

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 424

Introduced by Quick, 35; Blood, 3; Bolz, 29; Brandt, 32; Cavanaugh, 6; Chambers, 11; Crawford, 45; Dorn, 30; Hansen, M., 26; Hilkemann, 4; Howard, 9; Hunt, 8; Kolowski, 31; Kolterman, 24; Lathrop, 12; Lindstrom, 18; McCollister, 20; McDonnell, 5; Pansing Brooks, 28; Stinner, 48; Vargas, 7; Walz, 15; Williams, 36; Wishart, 27.

Read first time January 18, 2019

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to municipalities; to amend sections
2 77-1736.06, 77-1807, and 77-1810, Reissue Revised Statutes of
3 Nebraska, and sections 19-5201, 19-5202, 19-5203, 19-5204, 19-5205,
4 19-5206, 19-5207, 19-5208, 19-5209, 19-5210, 19-5211, 19-5212,
5 19-5213, 19-5214, 19-5215, 19-5216, 19-5217, and 19-5218, Revised
6 Statutes Cumulative Supplement, 2018; to transfer and change
7 provisions of the Nebraska Municipal Land Bank Act; to harmonize
8 provisions; to provide a duty for the Revisor of Statutes; and to
9 repeal the original sections.
10 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 19-5201, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 ~~19-5201~~ Sections 1 to 18 of this act ~~19-5201 to 19-5218~~ shall be
4 known and may be cited as the Nebraska Municipal Land Bank Act.

5 Sec. 2. Section 19-5202, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 ~~19-5202~~ The Legislature finds and declares as follows:

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

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

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

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

21 Sec. 3. Section 19-5203, Revised Statutes Cumulative Supplement,
22 2018, is amended to read:

23 ~~19-5203~~ For purposes of the Nebraska Municipal Land Bank Act:

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

25 (2) Chief executive officer means the mayor, city manager, or
26 chairperson of the board of trustees of a municipality;

27 (3) (2) Land bank means a land bank established in accordance with
28 the act;

29 (4) (3) Municipality means any city or village of this state ~~that is~~
30 ~~located (a) within a county in which a city of the metropolitan class is~~
31 ~~located or (b) within a county in which at least three cities of the~~

1 ~~first class are located; and~~

2 ~~(5) (4)~~ Real property means lands, lands under water, structures,
3 and any and all easements, air rights, franchises, and incorporeal
4 hereditaments and every estate and right therein, legal and equitable,
5 including terms for years and liens by way of judgment, mortgage, or
6 otherwise, and any and all fixtures and improvements located thereon.

7 Sec. 4. Section 19-5204, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 ~~19-5204~~ (1) A single municipality may elect to create a land bank if
10 the municipality is a city of the metropolitan class. Such municipality
11 shall create the land bank by the adoption of an ordinance which
12 specifies the following:

13 (a) The name of the land bank;

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

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

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

21 ~~(3)~~ A municipality may elect to join an existing land bank by
22 entering into an agreement pursuant to the Interlocal Cooperation Act
23 with a city of the metropolitan class that has created a land bank
24 pursuant to subsection (1) of this section or by joining an existing
25 agreement pursuant to the Interlocal Cooperation Act with the
26 municipalities that formed a land bank pursuant to subsection (2) of this
27 section. Agreements entered into or joined under this subsection shall
28 contain the information required by subsection (1) of this section.

29 ~~(4) (3)~~ Each land bank created pursuant to the Nebraska Municipal
30 Land Bank Act shall be deemed to be a public corporation acting in a
31 governmental capacity and a political subdivision of the state and shall

1 have permanent and perpetual duration until terminated and dissolved in
2 accordance with section 14 of this act ~~19-5214~~.

3 ~~(5)~~ (4) The primary goal of any land bank shall be to facilitate the
4 return of vacant, abandoned, and tax-delinquent properties to productive
5 use.

6 Sec. 5. Section 19-5205, Revised Statutes Cumulative Supplement,
7 2018, is amended to read:

8 ~~19-5205~~ (1) If a land bank is created by a single municipality
9 pursuant to subsection (1) of section 4 of this act, the board of such
10 land bank shall meet the following requirements:

11 (a) The board shall consist of:

12 (i) Seven voting members appointed by the chief executive officer
13 ~~mayor~~ of the municipality that created the land bank and confirmed by a
14 two-thirds vote of the governing body of such municipality; and

15 (ii) The following nonvoting members:

16 (A) The planning director of the municipality that created the land
17 bank or his or her designee or, if there is no planning director, a
18 person designated by the governing body of the municipality that created
19 the land bank , ~~as a nonvoting, ex officio member;~~

20 (B) ~~(iii)~~ One member of the governing body of the municipality that
21 created the land bank, appointed by such governing body, ~~as a nonvoting,~~
22 ~~ex officio member;~~ and

23 (C) ~~(iv)~~ Such other nonvoting members as are appointed by the chief
24 executive officer ~~mayor~~ of the municipality that created the land bank
25 and confirmed by a two-thirds vote of the governing body of such
26 municipality;

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

29 (c) If the governing body of the municipality creating the land bank
30 has any of its members elected by district or ward, then at least one
31 voting member of the board shall be appointed from each such district or

1 ward. Such voting members shall represent, to the greatest extent
2 possible, the racial and ethnic diversity of the municipality creating
3 the land bank;

4 (d) The seven voting members of the board shall have, collectively,
5 verifiable skills, expertise, and knowledge in market-rate and affordable
6 residential, commercial, industrial, and mixed-use real estate
7 development, financing, law, purchasing and sales, asset management,
8 economic and community development, and the acquisition of tax sale
9 certificates;

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

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

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

13 (iii) At least one member with experience in real estate
14 development;

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

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

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

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

24 (2) If a land bank is created by more than one municipality pursuant
25 to an agreement under the Interlocal Cooperation Act as described in
26 subsection (2) or (3) of section 4 of this act, the board of such land
27 bank shall meet the following requirements:

28 (a) The board shall consist of:

29 (i) An odd number of voting members, totaling at least seven,
30 appointed by the chief executive officers ~~mayors~~ of the municipalities
31 that created the land bank, as mutually agreed to by such chief executive

1 ~~officers mayors~~, and confirmed by a two-thirds vote of the governing body
2 of each municipality that created the land bank; and

3 (ii) The following nonvoting members:

4 (A) The planning director of each municipality that created the land
5 bank or his or her designee or, if there is no planning director for any
6 municipality that created the land bank, a person designated by the
7 governing body of such municipality , as nonvoting, ex officio members;

8 (B) ~~(iii)~~ One member of the governing body of each municipality that
9 created the land bank, appointed by the governing body on which such
10 member serves, ~~as nonvoting, ex officio members;~~ and

11 (C) ~~(iv)~~ Such other nonvoting members as are appointed by the chief
12 executive officers mayors of the municipalities that created the land
13 bank, as mutually agreed to by such chief executive officers, and
14 confirmed by a two-thirds vote of the governing body of each municipality
15 that created the land bank mayors;

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

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

25 (c) ~~(d)~~ The voting members of the board shall have, collectively,
26 verifiable skills, expertise, and knowledge in market-rate and affordable
27 residential, commercial, industrial, and mixed-use real estate
28 development, financing, law, purchasing and sales, asset management,
29 economic and community development, and the acquisition of tax sale
30 certificates;

31 (d) ~~(e)~~ The voting members of the board shall include:

- 1 (i) At least one member representing a chamber of commerce;
2 (ii) At least one member with experience in banking;
3 (iii) At least one member with experience in real estate
4 development;
5 (iv) At least one member with experience as a realtor;
6 (v) At least one member with experience in nonprofit or affordable
7 housing; and
8 (vi) At least one member with experience in large-scale residential
9 or commercial property rental; and

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

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

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

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

21 (6) Board members shall serve without compensation.

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

27 (8) Except as otherwise provided in subsections (9) and (11) of this
28 section and in sections 10 and 14 of this act ~~19-5210 and 19-5214~~, all
29 actions of the board shall be approved by the affirmative vote of a
30 majority of the voting members present and voting.

31 (9) Any action of the board on the following matters shall be

1 approved by a majority of the voting members:

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

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

8 (c) The incurring of debt;

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

10 (e) Sale, lease, encumbrance, or alienation of real property,
11 improvements, or personal property with a value of more than fifty
12 thousand dollars.

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

16 (11) The board shall adopt policies and procedures to specify the
17 conditions that must be met in order for the land bank to give an
18 automatically accepted bid as authorized in sections 17 and 18 of this
19 act 19-5217 and 19-5218. The adoption of such policies and procedures
20 shall require the approval of two-thirds of the voting members of the
21 board. At a minimum, such policies and procedures shall ensure that the
22 automatically accepted bid shall only be given for one of the following
23 reasons:

24 (a) The real property substantially meets more than two ~~one~~ of the
25 following criteria as determined by two-thirds of the voting members of
26 the board:

27 (i) The property is not occupied by the owner or any lessee or
28 licensee of the owner;

29 (ii) There are no utilities currently being provided to the
30 property;

31 (iii) One or more major Any buildings on the property have been

1 deemed unfit for human habitation, occupancy, or use by local housing
2 officials;

3 (iv) One or more major Any buildings on the property are exposed to
4 the elements such that deterioration of the buildings ~~building~~ is
5 occurring;

6 (v) One or more major Any buildings on the property are boarded up;

7 (vi) There have been previous efforts to rehabilitate one or more
8 major ~~any~~ buildings on the property;

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

11 (viii) There have been past actions by the municipality to maintain
12 the grounds or one or more major buildings ~~any building~~ on the property;
13 or

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

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

19 (c) Acquisition of the real property by the land bank would serve
20 the best interests of the community as determined by two-thirds of the
21 voting members of the board. In determining whether the acquisition would
22 serve the best interests of the community, the board shall take into
23 consideration the hierarchical ranking of priorities for the use of real
24 property conveyed by a land bank established pursuant to subsection (5)
25 of section 10 of this act ~~19-5210~~, if any such hierarchical ranking is
26 established.

27 (12)(a) A member of the board may be removed for neglect of duty,
28 misconduct in office, or conviction of any felony by:

29 (i) In the case of a land bank created pursuant to subsection (1) of
30 section 4 of this act, the chief executive officer of the municipality
31 that created the land bank; or

1 (ii) In the case of a land bank created pursuant to subsection (2)
2 or (3) of section 4 of this act, the chief executive officer of the
3 municipality where the member resides.

4 (b) Such chief executive officer shall send a notice of removal to
5 such board member, which notice shall set forth the charges against him
6 or her. The member shall be deemed removed from office unless within ten
7 days from the receipt of such notice he or she files a request for a
8 hearing. Such request shall be filed with:

9 (i) In the case of a land bank created pursuant to subsection (1) of
10 section 4 of this act, the city clerk of the municipality that created
11 the land bank; or

12 (ii) In the case of a land bank created pursuant to subsection (2)
13 or (3) of section 4 of this act, the city clerk or village clerk of the
14 municipality where the member resides.

15 (c) If a request for hearing is so filed, the governing body of the
16 municipality receiving the request shall hold a hearing not sooner than
17 ten days after the date a hearing is requested, at which hearing the
18 board member shall have the right to appear in person or by counsel and
19 the governing body shall determine whether the removal shall be upheld.
20 If the removal is not upheld by the governing body, the board member
21 shall continue to hold his or her office.

22 Sec. 6. Section 19-5206, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 ~~19-5206~~ A land bank may employ such agents and employees, permanent
25 or temporary, as it may require, and may determine the qualifications and
26 fix the compensation and benefits of such persons.

27 Sec. 7. Section 19-5207, Revised Statutes Cumulative Supplement,
28 2018, 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 (3) A land bank shall not have the authority to levy property taxes.

25 Sec. 8. Section 19-5208, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 ~~19-5208~~ (1) A land bank may acquire real property or interests in
28 real property by gift, devise, transfer, exchange, foreclosure, purchase,
29 or otherwise on terms and conditions and in a manner the land bank
30 considers proper.

31 (2) A land bank may acquire real property or interests in real

1 property by purchase contracts, lease-purchase agreements, installment
2 sales contracts, or land contracts and may accept transfers from
3 political subdivisions upon such terms and conditions as agreed to by the
4 land bank and the political subdivision. Notwithstanding any other law to
5 the contrary, any political subdivision may transfer to the land bank
6 real property and interests in real property of the political subdivision
7 on such terms and conditions and according to such procedures as
8 determined by the political subdivision.

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

12 (4) A land bank shall not own or hold real property located outside
13 the jurisdictional boundaries of the municipality or municipalities that
14 created the land bank. For purposes of this subsection, jurisdictional
15 boundaries of a municipality does not include the extraterritorial zoning
16 jurisdiction of such municipality.

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

21 (6) A land bank shall not hold legal title at any one time to more
22 than: ~~seven percent of the total number of parcels of real property~~
23 ~~located in the municipality or municipalities that created the land bank.~~

24 (a) Seven percent of the total number of parcels located in a city
25 of the metropolitan class or city of the primary class, and no more than
26 ten percent of such parcels shall be zoned as commercial property;

27 (b) Ten percent of the total number of parcels located in a city of
28 the first class, and no more than five percent of such parcels shall be
29 zoned as commercial property; or

30 (c) Twenty-five percent of the total number of parcels located in a
31 city of the second class or village, and no more than five percent of

1 such parcels shall be zoned as commercial property.

2 Sec. 9. Section 19-5209, Revised Statutes Cumulative Supplement,
3 2018, is amended to read:

4 ~~19-5209~~ The real property of a land bank and the land bank's income
5 and operations are exempt from all taxation by the state or any political
6 subdivision thereof.

7 Sec. 10. Section 19-5210, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 ~~19-5210~~ (1) A land bank shall hold in its own name all real property
10 acquired by the land bank irrespective of the identity of the transferor
11 of such property.

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

14 (3) A land bank shall determine and set forth in policies and
15 procedures of the board the general terms and conditions for
16 consideration to be received by the land bank for the transfer of real
17 property and interests in real property, which consideration may take the
18 form of monetary payments and secured financial obligations, covenants
19 and conditions related to the present and future use of the property,
20 contractual commitments of the transferee, and such other forms of
21 consideration as determined by the board to be in the best interest of
22 the land bank.

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

31 (5) The municipality or municipalities that created the land bank

1 may establish by resolution or ordinance a hierarchical ranking of
2 priorities for the use of real property conveyed by a land bank. Such
3 ranking shall take into consideration the highest and best use that, when
4 possible, will bring the greatest benefit to the community. The
5 priorities may include, but are not limited to, (a) use for purely public
6 spaces and places, (b) use for affordable housing, (c) use for retail,
7 commercial, and industrial activities, (d) use for urban agricultural
8 activities including the establishment of community gardens as defined in
9 section 2-303, and (e) such other uses and in such hierarchical order as
10 determined by the municipality or municipalities.

11 (6) The municipality or municipalities that created the land bank
12 may require by resolution or ordinance that any particular form of
13 disposition of real property, or any disposition of real property located
14 within specified jurisdictions, be subject to specified voting and
15 approval requirements of the board. Except and unless restricted or
16 constrained in this manner, the board may delegate to officers and
17 employees the authority to enter into and execute agreements, instruments
18 of conveyance, and all other related documents pertaining to the
19 conveyance of real property by the land bank.

20 Sec. 11. Section 19-5211, Revised Statutes Cumulative Supplement,
21 2018, is amended to read:

22 ~~19-5211~~ (1) A land bank may receive funding through grants and loans
23 from the municipality or municipalities that created the land bank, from
24 other municipalities, from the state, from the federal government, and
25 from other public and private sources.

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

1 (3)(a) Except as otherwise provided in subdivision (b) of this
2 subsection, fifty percent of the real property taxes collected on real
3 property conveyed by a land bank pursuant to the laws of this state shall
4 be remitted to the land bank. Such allocation of property tax revenue
5 shall commence with the first taxable year following the date of
6 conveyance and shall continue for a period of five years. Such allocation
7 of property tax revenue shall not occur if such taxes have been divided
8 under section 18-2147 as part of a redevelopment project under the
9 Community Development Law, unless the authority, as defined in section
10 18-2103, enters into an agreement with the land bank for the remittance
11 of such funds to the land bank.

12 (b) A land bank may, by resolution of the board, elect not to
13 receive the real property taxes described in subdivision (a) of this
14 subsection for any real property conveyed by the land bank. If such an
15 election is made, the land bank shall notify the county treasurer of the
16 county in which the real property is located by filing a copy of the
17 resolution with the county treasurer, and thereafter the county treasurer
18 shall remit such real property taxes to the appropriate taxing entities.

19 Sec. 12. Section 19-5212, Revised Statutes Cumulative Supplement,
20 2018, is amended to read:

21 ~~19-5212~~ (1) A land bank shall have the power to issue bonds for any
22 of its corporate purposes, the principal and interest of which are
23 payable from its revenue generally. Any of such bonds shall be secured by
24 a pledge of any revenue of the land bank or by a mortgage of any property
25 of the land bank.

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

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

1 (4) Bonds issued by the land bank shall be authorized by resolution
2 of the board and shall be limited obligations of the land bank. The
3 principal and interest, costs of issuance, and other costs incidental
4 thereto shall be payable solely from the income and revenue derived from
5 the sale, lease, or other disposition of the assets of the land bank. Any
6 refunding bonds issued shall be payable from any source described above
7 or from the investment of any of the proceeds of the refunding bonds, and
8 shall not constitute an indebtedness or pledge of the general credit of
9 any municipality within the meaning of any constitutional or statutory
10 limitation of indebtedness and shall contain a recital to that effect.
11 Bonds of the land bank shall be issued in such form, shall be in such
12 denominations, shall bear interest, shall mature in such manner, and
13 shall be executed by one or more members of the board as provided in the
14 resolution authorizing the issuance thereof. Such bonds may be subject to
15 redemption at the option of and in the manner determined by the board in
16 the resolution authorizing the issuance thereof.

17 (5) Bonds issued by the land bank shall be issued, sold, and
18 delivered in accordance with the terms and provisions of a resolution
19 adopted by the board. The board may sell such bonds in such manner,
20 either at public or private sale, and for such price as it may determine
21 to be in the best interests of the land bank. The resolution issuing
22 bonds shall be published in a newspaper of general circulation within the
23 municipality or municipalities that created the land bank.

24 (6) Neither the members of the board nor any person executing the
25 bonds shall be liable personally on any such bonds by reason of the
26 issuance thereof. Such bonds or other obligations of a land bank shall
27 not be a debt of any municipality and shall so state on their face, nor
28 shall any municipality nor any revenue or any property of any
29 municipality be liable therefor.

30 Sec. 13. Section 19-5213, Revised Statutes Cumulative Supplement,
31 2018, is amended to read:

1 ~~19-5213~~ (1) The board shall cause minutes and a record to be kept of
2 all its proceedings. Meetings of the board shall be subject to the Open
3 Meetings Act.

4 (2) All of a land bank's records and documents shall be considered
5 public records for purposes of sections 84-712 to 84-712.09.

6 (3) The board shall provide monthly reports to the municipality or
7 municipalities that created the land bank on the board's activities
8 pursuant to the Nebraska Municipal Land Bank Act. The board shall also
9 provide an annual report to the municipality or municipalities that
10 created the land bank, the Revenue Committee of the Legislature, and the
11 Urban Affairs Committee of the Legislature by March 1 of each year
12 summarizing the board's activities for the prior calendar year. The
13 reports submitted to the legislative committees shall be submitted
14 electronically.

15 Sec. 14. Section 19-5214, Revised Statutes Cumulative Supplement,
16 2018, is amended to read:

17 ~~19-5214~~ A land bank may be dissolved sixty calendar days after a
18 resolution of dissolution is approved by two-thirds of the voting members
19 of the board and by two-thirds of the membership of the governing body of
20 the municipality or municipalities that created the land bank. The board
21 shall give sixty calendar days' advance written notice of its
22 consideration of a resolution of dissolution by publishing such notice in
23 a newspaper of general circulation within the municipality or
24 municipalities that created the land bank and shall send such notice by
25 certified mail to the trustee of any outstanding bonds of the land bank.
26 Upon dissolution of the land bank, all real property, personal property,
27 and other assets of the land bank shall become the assets of the
28 municipality or municipalities that created the land bank.

29 Sec. 15. Section 19-5215, Revised Statutes Cumulative Supplement,
30 2018, is amended to read:

31 ~~19-5215~~ (1) No member of the board or employee of a land bank shall

1 acquire any interest, direct or indirect, in real property of the land
2 bank, in any real property to be acquired by the land bank, or in any
3 real property to be acquired from the land bank. No member of the board
4 or employee of a land bank shall have any interest, direct or indirect,
5 in any contract or proposed contract for materials or services to be
6 furnished or used by a land bank.

7 (2) The board shall adopt:

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

9 (b) Ethical guidelines for members of the board and employees of the
10 land bank.

11 Sec. 16. Section 19-5216, Revised Statutes Cumulative Supplement,
12 2018, is amended to read:

13 ~~19-5216~~ (1) Whenever any real property is acquired by a land bank
14 and is encumbered by a lien or claim for real property taxes owed to one
15 or more political subdivisions of the state, the land bank may, by
16 resolution of the board, discharge and extinguish any and all such liens
17 or claims, except that no lien or claim represented by a tax sale
18 certificate held by a private third party shall be discharged or
19 extinguished pursuant to this section. To the extent necessary and
20 appropriate, the land bank shall file in appropriate public records
21 evidence of the extinguishment and dissolution of such liens or claims.

22 (2) To the extent that a land bank receives payments of any kind
23 attributable to liens or claims for real property taxes owed to a
24 political subdivision on property acquired by the land bank, the land
25 bank shall remit the full amount of the payments to the county treasurer
26 of the county that levied such taxes for distribution to the appropriate
27 taxing entity.

28 Sec. 17. Section 19-5217, Revised Statutes Cumulative Supplement,
29 2018, is amended to read:

30 ~~19-5217~~ (1)(a) At any sale of real property for the nonpayment of
31 taxes conducted pursuant to sections 77-1801 to 77-1863, a land bank may:

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

6 (ii) Give an automatically accepted bid on such real property in an
7 amount equal to the total amount of taxes, interest, and costs due on the
8 real property. If an automatically accepted bid is given, it shall be
9 accepted by the county treasurer regardless of any other bids on such
10 real property. An automatically accepted bid may be given only if the
11 conditions for making such a bid prescribed by the board pursuant to
12 subsection (11) of section 5 of this act ~~19-5205~~ have been met.

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

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

24 (3)(a) Subdivision (b) of this subsection applies until January 1,
25 2015. Subdivision (c) of this subsection applies beginning January 1,
26 2015.

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

31 (i) Apply to the county treasurer for a tax deed for the real

1 property described in the tax sale certificate. A land bank applying for
2 a tax deed shall comply with all the requirements of sections 77-1801 to
3 77-1863 relating to such tax deed; or

4 (ii) Foreclose the lien represented by the tax sale certificate as
5 authorized in section 77-1902.

6 (c) Within nine months after the expiration of three years from the
7 date of sale of real property for the nonpayment of taxes pursuant to
8 sections 77-1801 to 77-1863, a land bank that has acquired a tax sale
9 certificate for such real property under this section may:

10 (i) Apply to the county treasurer for a tax deed for the real
11 property described in the tax sale certificate. A land bank applying for
12 a tax deed shall comply with all the requirements of sections 77-1801 to
13 77-1863 relating to such tax deed; or

14 (ii) Foreclose the lien represented by the tax sale certificate as
15 authorized in section 77-1902.

16 Sec. 18. Section 19-5218, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 ~~19-5218~~ (1)(a) At any sale of real property conducted as part of
19 foreclosure proceedings under sections 77-1901 to 77-1941, a land bank
20 may:

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

26 (ii) Give an automatically accepted bid on such real property in an
27 amount equal to the total amount of taxes, interest, and costs due on the
28 real property. If an automatically accepted bid is given, it shall be
29 accepted by the sheriff regardless of any other bids on such real
30 property. An automatically accepted bid may be given only if the
31 conditions for making such a bid prescribed by the board pursuant to

1 subsection (11) of section 5 of this act 19-5205 have been met and only
2 if the land bank has obtained written consent to the tender of an
3 automatically accepted bid from the holder of a mortgage or the
4 beneficiary or trustee under a trust deed giving rise to a lien against
5 such real property. To obtain such written consent, the land bank shall
6 send, by certified mail, a notice of its intent to make an automatically
7 accepted bid to any such holder of a mortgage or beneficiary or trustee
8 under a trust deed and shall request that written consent be given within
9 thirty days. If no response is given within such thirty-day time period,
10 such holder of a mortgage or beneficiary or trustee under a trust deed
11 shall be deemed to have given written consent.

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

16 (2) If a sheriff attempts to sell real property as part of
17 foreclosure proceedings under sections 77-1901 to 77-1941, there is no
18 bid given at such sale equal to the total amount of taxes, interest, and
19 costs due thereon, and the real property being sold lies within a
20 municipality that has created a land bank, then such land bank shall be
21 deemed to have bid the total amount of taxes, interest, and costs due
22 thereon and such bid shall be accepted by the sheriff. The land bank may
23 then discharge and extinguish the liens for delinquent taxes included in
24 the foreclosure proceedings pursuant to section 16 of this act 19-5216.
25 The land bank shall then be entitled to a deed to the real property in
26 accordance with sections 77-1901 to 77-1941.

27 Sec. 19. Section 77-1736.06, Reissue Revised Statutes of Nebraska,
28 is amended to read:

29 77-1736.06 The following procedure shall apply when making a
30 property tax refund:

31 (1) Within thirty days of the entry of a final nonappealable order,

1 an unprotested determination of a county assessor, an unappealed decision
2 of a county board of equalization, or other final action requiring a
3 refund of real or personal property taxes paid or, for property valued by
4 the state, within thirty days of a recertification of value by the
5 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the
6 county assessor shall determine the amount of refund due the person
7 entitled to the refund, certify that amount to the county treasurer, and
8 send a copy of such certification to the person entitled to the refund.
9 Within thirty days from the date the county assessor certifies the amount
10 of the refund, the county treasurer shall notify each political
11 subdivision, including any school district receiving a distribution
12 pursuant to section 79-1073 and any land bank receiving real property
13 taxes pursuant to subdivision (3)(a) of section 11 of this act ~~19-5211~~,
14 of its respective share of the refund, except that for any political
15 subdivision whose share of the refund is two hundred dollars or less, the
16 county board may waive this notice requirement. Notification shall be by
17 first-class mail, postage prepaid, to the last-known address of record of
18 the political subdivision. The county treasurer shall pay the refund from
19 funds in his or her possession belonging to any political subdivision,
20 including any school district receiving a distribution pursuant to
21 section 79-1073 and any land bank receiving real property taxes pursuant
22 to subdivision (3)(a) of section 11 of this act ~~19-5211~~, which received
23 any part of the tax or penalty being refunded. If sufficient funds are
24 not available or the political subdivision, within thirty days of the
25 mailing of the notice by the county treasurer if applicable, certifies to
26 the county treasurer that a hardship would result and create a serious
27 interference with its governmental functions if the refund of the tax or
28 penalty is paid, the county treasurer shall register the refund or
29 portion thereof which remains unpaid as a claim against such political
30 subdivision and shall issue the person entitled to the refund a receipt
31 for the registration of the claim. The certification by a political

1 subdivision declaring a hardship shall be binding upon the county
2 treasurer;

3 (2) The refund of a tax or penalty or the receipt for the
4 registration of a claim made or issued pursuant to this section shall be
5 satisfied in full as soon as practicable and in no event later than five
6 years from the date the final order or other action approving a refund is
7 entered. The governing body of the political subdivision shall make
8 provisions in its budget for the amount of any refund or claim to be
9 satisfied pursuant to this section. If a receipt for the registration of
10 a claim is given:

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

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

26 If a political subdivision fails to fully satisfy the refund or
27 claim prior to the sixth next succeeding levy following the entry of a
28 final nonappealable order or other action approving a refund, interest
29 shall accrue on the unpaid balance commencing on the sixth next
30 succeeding levy following such entry or action at the rate set forth in
31 section 45-103;

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

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

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

23 (6) If all or any portion of the refund is reduced by way of
24 settlement or forgiveness by the person entitled to the refund, the
25 proportionate amount of the refund that was paid by an appropriation of
26 state funds shall be reimbursed by the county treasurer to the State
27 Treasurer within forty-five days after receipt of the settlement
28 agreement or receipt of the forgiven refund. The amount so reimbursed
29 shall be credited to the General Fund.

30 Sec. 20. Section 77-1807, Reissue Revised Statutes of Nebraska, is
31 amended to read:

1 77-1807 (1)(a) This subsection applies until January 1, 2015.

2 (b) Except as otherwise provided in subdivision (c) of this
3 subsection, the person who offers to pay the amount of taxes due on any
4 real property for the smallest portion of the same shall be the
5 purchaser, and when such person designates the smallest portion of the
6 real property for which he or she will pay the amount of taxes assessed
7 against any such property, the portion thus designated shall be
8 considered an undivided portion.

9 (c) If a land bank gives an automatically accepted bid for the real
10 property pursuant to section 17 of this act ~~19-5217~~, the land bank shall
11 be the purchaser, regardless of the bid of any other person.

12 (d) If no person bids for a less quantity than the whole and no land
13 bank has given an automatically accepted bid pursuant to section 17 of
14 this act ~~19-5217~~, the treasurer may sell any real property to any one who
15 will take the whole and pay the taxes and charges thereon.

16 (e) If the homestead is listed separately as a homestead, it shall
17 be sold only for the taxes delinquent thereon.

18 (2)(a) This subsection applies beginning January 1, 2015.

19 (b) If a land bank gives an automatically accepted bid for real
20 property pursuant to section 17 of this act ~~19-5217~~, the land bank shall
21 be the purchaser and no public or private auction shall be held under
22 sections 77-1801 to 77-1863.

23 (c) If no land bank has given an automatically accepted bid pursuant
24 to section 17 of this act ~~19-5217~~, the person who offers to pay the
25 amount of taxes, delinquent interest, and costs due on any real property
26 shall be the purchaser.

27 (d) The county treasurer shall announce bidding rules at the
28 beginning of the public auction, and such rules shall apply to all
29 bidders throughout the public auction.

30 (e) The sale, if conducted in a round-robin format, shall be
31 conducted in the following manner:

1 (i) At the commencement of the sale, a count shall be taken of the
2 number of registered bidders present who want to be eligible to purchase
3 property. Each registered bidder shall only be counted once. If
4 additional registered bidders appear at the sale after the commencement
5 of a round, such registered bidders shall have the opportunity to
6 participate at the end of the next following round, if any, as provided
7 in subdivision (v) of this subdivision;

8 (ii) Sequentially enumerated tickets shall be placed in a
9 receptacle. The number of tickets in the receptacle for the first round
10 shall equal the count taken in subdivision (i) of this subdivision, and
11 the number of tickets in the receptacle for each subsequent round shall
12 equal the number of the count taken in subdivision (i) of this
13 subdivision plus additional registered bidders as provided in subdivision
14 (v) of this subdivision;

15 (iii) In a manner determined by the county treasurer, tickets shall
16 be selected from the receptacle by hand for each registered bidder
17 whereby each ticket has an equal chance of being selected. Tickets shall
18 be selected until there are no tickets remaining in the receptacle;

19 (iv) The number on the ticket selected for a registered bidder shall
20 represent the order in which a registered bidder may purchase property
21 consisting of one parcel subject to sale from the list per round; and

22 (v) If property listed remains unsold at the end of a round, a new
23 round shall commence until all property listed is either sold or, if any
24 property listed remains unsold, each registered bidder has consecutively
25 passed on the opportunity to make a purchase. Registered bidders who are
26 not present when it is their turn to purchase property shall be
27 considered to have passed on the opportunity to make a purchase. At the
28 beginning of the second and any subsequent rounds, the county treasurer
29 shall inquire whether there are additional registered bidders. If
30 additional registered bidders are present, tickets for each such bidder
31 shall be placed in a receptacle and selected as provided in subdivisions

1 (ii) through (iv) of this subdivision. The second and any subsequent
2 rounds shall proceed in the same manner and purchase order as the last
3 preceding round, except that any additional registered bidders shall be
4 given the opportunity to purchase at the end of the round in the order
5 designated on their ticket.

6 (f) Any property remaining unsold upon completion of the public
7 auction shall be sold at a private sale pursuant to section 77-1814.

8 (g) A bidder shall (i) register with the county treasurer prior to
9 participating in the sale, (ii) provide proof that it maintains a
10 registered agent for service of process with the Secretary of State if
11 the bidder is a foreign corporation, and (iii) pay a twenty-five-dollar
12 registration fee. The fee is not refundable upon redemption.

13 Sec. 21. Section 77-1810, Reissue Revised Statutes of Nebraska, is
14 amended to read:

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

26 (2) No such sale shall be made to any city, village, school
27 district, drainage district, or irrigation district by the county
28 treasurer (a) when the real property has been previously sold to the
29 county, but in any such case, the city, village, school district,
30 drainage district, or irrigation district may purchase the tax
31 certificate held by the county or (b) if a land bank has given an

1 automatically accepted bid on such real property pursuant to section 17
2 of this act ~~19-5217~~.

3 Sec. 22. The Revisor of Statutes shall assign sections 1 to 18 of
4 this act to a new article in Chapter 18.

5 Sec. 23. Original sections 77-1736.06, 77-1807, and 77-1810,
6 Reissue Revised Statutes of Nebraska, and sections 19-5201, 19-5202,
7 19-5203, 19-5204, 19-5205, 19-5206, 19-5207, 19-5208, 19-5209, 19-5210,
8 19-5211, 19-5212, 19-5213, 19-5214, 19-5215, 19-5216, 19-5217, and
9 19-5218, Revised Statutes Cumulative Supplement, 2018, are repealed.