as determined
20 by the municipality or municipalities.

21 (6) The municipality or municipalities that created the
22 land bank may require by resolution or ordinance that any particular
23 form of disposition of real property, or any disposition of real
24 property located within specified jurisdictions, be subject to
25 specified voting and approval requirements of the board. Except and

1 unless restricted or constrained in this manner, the board may
2 delegate to officers and employees the authority to enter into and
3 execute agreements, instruments of conveyance, and all other related
4 documents pertaining to the conveyance of real property by the land
5 bank.

6 Sec. 11. (1) A land bank may receive funding through
7 grants and loans from the municipality or municipalities that created
8 the land bank, from other municipalities, from the state, from the
9 federal government, and from other public and private sources.

10 (2) A land bank may receive and retain payments for
11 services rendered, for rents and leasehold payments received, for
12 consideration for disposition of real and personal property, for
13 proceeds of insurance coverage for losses incurred, for income from
14 investments, and for any other asset and activity lawfully permitted
15 to a land bank under the Nebraska Municipal Land Bank Act.

16 (3)(a) Except as otherwise provided in subdivision (b) of
17 this subsection, fifty percent of the real property taxes collected
18 on real property conveyed by a land bank pursuant to the laws of this
19 state shall be remitted to the land bank. Such allocation of property
20 tax revenue shall commence with the first taxable year following the
21 date of conveyance and shall continue for a period of five years.

22 (b) A land bank may, by resolution of the board, elect
23 not to receive the real property taxes described in subdivision (a)
24 of this subsection for any real property conveyed by the land bank.
25 If such an election is made, the land bank shall notify the county

1 treasurer of the county in which the real property is located by
2 filing a copy of the resolution with the county treasurer, and
3 thereafter the county treasurer shall remit such real property taxes
4 to the appropriate taxing entities.

5 Sec. 12. (1) A land bank shall have the power to issue
6 bonds for any of its corporate purposes, the principal and interest
7 of which are payable from its revenue generally. Any of such bonds
8 shall be secured by a pledge of any revenue of the land bank or by a
9 mortgage of any property of the land bank.

10 (2) The bonds issued by a land bank are hereby declared
11 to have all the qualities of negotiable instruments under the Uniform
12 Commercial Code.

13 (3) The bonds of a land bank and the income therefrom
14 shall at all times be exempt from all taxes imposed by the state or
15 any political subdivision thereof.

16 (4) Bonds issued by the land bank shall be authorized by
17 resolution of the board and shall be limited obligations of the land
18 bank. The principal and interest, costs of issuance, and other costs
19 incidental thereto shall be payable solely from the income and
20 revenue derived from the sale, lease, or other disposition of the
21 assets of the land bank. Any refunding bonds issued shall be payable
22 from any source described above or from the investment of any of the
23 proceeds of the refunding bonds, and shall not constitute an
24 indebtedness or pledge of the general credit of any municipality
25 within the meaning of any constitutional or statutory limitation of

1 indebtedness and shall contain a recital to that effect. Bonds of the
2 land bank shall be issued in such form, shall be in such
3 denominations, shall bear interest, shall mature in such manner, and
4 shall be executed by one or more members of the board as provided in
5 the resolution authorizing the issuance thereof. Such bonds may be
6 subject to redemption at the option of and in the manner determined
7 by the board in the resolution authorizing the issuance thereof.

8 (5) Bonds issued by the land bank shall be issued, sold,
9 and delivered in accordance with the terms and provisions of a
10 resolution adopted by the board. The board may sell such bonds in
11 such manner, either at public or private sale, and for such price as
12 it may determine to be in the best interests of the land bank. The
13 resolution issuing bonds shall be published in a newspaper of general
14 circulation within the municipality or municipalities that created
15 the land bank.

16 (6) Neither the members of the board nor any person
17 executing the bonds shall be liable personally on any such bonds by
18 reason of the issuance thereof. Such bonds or other obligations of a
19 land bank shall not be a debt of any municipality and shall so state
20 on their face, nor shall any municipality nor any revenue or any
21 property of any municipality be liable therefor.

22 Sec. 13. (1) The board shall cause minutes and a record
23 to be kept of all its proceedings. Meetings of the board shall be
24 subject to the Open Meetings Act.

25 (2) All of a land bank's records and documents shall be

1 considered public records for purposes of sections 84-712 to
2 84-712.09.

3 (3) The board shall provide monthly reports to the
4 municipality or municipalities that created the land bank on the
5 board's activities pursuant to the Nebraska Municipal Land Bank Act.
6 The board shall also provide an annual report to the municipality or
7 municipalities that created the land bank by December 31 of each year
8 summarizing the board's activities for the year.

9 Sec. 14. A land bank may be dissolved sixty calendar days
10 after a resolution of dissolution is approved by two-thirds of the
11 voting members of the board and by two-thirds of the membership of
12 the governing body of the municipality or municipalities that created
13 the land bank. The board shall give sixty calendar days advance
14 written notice of its consideration of a resolution of dissolution by
15 publishing such notice in a newspaper of general circulation within
16 the municipality or municipalities that created the land bank and
17 shall send such notice by certified mail to the trustee of any
18 outstanding bonds of the land bank. Upon dissolution of the land
19 bank, all real property, personal property, and other assets of the
20 land bank shall become the assets of the municipality or
21 municipalities that created the land bank.

22 Sec. 15. (1) No member of the board or employee of a land
23 bank shall acquire any interest, direct or indirect, in real property
24 of the land bank, in any real property to be acquired by the land
25 bank, or in any real property to be acquired from the land bank. No

1 member of the board or employee of a land bank shall have any
2 interest, direct or indirect, in any contract or proposed contract
3 for materials or services to be furnished or used by a land bank.

4 (2) The board shall adopt:

5 (a) Rules addressing potential conflicts of interest; and

6 (b) Ethical guidelines for members of the board and
7 employees of the land bank.

8 Sec. 16. (1) Whenever any real property is acquired by a
9 land bank and is encumbered by a lien or claim for real property
10 taxes owed to one or more political subdivisions of the state, the
11 land bank may, by resolution of the board, discharge and extinguish
12 any and all such liens or claims. To the extent necessary and
13 appropriate, the land bank shall file in appropriate public records
14 evidence of the extinguishment and dissolution of such liens or
15 claims.

16 (2) To the extent that a land bank receives payments of
17 any kind attributable to liens or claims for real property taxes owed
18 to a political subdivision on property acquired by the land bank, the
19 land bank shall remit the full amount of the payments to the county
20 treasurer of the county that levied such taxes for distribution to
21 the appropriate taxing entity.

22 Sec. 17. (1)(a) At any sale of real property for the
23 nonpayment of taxes conducted pursuant to sections 77-1801 to
24 77-1863, a land bank may:

25 (i) Bid on such real property in an amount equal to the

1 total amount of taxes, interest, and costs due on the real property.
2 If a bid is given pursuant to this subdivision, the bid shall not
3 receive any special treatment by the county treasurer and shall be
4 accepted or rejected in the same manner as any other bid on such real
5 property; or

6 (ii) Give an automatically accepted bid on such real
7 property in an amount equal to the total amount of taxes, interest,
8 and costs due on the real property. If an automatically accepted bid
9 is given, it shall be accepted by the county treasurer regardless of
10 any other bids on such real property. An automatically accepted bid
11 may be given only if the conditions for making such a bid prescribed
12 by the board pursuant to subsection (9) of section 5 of this act have
13 been met.

14 (b) If a land bank's bid pursuant to subdivision (1)(a)
15 of this section is accepted by the county treasurer, the land bank
16 shall pay the county treasurer and shall be entitled to a tax sale
17 certificate for such real property.

18 (2) If a county holds a tax sale certificate pursuant to
19 section 77-1809, a land bank may purchase such tax sale certificate
20 from the county by paying the county treasurer the amount expressed
21 on the face of the certificate and interest thereon at the rate
22 specified in section 45-104.01, as such rate may from time to time be
23 adjusted by the Legislature, from the date the tax sale certificate
24 was first issued to the county to the date such certificate was
25 purchased by the land bank.

1 (3) Within six months after the expiration of three years
2 from the date of sale of real property for the nonpayment of taxes
3 pursuant to sections 77-1801 to 77-1863, a land bank that has
4 acquired a tax sale certificate for such real property under this
5 section may:

6 (a) Apply to the county treasurer for a tax deed for the
7 real property described in the tax sale certificate. A land bank
8 applying for a tax deed shall comply with all the requirements of
9 sections 77-1801 to 77-1863 relating to such tax deed; or

10 (b) Foreclose the lien represented by the tax sale
11 certificate as authorized in section 77-1902.

12 Sec. 18. (1)(a) At any sale of real property conducted as
13 part of foreclosure proceedings under sections 77-1901 to 77-1941, a
14 land bank may:

15 (i) Bid on such real property in an amount that the land
16 bank would be willing to pay for such real property. If a bid is
17 given pursuant to this subdivision, the bid shall not receive any
18 special treatment by the sheriff conducting the sale and shall be
19 accepted or rejected in the same manner as any other bid on such real
20 property; or

21 (ii) Give an automatically accepted bid on such real
22 property in an amount equal to the total amount of taxes, interest,
23 and costs that were the basis for the sale of the real property. If
24 an automatically accepted bid is given, it shall be accepted by the
25 sheriff regardless of any other bids on such real property. An

1 automatically accepted bid may be given only if the conditions for
2 making such a bid prescribed by the board pursuant to subsection (9)
3 of section 5 of this act have been met and only if the land bank has
4 obtained written consent to the tender of an automatically accepted
5 bid from the holder of a mortgage or the beneficiary or trustee under
6 a trust deed giving rise to a lien against such real property. To
7 obtain such written consent, the land bank shall send, by certified
8 mail, a notice of its intent to make an automatically accepted bid to
9 any such holder of a mortgage or beneficiary or trustee under a trust
10 deed and shall request that written consent be given within thirty
11 days. If no response is given within such thirty-day time period,
12 such holder of a mortgage or beneficiary or trustee under a trust
13 deed shall be deemed to have given written consent.

14 (b) If a land bank's bid pursuant to subdivision (1)(a)
15 of this section is accepted by the sheriff, the land bank shall pay
16 the sheriff and shall be entitled to a deed to the real property in
17 accordance with sections 77-1901 to 77-1941.

18 (2) If a sheriff attempts to sell real property as part
19 of foreclosure proceedings under sections 77-1901 to 77-1941, there
20 is no bid given at such sale equal to the total amount of taxes,
21 interest, and costs due thereon, and the real property being sold
22 lies within a municipality that has created a land bank, then such
23 land bank shall be deemed to have bid the total amount of taxes,
24 interest, and costs due thereon and such bid shall be accepted by the
25 sheriff. The land bank may then discharge and extinguish all liens

1 for delinquent taxes included in the foreclosure proceedings pursuant
2 to section 16 of this act. The land bank shall then be entitled to a
3 deed to the real property in accordance with sections 77-1901 to
4 77-1941.

5 Sec. 19. Section 77-1736.06, Revised Statutes Cumulative
6 Supplement, 2012, is amended to read:

7 77-1736.06 The following procedure shall apply when
8 making a property tax refund:

9 (1) Within thirty days of the entry of a final
10 nonappealable order, an unprotested determination of a county
11 assessor, an unappealed decision of a county board of equalization,
12 or other final action requiring a refund of real or personal property
13 taxes paid or, for property valued by the state, within thirty days
14 of a recertification of value by the Property Tax Administrator
15 pursuant to section 77-1775 or 77-1775.01, the county assessor shall
16 determine the amount of refund due the person entitled to the refund,
17 certify that amount to the county treasurer, and send a copy of such
18 certification to the person entitled to the refund. Within thirty
19 days from the date the county assessor certifies the amount of the
20 refund, the county treasurer shall notify each political subdivision,
21 including any school district receiving a distribution pursuant to
22 section 79-1073 or 79-1073.01 and any land bank receiving real
23 property taxes pursuant to subdivision (3)(a) of section 11 of this
24 act, of its respective share of the refund, except that for any
25 political subdivision whose share of the refund is two hundred

1 dollars or less, the county board may waive this notice requirement.
2 Notification shall be by first-class mail, postage prepaid, to the
3 last-known address of record of the political subdivision. The county
4 treasurer shall pay the refund from funds in his or her possession
5 belonging to any political subdivision, including any school district
6 receiving a distribution pursuant to section 79-1073 or 79-1073.01
7 and any land bank receiving real property taxes pursuant to
8 subdivision (3)(a) of section 11 of this act, which received any part
9 of the tax or penalty being refunded. If sufficient funds are not
10 available or the political subdivision, within thirty days of the
11 mailing of the notice by the county treasurer if applicable,
12 certifies to the county treasurer that a hardship would result and
13 create a serious interference with its governmental functions if the
14 refund of the tax or penalty is paid, the county treasurer shall
15 register the refund or portion thereof which remains unpaid as a
16 claim against such political subdivision and shall issue the person
17 entitled to the refund a receipt for the registration of the claim.
18 The certification by a political subdivision declaring a hardship
19 shall be binding upon the county treasurer;

20 (2) The refund of a tax or penalty or the receipt for the
21 registration of a claim made or issued pursuant to this section shall
22 be satisfied in full as soon as practicable and in no event later
23 than five years from the date the final order or other action
24 approving a refund is entered. The governing body of the political
25 subdivision shall make provisions in its budget for the amount of any

1 refund or claim to be satisfied pursuant to this section. If a
2 receipt for the registration of a claim is given:

3 (a) Such receipt shall be applied to satisfy any tax
4 levied or assessed by that political subdivision next falling due
5 from the person holding the receipt after the sixth next succeeding
6 levy is made on behalf of the political subdivision following the
7 final order or other action approving the refund; and

8 (b) To the extent the amount of such receipt exceeds the
9 amount of such tax liability, the unsatisfied balance of the receipt
10 shall be paid and satisfied within the five-year period prescribed in
11 this subdivision from a combination of a credit against taxes
12 anticipated to be due to the political subdivision during such period
13 and cash payment from any funds expected to accrue to the political
14 subdivision pursuant to a written plan to be filed by the political
15 subdivision with the county treasurer no later than thirty days after
16 the claim against the political subdivision is first reduced by
17 operation of a credit against taxes due to such political
18 subdivision.

19 If a political subdivision fails to fully satisfy the
20 refund or claim prior to the sixth next succeeding levy following the
21 entry of a final nonappealable order or other action approving a
22 refund, interest shall accrue on the unpaid balance commencing on the
23 sixth next succeeding levy following such entry or action at the rate
24 set forth in section 45-103;

25 (3) The county treasurer shall mail the refund or the

1 receipt by first-class mail, postage prepaid, to the last-known
2 address of the person entitled thereto. Multiple refunds to the same
3 person may be combined into one refund or credit. If a refund is not
4 claimed by June 1 of the year following the year of mailing, the
5 refund shall be canceled and the resultant amount credited to the
6 various funds originally charged;

7 (4) When the refund involves property valued by the
8 state, the Tax Commissioner shall be authorized to negotiate a
9 settlement of the amount of the refund or claim due pursuant to this
10 section on behalf of the political subdivision from which such refund
11 or claim is due. Any political subdivision which does not agree with
12 the settlement terms as negotiated may reject such terms, and the
13 refund or claim due from the political subdivision then shall be
14 satisfied as set forth in this section as if no such negotiation had
15 occurred;

16 (5) In the event that the Legislature appropriates state
17 funds to be disbursed for the purposes of satisfying all or any
18 portion of any refund or claim, the Tax Commissioner shall order the
19 county treasurer to disburse such refund amounts directly to the
20 persons entitled to the refund in partial or total satisfaction of
21 such persons' claims. The county treasurer shall disburse such
22 amounts within forty-five days after receipt thereof; and

23 (6) If all or any portion of the refund is reduced by way
24 of settlement or forgiveness by the person entitled to the refund,
25 the proportionate amount of the refund that was paid by an

1 appropriation of state funds shall be reimbursed by the county
2 treasurer to the State Treasurer within forty-five days after receipt
3 of the settlement agreement or receipt of the forgiven refund. The
4 amount so reimbursed shall be credited to the General Fund.

5 Sec. 20. Section 77-1759, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 77-1759 The county treasurer shall report and pay over
8 the amount of tax and special assessments due to towns, districts,
9 cities, villages, all other taxing units, corporations, ~~and persons,~~
10 and land banks, collected by him or her, when demanded by the proper
11 authorities or persons. Upon a demand, one payment shall be for the
12 funds collected or received during the previous calendar month and
13 shall be paid not later than the fifteenth of the following month. A
14 second demand may be made prior to the fifteenth of the month on
15 taxes and special assessments collected or received, during the first
16 fifteen days of the month. The second demand shall be paid not later
17 than the last day of the month.

18 Sec. 21. Section 77-1807, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 77-1807 ~~The~~ (1)(a) Except as otherwise provided in
21 subdivision (b) of this subsection, the person who offers to pay the
22 amount of taxes due on any real property for the smallest portion of
23 the same shall be the purchaser, and when such person designates the
24 smallest portion of the real property for which he or she will pay
25 the amount of taxes assessed against any such property, the portion

1 thus designated shall be considered an undivided portion.

2 (b) If a land bank gives an automatically accepted bid
3 for the real property pursuant to section 17 of this act, the land
4 bank shall be the purchaser, regardless of the bid of any other
5 person.

6 (2) If no person bids for a less quantity than the whole
7 and no land bank has given an automatically accepted bid pursuant to
8 section 17 of this act, the treasurer may sell any real property to
9 any one who will take the whole and pay the taxes and charges
10 thereon.

11 (3) If the homestead is listed separately as a homestead,
12 it shall be sold only for the taxes delinquent thereon.

13 Sec. 22. Section 77-1809, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 77-1809 (1) At all sales provided by law, the county
16 board may purchase for the use and benefit, and in the name of the
17 county, any real estate advertised and offered for sale when the same
18 remains unsold for want of bidders. The county treasurer shall issue
19 certificates of purchase of the real estate so sold in the name of
20 the county. Such certificates shall remain in the custody of the
21 county treasurer, who shall at any time assign the same to any person
22 wishing to buy for the amount expressed on the face of the
23 certificate and interest thereon at the rate specified in section
24 45-104.01, as such rate may from time to time be adjusted by the
25 Legislature, from the date thereof. Such assignment shall be attested

1 by the endorsement of the county clerk of his or her name on the back
2 of such certificate, and such endorsement shall be made when
3 requested by the county treasurer.

4 (2) If real estate is purchased by a county under this
5 section and such real estate lies within a municipality that has
6 created a land bank pursuant to the Nebraska Municipal Land Bank Act,
7 the county treasurer of such county shall notify the land bank of
8 such purchase as soon as practical and shall give the land bank the
9 first opportunity to acquire the certificate of purchase for such
10 real estate from the county.

11 Sec. 23. Section 77-1810, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 77-1810 ~~Whenever~~—(1) Except as otherwise provided in
14 subsection (2) of this section, whenever any real property subject to
15 sale for taxes is within the corporate limits of any city, village,
16 school district, drainage district, or irrigation district, it shall
17 have the right and power through its governing board or body to
18 purchase such real property for the use and benefit and in the name
19 of the city, village, school district, drainage district, or
20 irrigation district as the case may be. The treasurer of the city,
21 village, school district, drainage district, or irrigation district
22 may assign the certificate of purchase by endorsement of his or her
23 name on the back thereof when directed so to do by written order of
24 the governing board.

25 (2) No such sale shall be made to any city, village,

1 school district, drainage district, or irrigation district by the
2 county treasurer (a) when the real property has been previously sold
3 to the county, but in any such case, the city, village, school
4 district, drainage district, or irrigation district may purchase the
5 tax certificate held by the county or (b) if a land bank has given an
6 automatically accepted bid on such real property pursuant to section
7 17 of this act.

8 Sec. 24. Section 77-1915, Revised Statutes Cumulative
9 Supplement, 2012, is amended to read:

10 77-1915 From the proceeds of the sale of any real
11 property, the costs charged thereto shall first be paid. When the
12 plaintiff is a private person, firm, or corporation, the balance
13 thereof, or so much thereof as is necessary, shall be paid to the
14 plaintiff. When the plaintiff is a governmental subdivision other
15 than a land bank, or is a municipal corporation, or drainage or
16 irrigation district, the balance thereof, or so much thereof as is
17 necessary, shall be paid to the county treasurer for distribution to
18 the various governmental subdivisions, municipal corporations, or
19 drainage or irrigation districts entitled thereto in discharge of all
20 claims, excluding any lien on real estate for special assessments
21 levied by any sanitary and improvement district which special
22 assessments have not been previously offered for sale by the county
23 treasurer. When the plaintiff is a land bank, the balance thereof, or
24 so much thereof as is necessary, shall be paid to the land bank.

25 Sec. 25. Section 77-1916, Revised Statutes Cumulative

1 Supplement, 2012, is amended to read:

2 77-1916 If a surplus remains after satisfying all costs
3 and taxes against any particular item of real property, the excess
4 shall be applied in the manner provided by law for the disposition of
5 the surplus in the foreclosure of mortgages on real property. If the
6 proceeds are insufficient to pay the costs and all the taxes, when
7 the plaintiff is a governmental subdivision, other than a land bank
8 or is a municipal corporation, or a drainage or irrigation district,
9 the amount remaining shall be prorated among the governmental
10 subdivisions, municipal corporations, and drainage or irrigation
11 districts in the proportion of their interest in the decree of
12 foreclosure. The proceeds of the sale of one item of real property
13 shall not be applied to the discharge of a lien for taxes against
14 another item of real property except when so directed by the decree
15 for foreclosure under the circumstances set forth in section 77-1910.
16 The lien on real estate for special assessments levied by any
17 sanitary and improvement district shall not be entitled to any
18 surplus unless such special assessments have been previously offered
19 for sale by the county treasurer.

20 Sec. 26. Section 77-3211, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 77-3211 ~~(1)~~ -(1)(a) Except as provided in subsection
23 (2) of this section, if, when the sheriff offers the parcels of real
24 estate for sale under the tax foreclosure laws of this state, there
25 is no bid equal to the full amount of all tax bills included in the

1 judgment, interest, penalties, fees, and costs then due thereon made
2 or received at such sale, the authority shall be deemed to have bid
3 the full amount of all tax bills included in the judgment, interest,
4 penalties, fees, and costs then due, and if no other earlier or later
5 bid be then received by the sheriff as allowed by law in excess of
6 the bid of the authority, then the bid of the authority shall be
7 announced as accepted. The sheriff shall report any such bid or bids
8 so made by the authority in the same way as his or her report of
9 other bids is made.

10 ~~(2)~~ (b) The authority shall pay, if possible, any
11 penalties, fees, or costs included in the judgment of foreclosure of
12 such parcel of real estate when such parcel is sold or otherwise
13 disposed of by such authority. Upon confirmation by the court of such
14 bid at such sale by such authority, and upon notification by the
15 sheriff, the county treasurer, or the city treasurer in the case of
16 an authority created pursuant to subsection (3) of section 77-3201,
17 shall mark the tax bills to the date of such confirmation as canceled
18 by sale to the authority, and shall take credit for the full amount
19 of such tax bills, including principal amount, interest, penalties,
20 fees, and costs, on his or her books and his or her statements with
21 any other taxing authorities.

22 (2) Subsection (1) of this section shall not apply if the
23 real estate offered for sale under the tax foreclosure laws of this
24 state lies within a municipality that has created a land bank
25 pursuant to the Nebraska Municipal Land Bank Act.

1 Sec. 27. Section 77-3213, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-3213 Sections 77-3201 to 77-3213 and section 28 of
4 this act shall be known and may be cited as the Land Reutilization
5 Act.

6 Sec. 28. Notwithstanding any provision of the Land
7 Reutilization Act to the contrary, a land reutilization authority may
8 transfer property held by such authority to a land bank created under
9 the Nebraska Municipal Land Bank Act upon such terms and conditions
10 as may be agreed upon between the authority and the land bank.

11 Sec. 29. Original sections 77-1759, 77-1807, 77-1809,
12 77-1810, 77-3211, and 77-3213, Reissue Revised Statutes of Nebraska,
13 and sections 77-1736.06, 77-1915, and 77-1916, Revised Statutes
14 Cumulative Supplement, 2012, are repealed.