

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 854**

Introduced by Quick, 35.

Read first time January 05, 2018

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Nebraska Municipal Land Bank Act; to  
2 amend sections 19-5203, 19-5205, and 19-5207, Revised Statutes  
3 Cumulative Supplement, 2016; to expand the number of municipalities  
4 that may elect to create a land bank; to redefine a term; to change  
5 provisions relating to land bank board requirements; to change land  
6 bank powers; and to repeal the original sections.

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

1 Section 1. Section 19-5203, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 19-5203 For purposes of the Nebraska Municipal Land Bank Act:

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

5 (2) Land bank means a land bank established in accordance with the  
6 act;

7 (3) Municipality means any city or village of this state ~~that is~~  
8 ~~located (a) within a county in which a city of the metropolitan class is~~  
9 ~~located or (b) within a county in which at least three cities of the~~  
10 ~~first class are located~~; and

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

16 Sec. 2. Section 19-5205, Revised Statutes Cumulative Supplement,  
17 2016, is amended to read:

18 19-5205 (1) If a land bank is created by a single municipality, the  
19 board of such land bank shall meet the following requirements:

20 (a) The board shall consist of:

21 (i) Seven voting members appointed by the mayor or chairperson of  
22 the village board of trustees of the municipality that created the land  
23 bank and confirmed by a two-thirds vote of the governing body of such  
24 municipality;

25 (ii) The planning director of the municipality that created the land  
26 bank or his or her designee, or in the case of a village, a person  
27 designated by the village board of trustees, as a nonvoting, ex officio  
28 member;

29 (iii) One member of the governing body of the municipality that  
30 created the land bank, appointed by such governing body, as a nonvoting,  
31 ex officio member; and

1 (iv) Such other nonvoting members as are appointed by the mayor or  
2 chairperson of the village board of trustees of the municipality that  
3 created the land bank;

4 (b) The seven voting members of the board shall be residents of the  
5 municipality that created the land bank;

6 (c) If the governing body of the municipality creating the land bank  
7 has any of its members elected by district or ward, then at least one  
8 voting member of the board shall be appointed from each such district or  
9 ward. Such voting members shall represent, to the greatest extent  
10 possible, the racial and ethnic diversity of the municipality creating  
11 the land bank;

12 (d) The seven voting members of the board shall have, collectively,  
13 verifiable skills, expertise, and knowledge in market-rate and affordable  
14 residential, commercial, industrial, and mixed-use real estate  
15 development, financing, law, purchasing and sales, asset management,  
16 economic and community development, and the acquisition of tax sale  
17 certificates;

18 (e) The seven voting members of the board shall include:

19 (i) At least one member representing a chamber of commerce;

20 (ii) At least one member with experience in banking;

21 (iii) At least one member with experience in real estate  
22 development;

23 (iv) At least one member with experience as a realtor;

24 (v) At least one member with experience in nonprofit or affordable  
25 housing; and

26 (vi) At least one member with experience in large-scale residential  
27 or commercial property rental; and

28 (f) A single voting member may satisfy more than one of the  
29 requirements provided in subdivision (1)(e) of this section if he or she  
30 has the required qualifications. It is not necessary that there be a  
31 different member to fulfill each such requirement.

1 (2) If a land bank is created by more than one municipality pursuant  
2 to an agreement under the Interlocal Cooperation Act, the board of such  
3 land bank shall meet the following requirements:

4 (a) The board shall consist of:

5 (i) An odd number of voting members, totaling at least seven,  
6 appointed by the mayors or chairpersons of the village boards of trustees  
7 of the municipalities that created the land bank, as mutually agreed to  
8 by such mayors or chairpersons, and confirmed by a two-thirds vote of the  
9 governing body of each municipality that created the land bank;

10 (ii) The planning director of each municipality that created the  
11 land bank or his or her designee, or in the case of a village, a person  
12 designated by the village board of trustees, as nonvoting, ex officio  
13 members;

14 (iii) One member of the governing body of each municipality that  
15 created the land bank, appointed by the governing body on which such  
16 member serves, as nonvoting, ex officio members; and

17 (iv) Such other nonvoting members as are appointed by the mayors or  
18 chairpersons of the village boards of trustees of the municipalities that  
19 created the land bank, as mutually agreed to by such mayors or  
20 chairpersons;

21 (b) Each voting member of the board shall be a resident of one of  
22 the municipalities that created the land bank, with at least one voting  
23 member appointed from each such municipality;

24 (c) If the governing body of the largest municipality creating the  
25 land bank has any of its members elected by district or ward, then at  
26 least one voting member of the board shall be appointed from each such  
27 district or ward. Such voting members shall represent, to the greatest  
28 extent possible, the racial and ethnic diversity of the largest  
29 municipality creating the land bank;

30 (d) The voting members of the board shall have, collectively,  
31 verifiable skills, expertise, and knowledge in market-rate and affordable

1 residential, commercial, industrial, and mixed-use real estate  
2 development, financing, law, purchasing and sales, asset management,  
3 economic and community development, and the acquisition of tax sale  
4 certificates;

5 (e) The voting members of the board shall include:

6 (i) At least one member representing a chamber of commerce;

7 (ii) At least one member with experience in banking;

8 (iii) At least one member with experience in real estate  
9 development;

10 (iv) At least one member with experience as a realtor;

11 (v) At least one member with experience in nonprofit or affordable  
12 housing; and

13 (vi) At least one member with experience in large-scale residential  
14 or commercial property rental; and

15 (f) A single voting member may satisfy more than one of the  
16 requirements provided in subdivision (2)(e) of this section if he or she  
17 has the required qualifications. It is not necessary that there be a  
18 different member to fulfill each such requirement.

19 (3) The members of the board shall select annually from among  
20 themselves a chairperson, a vice-chairperson, a treasurer, and such other  
21 officers as the board may determine.

22 (4) A public official or public employee shall be eligible to be a  
23 member of the board.

24 (5) A vacancy on the board among the appointed board members shall  
25 be filled in the same manner as the original appointment.

26 (6) Board members shall serve without compensation.

27 (7) The board shall meet in regular session according to a schedule  
28 adopted by the board and shall also meet in special session as convened  
29 by the chairperson or upon written notice signed by a majority of the  
30 voting members. The presence of a majority of the voting members of the  
31 board shall constitute a quorum.

1 (8) Except as otherwise provided in subsections (9) and (11) of this  
2 section and in sections 19-5210 and 19-5214, all actions of the board  
3 shall be approved by the affirmative vote of a majority of the voting  
4 members present and voting.

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

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

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

13 (c) The incurring of debt;

14 (d) Adoption or amendment of the annual budget; and

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

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

21 (11) The board shall adopt policies and procedures to specify the  
22 conditions that must be met in order for the land bank to give an  
23 automatically accepted bid as authorized in sections 19-5217 and 19-5218.  
24 The adoption of such policies and procedures shall require the approval  
25 of two-thirds of the voting members of the board. At a minimum, such  
26 policies and procedures shall ensure that the automatically accepted bid  
27 shall only be given for one of the following reasons:

28 (a) The real property substantially meets more than one of the  
29 following criteria as determined by two-thirds of the voting members of  
30 the board:

31 (i) The property is not occupied by the owner or any lessee or

1 licensee of the owner;

2 (ii) There are no utilities currently being provided to the  
3 property;

4 (iii) Any buildings on the property have been deemed unfit for human  
5 habitation, occupancy, or use by local housing officials;

6 (iv) Any buildings on the property are exposed to the elements such  
7 that deterioration of the building is occurring;

8 (v) Any buildings on the property are boarded up;

9 (vi) There have been previous efforts to rehabilitate any buildings  
10 on the property;

11 (vii) There is a presence of vermin, uncut vegetation, or debris  
12 accumulation on the property;

13 (viii) There have been past actions by the municipality to maintain  
14 the grounds or any building on the property; or

15 (ix) The property has been out of compliance with orders of local  
16 housing officials;

17 (b) The real property is contiguous to a parcel that meets more than  
18 one of the criteria in subdivision (11)(a) of this section or that is  
19 already owned by the land bank; or

20 (c) Acquisition of the real property by the land bank would serve  
21 the best interests of the community as determined by two-thirds of the  
22 voting members of the board. In determining whether the acquisition would  
23 serve the best interests of the community, the board shall take into  
24 consideration the hierarchical ranking of priorities for the use of real  
25 property conveyed by a land bank established pursuant to subsection (5)  
26 of section 19-5210, if any such hierarchical ranking is established.

27 Sec. 3. Section 19-5207, Revised Statutes Cumulative Supplement,  
28 2016, is amended to read:

29 19-5207 (1) A land bank shall have the following powers:

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

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

3 (c) To borrow money from private lenders, from municipalities, from  
4 the state, or from federal government funds as may be necessary for the  
5 operation and work of the land bank;

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

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

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

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

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

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

26 (j) To procure insurance against losses in connection with the real  
27 property, assets, or activities of the land bank;

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

31 (l) To enter into contracts for the management of, the collection of



1 rent from, or the sale of real property of the land bank;

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

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

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

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

15 (q) To enter into partnerships, joint ventures, and other  
16 collaborative relationships with municipalities and other public and  
17 private entities for the ownership, management, development, and  
18 disposition of real property; and

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

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

24 Sec. 4. Original sections 19-5203, 19-5205, and 19-5207, Revised  
25 Statutes Cumulative Supplement, 2016, are repealed.