

E AND R AMENDMENTS TO LB 97

Introduced by Murante, 49, Chairman Enrollment and Review

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

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

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

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

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

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

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

21 Sec. 3. For purposes of the Nebraska Municipal Land Bank
22 Act:

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

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

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

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

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

15 (a) The name of the land bank;

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

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

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

25 (3) Each land bank created pursuant to the Nebraska
26 Municipal Land Bank Act shall be deemed to be a public corporation
27 acting in a governmental capacity and a political subdivision of

1 the state and shall have permanent and perpetual duration until
2 terminated and dissolved in accordance with section 14 of this act.

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

6 Sec. 5. (1) If a land bank is created by a single
7 municipality, the board of such land bank shall meet the following
8 requirements:

9 (a) The board shall consist of:

10 (i) Seven voting members appointed by the mayor of
11 the municipality that created the land bank and confirmed by a
12 two-thirds vote of the governing body of such municipality;

13 (ii) The planning director of the municipality that
14 created the land bank or his or her designee, as a nonvoting, ex
15 officio member; and

16 (iii) Such other nonvoting members as are appointed by
17 the mayor of the municipality that created the land bank;

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

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

26 (d) The seven voting members of the board shall have,
27 collectively, verifiable skills, expertise, and knowledge in

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

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

6 (i) At least one member representing realtors;

7 (ii) At least one member representing the banking
8 industry;

9 (iii) At least one member representing real estate
10 developers;

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

13 (v) At least one member representing a nonprofit
14 corporation involved in affordable housing; and

15 (vi) At least one member representing owners of multiple
16 residential or commercial properties.

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

21 (a) The board shall consist of:

22 (i) An odd number of voting members, totaling at least
23 seven, appointed by the mayors of the municipalities that created
24 the land bank, as mutually agreed to by such mayors, and confirmed
25 by a two-thirds vote of the governing body of each municipality
26 that created the land bank;

27 (ii) The planning director of each municipality that

1 created the land bank or his or her designee, as nonvoting, ex
2 officio members; and

3 (iii) Such other nonvoting members as are appointed by
4 the mayors of the municipalities that created the land bank, as
5 mutually agreed to by such mayors;

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

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

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

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

23 (i) At least one member representing realtors;

24 (ii) At least one member representing the banking
25 industry;

26 (iii) At least one member representing real estate
27 developers;

1 (iv) At least one member representing a chamber of
2 commerce;

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

5 (vi) At least one member representing owners of multiple
6 residential or commercial properties.

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

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

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

15 (6) Board members shall serve without compensation.

16 (7) The board shall meet in regular session according to
17 a schedule adopted by the board and shall also meet in special
18 session as convened by the chairperson or upon written notice
19 signed by a majority of the voting members. The presence of a
20 majority of the voting members of the board shall constitute a
21 quorum.

22 (8) Except as otherwise provided in subsections (9) and
23 (11) of this section and in sections 10 and 14 of this act, all
24 actions of the board shall be approved by the affirmative vote of a
25 majority of the voting members present and voting.

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

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

3 (b) Hiring or firing of any employee or contractor of
4 the land bank. This function may, by majority vote of the voting
5 members, be delegated by the board to a specified officer or
6 committee of the land bank, under such terms and conditions, and to
7 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
11 property, improvements, or personal property with a value of more
12 than fifty thousand dollars.

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

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

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

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

1 lessee or licensee of the owner;

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

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

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

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

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

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

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

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

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

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

1 this act, if any such hierarchical ranking is established.

2 Sec. 6. A land bank may employ such agents and employees,
3 permanent or temporary, as it may require, and may determine
4 the qualifications and fix the compensation and benefits of such
5 persons.

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

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

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

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

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

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

20 (f) To enter into contracts and other instruments
21 necessary, incidental, or convenient to the performance of its
22 duties and the exercise of its powers, including, but not limited
23 to, agreements under the Interlocal Cooperation Act for the joint
24 exercise of powers under the Nebraska Municipal Land Bank Act;

25 (g) To enter into contracts and other instruments
26 necessary, incidental, or convenient to the performance of
27 functions by the land bank on behalf of municipalities or

1 agencies or departments of municipalities, or the performance by
2 municipalities or agencies or departments of municipalities of
3 functions on behalf of the land bank;

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

7 (i) To provide foreclosure prevention counseling and
8 re-housing assistance;

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

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

15 (l) To enter into contracts for the management of, the
16 collection of rent from, or the sale of real property of the land
17 bank;

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

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

23 (o) To fix, charge, and collect rents and leasehold
24 payments for the use of real property of the land bank for a
25 period not to exceed twelve months, except that such twelve-month
26 limitation shall not apply if the real property of the land bank is
27 subject to a lease with a remaining term of more than twelve months

1 at the time such real property is acquired by the land bank;

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

5 (q) To enter into partnerships, joint ventures, and other
6 collaborative relationships with municipalities and other public
7 and private entities for the ownership, management, development,
8 and disposition of real property; and

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

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

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

18 (2) A land bank may acquire real property or interests
19 in real property by purchase contracts, lease-purchase agreements,
20 installment sales contracts, or land contracts and may accept
21 transfers from political subdivisions upon such terms and
22 conditions as agreed to by the land bank and the political
23 subdivision. Notwithstanding any other law to the contrary, any
24 political subdivision may transfer to the land bank real property
25 and interests in real property of the political subdivision on such
26 terms and conditions and according to such procedures as determined
27 by the political subdivision.

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

4 (4) A land bank shall not own or hold real property
5 located outside the jurisdictional boundaries of the municipality
6 or municipalities that created the land bank. For purposes of
7 this subsection, jurisdictional boundaries of a municipality does
8 not include the extraterritorial zoning jurisdiction of such
9 municipality.

10 (5) A land bank may accept transfers of real property
11 and interests in real property from a land reutilization authority
12 on such terms and conditions, and according to such procedures,
13 as mutually determined by the transferring land reutilization
14 authority and the land bank.

15 (6) A land bank shall not hold legal title at any one
16 time to more than seven percent of the total number of parcels of
17 real property located in the municipality or municipalities that
18 created the land bank.

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

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

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

1 (3) A land bank shall determine and set forth in policies
2 and procedures of the board the general terms and conditions for
3 consideration to be received by the land bank for the transfer of
4 real property and interests in real property, which consideration
5 may take the form of monetary payments and secured financial
6 obligations, covenants and conditions related to the present
7 and future use of the property, contractual commitments of the
8 transferee, and such other forms of consideration as determined by
9 the board to be in the best interest of the land bank.

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

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

1 (6) The municipality or municipalities that created
2 the land bank may require by resolution or ordinance that any
3 particular form of disposition of real property, or any disposition
4 of real property located within specified jurisdictions, be subject
5 to specified voting and approval requirements of the board. Except
6 and unless restricted or constrained in this manner, the board
7 may delegate to officers and employees the authority to enter into
8 and execute agreements, instruments of conveyance, and all other
9 related documents pertaining to the conveyance of real property by
10 the land bank.

11 Sec. 11. (1) A land bank may receive funding through
12 grants and loans from the municipality or municipalities that
13 created the land bank, from other municipalities, from the state,
14 from the federal government, and from other public and private
15 sources.

16 (2) A land bank may receive and retain payments for
17 services rendered, for rents and leasehold payments received, for
18 consideration for disposition of real and personal property, for
19 proceeds of insurance coverage for losses incurred, for income
20 from investments, and for any other asset and activity lawfully
21 permitted to a land bank under the Nebraska Municipal Land Bank
22 Act.

23 (3) (a) Except as otherwise provided in subdivision (b) of
24 this subsection, fifty percent of the real property taxes collected
25 on real property conveyed by a land bank pursuant to the laws of
26 this state shall be remitted to the land bank. Such allocation of
27 property tax revenue shall commence with the first taxable year

1 following the date of conveyance and shall continue for a period of
2 five years. Such allocation of property tax revenue shall not occur
3 if such taxes have been previously divided under section 18-2147
4 as part of a redevelopment project under the Community Development
5 Law, unless the authority, as defined in section 18-2103, enters
6 into an agreement with the land bank for the remittance of such
7 funds to the land bank.

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

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

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

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

27 (4) Bonds issued by the land bank shall be authorized by

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

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

26 (6) Neither the members of the board nor any person
27 executing the bonds shall be liable personally on any such bonds by

1 reason of the issuance thereof. Such bonds or other obligations of
2 a land bank shall not be a debt of any municipality and shall so
3 state on their face, nor shall any municipality nor any revenue or
4 any property of any municipality be liable therefor.

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

8 (2) All of a land bank's records and documents shall
9 be considered public records for purposes of sections 84-712 to
10 84-712.09.

11 (3) The board shall provide monthly reports to the
12 municipality or municipalities that created the land bank on
13 the board's activities pursuant to the Nebraska Municipal Land
14 Bank Act. The board shall also provide an annual report to the
15 municipality or municipalities that created the land bank and
16 to the Revenue Committee of the Legislature by December 31 of
17 each year summarizing the board's activities for the year. The
18 report submitted to the Revenue Committee shall be submitted
19 electronically.

20 Sec. 14. A land bank may be dissolved sixty calendar days
21 after a resolution of dissolution is approved by two-thirds of the
22 voting members of the board and by two-thirds of the membership
23 of the governing body of the municipality or municipalities that
24 created the land bank. The board shall give sixty calendar days'
25 advance written notice of its consideration of a resolution of
26 dissolution by publishing such notice in a newspaper of general
27 circulation within the municipality or municipalities that created

1 the land bank and shall send such notice by certified mail to the
2 trustee of any outstanding bonds of the land bank. Upon dissolution
3 of the land bank, all real property, personal property, and other
4 assets of the land bank shall become the assets of the municipality
5 or municipalities that created the land bank.

6 Sec. 15. (1) No member of the board or employee of a
7 land bank shall acquire any interest, direct or indirect, in real
8 property of the land bank, in any real property to be acquired by
9 the land bank, or in any real property to be acquired from the
10 land bank. No member of the board or employee of a land bank shall
11 have any interest, direct or indirect, in any contract or proposed
12 contract for materials or services to be furnished or used by a
13 land bank.

14 (2) The board shall adopt:
15 (a) Rules addressing potential conflicts of interest; and
16 (b) Ethical guidelines for members of the board and
17 employees of the land bank.

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

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

7 Sec. 17. (1) (a) At any sale of real property for the
8 nonpayment of taxes conducted pursuant to sections 77-1801 to
9 77-1863, a land bank may:

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

16 (ii) Give an automatically accepted bid on such real
17 property in an amount equal to the total amount of taxes,
18 interest, and costs due on the real property. If an automatically
19 accepted bid is given, it shall be accepted by the county
20 treasurer regardless of any other bids on such real property. An
21 automatically accepted bid may be given only if the conditions for
22 making such a bid prescribed by the board pursuant to subsection
23 (11) of section 5 of this act have been met.

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

1 (2) If a county holds a tax sale certificate pursuant to
2 section 77-1809, a land bank may purchase such tax sale certificate
3 from the county by paying the county treasurer the amount expressed
4 on the face of the certificate and interest thereon at the rate
5 specified in section 45-104.01, as such rate may from time to
6 time be adjusted by the Legislature, from the date the tax sale
7 certificate was first issued to the county to the date such
8 certificate was purchased by the land bank.

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

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

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

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

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

1 real property; or

2 (ii) Give an automatically accepted bid on such real
3 property in an amount equal to the total amount of taxes, interest,
4 and costs due on the real property. If an automatically accepted
5 bid is given, it shall be accepted by the sheriff regardless of any
6 other bids on such real property. An automatically accepted bid may
7 be given only if the conditions for making such a bid prescribed by
8 the board pursuant to subsection (11) of section 5 of this act have
9 been met and only if the land bank has obtained written consent to
10 the tender of an automatically accepted bid from the holder of a
11 mortgage or the beneficiary or trustee under a trust deed giving
12 rise to a lien against such real property. To obtain such written
13 consent, the land bank shall send, by certified mail, a notice
14 of its intent to make an automatically accepted bid to any such
15 holder of a mortgage or beneficiary or trustee under a trust deed
16 and shall request that written consent be given within thirty days.
17 If no response is given within such thirty-day time period, such
18 holder of a mortgage or beneficiary or trustee under a trust deed
19 shall be deemed to have given written consent.

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

24 (2) If a sheriff attempts to sell real property as part
25 of foreclosure proceedings under sections 77-1901 to 77-1941, there
26 is no bid given at such sale equal to the total amount of taxes,
27 interest, and costs due thereon, and the real property being sold

1 lies within a municipality that has created a land bank, then such
2 land bank shall be deemed to have bid the total amount of taxes,
3 interest, and costs due thereon and such bid shall be accepted by
4 the sheriff. The land bank may then discharge and extinguish the
5 liens for delinquent taxes included in the foreclosure proceedings
6 pursuant to section 16 of this act. The land bank shall then be
7 entitled to a deed to the real property in accordance with sections
8 77-1901 to 77-1941.

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

11 77-1736.06 The following procedure shall apply when
12 making a property tax refund:

13 (1) Within thirty days of the entry of a final
14 nonappealable order, an unprotested determination of a county
15 assessor, an unappealed decision of a county board of equalization,
16 or other final action requiring a refund of real or personal
17 property taxes paid or, for property valued by the state, within
18 thirty days of a recertification of value by the Property Tax
19 Administrator pursuant to section 77-1775 or 77-1775.01, the
20 county assessor shall determine the amount of refund due the
21 person entitled to the refund, certify that amount to the county
22 treasurer, and send a copy of such certification to the person
23 entitled to the refund. Within thirty days from the date the county
24 assessor certifies the amount of the refund, the county treasurer
25 shall notify each political subdivision, including any school
26 district receiving a distribution pursuant to section 79-1073 or
27 79-1073.01 and any land bank receiving real property taxes pursuant

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

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

1 subdivision shall make provisions in its budget for the amount of
2 any refund or claim to be satisfied pursuant to this section. If a
3 receipt for the registration of a claim is given:

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

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

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

26 (3) The county treasurer shall mail the refund or the
27 receipt by first-class mail, postage prepaid, to the last-known

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

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

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

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

1 refund. The amount so reimbursed shall be credited to the General
2 Fund.

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

5 77-1759 The county treasurer shall report and pay over
6 the amount of tax and special assessments due to towns, districts,
7 cities, villages, all other taxing units, corporations, ~~and~~
8 persons, and land banks, collected by him or her, when demanded
9 by the proper authorities or persons. Upon a demand, one payment
10 shall be for the funds collected or received during the previous
11 calendar month and shall be paid not later than the fifteenth of
12 the following month. A second demand may be made prior to the
13 fifteenth of the month on taxes and special assessments collected
14 or received, during the first fifteen days of the month. The second
15 demand shall be paid not later than the last day of the month.

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

18 77-1807 The (1)(a) Except as otherwise provided in
19 subdivision (b) of this subsection, the person who offers to
20 pay the amount of taxes due on any real property for the smallest
21 portion of the same shall be the purchaser, and when such person
22 designates the smallest portion of the real property for which
23 he or she will pay the amount of taxes assessed against any
24 such property, the portion thus designated shall be considered an
25 undivided portion.

26 (b) If a land bank gives an automatically accepted bid
27 for the real property pursuant to section 17 of this act, the land

1 bank shall be the purchaser, regardless of the bid of any other
2 person.

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

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

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

12 77-1809 (1) At all sales provided by law, the county
13 board may purchase for the use and benefit, and in the name of the
14 county, any real estate advertised and offered for sale when the
15 same remains unsold for want of bidders. The county treasurer shall
16 issue certificates of purchase of the real estate so sold in the
17 name of the county. Such certificates shall remain in the custody
18 of the county treasurer, who shall at any time assign the same to
19 any person wishing to buy for the amount expressed on the face
20 of the certificate and interest thereon at the rate specified in
21 section 45-104.01, as such rate may from time to time be adjusted
22 by the Legislature, from the date thereof. Such assignment shall be
23 attested by the endorsement of the county clerk of his or her name
24 on the back of such certificate, and such endorsement shall be made
25 when requested by the county treasurer.

26 (2) If real estate is purchased by a county under this
27 section and such real estate lies within a municipality that has

1 created a land bank pursuant to the Nebraska Municipal Land Bank
2 Act, the county treasurer of such county shall notify the land bank
3 of such purchase as soon as practical and shall give the land bank
4 the first opportunity to acquire the certificate of purchase for
5 such real estate from the county.

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

8 77-1810 ~~Whenever~~ (1) Except as otherwise provided in
9 subsection (2) of this section, whenever any real property
10 subject to sale for taxes is within the corporate limits of any
11 city, village, school district, drainage district, or irrigation
12 district, it shall have the right and power through its governing
13 board or body to purchase such real property for the use and
14 benefit and in the name of the city, village, school district,
15 drainage district, or irrigation district as the case may be. The
16 treasurer of the city, village, school district, drainage district,
17 or irrigation district may assign the certificate of purchase by
18 endorsement of his or her name on the back thereof when directed so
19 to do by written order of the governing board.

20 (2) No such sale shall be made to any city, village,
21 school district, drainage district, or irrigation district by the
22 county treasurer (a) when the real property has been previously
23 sold to the county, but in any such case, the city, village, school
24 district, drainage district, or irrigation district may purchase
25 the tax certificate held by the county or (b) if a land bank has
26 given an automatically accepted bid on such real property pursuant
27 to section 17 of this act.

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

3 77-1915 From the proceeds of the sale of any real
4 property, the costs charged thereto shall first be paid. When the
5 plaintiff is a private person, firm, or corporation, the balance
6 thereof, or so much thereof as is necessary, shall be paid to the
7 plaintiff. When the plaintiff is a governmental subdivision other
8 than a land bank, or is a municipal corporation, or drainage or
9 irrigation district, the balance thereof, or so much thereof as is
10 necessary, shall be paid to the county treasurer for distribution
11 to the various governmental subdivisions, municipal corporations,
12 or drainage or irrigation districts entitled thereto in discharge
13 of all claims, excluding any lien on real estate for special
14 assessments levied by any sanitary and improvement district which
15 special assessments have not been previously offered for sale by
16 the county treasurer. When the plaintiff is a land bank, the
17 balance thereof, or so much thereof as is necessary, shall be paid
18 to the land bank.

19 Sec. 25. Section 77-1916, Revised Statutes Cumulative
20 Supplement, 2012, is amended to read:

21 77-1916 If a surplus remains after satisfying all costs
22 and taxes against any particular item of real property, the excess
23 shall be applied in the manner provided by law for the disposition
24 of the surplus in the foreclosure of mortgages on real property.
25 If the proceeds are insufficient to pay the costs and all the
26 taxes, when the plaintiff is a governmental subdivision, other
27 than a land bank or is a municipal corporation, or a drainage or

1 irrigation district, the amount remaining shall be prorated among
2 the governmental subdivisions, municipal corporations, and drainage
3 or irrigation districts in the proportion of their interest in
4 the decree of foreclosure. The proceeds of the sale of one item
5 of real property shall not be applied to the discharge of a lien
6 for taxes against another item of real property except when so
7 directed by the decree for foreclosure under the circumstances set
8 forth in section 77-1910. The lien on real estate for special
9 assessments levied by any sanitary and improvement district shall
10 not be entitled to any surplus unless such special assessments have
11 been previously offered for sale by the county treasurer.

12 Sec. 26. Section 77-2704.15, Revised Statutes Cumulative
13 Supplement, 2012, is amended to read:

14 77-2704.15 (1)(a) Sales and use taxes shall not be
15 imposed on the gross receipts from the sale, lease, or rental
16 of and the storage, use, or other consumption in this state of
17 purchases by the state, including public educational institutions
18 recognized or established under the provisions of Chapter 85,
19 or by any county, township, city, village, rural or suburban
20 fire protection district, city airport authority, county airport
21 authority, joint airport authority, drainage district organized
22 under sections 31-401 to 31-450, land bank created under the
23 Nebraska Municipal Land Bank Act, natural resources district,
24 elected county fair board, housing agency as defined in section
25 71-1575 except for purchases for any commercial operation that
26 does not exclusively benefit the residents of an affordable housing
27 project, cemetery created under section 12-101, or joint entity

1 or agency formed by any combination of two or more counties,
2 townships, cities, villages, or other exempt governmental units
3 pursuant to the Interlocal Cooperation Act, the Integrated Solid
4 Waste Management Act, or the Joint Public Agency Act, except
5 for purchases for use in the business of furnishing gas, water,
6 electricity, or heat, or by any irrigation or reclamation district,
7 the irrigation division of any public power and irrigation
8 district, or public schools or learning communities established
9 under Chapter 79.

10 (b) For purposes of this subsection, purchases by the
11 state or by a governmental unit listed in subdivision (a) of
12 this subsection include purchases by a nonprofit corporation under
13 a lease-purchase agreement, financing lease, or other instrument
14 which provides for transfer of title to the property to the state
15 or governmental unit upon payment of all amounts due thereunder.
16 If a nonprofit corporation will be making purchases under a
17 lease-purchase agreement, financing lease, or other instrument
18 as part of a project with a total estimated cost that exceeds
19 the threshold amount, then such purchases shall qualify for an
20 exemption under this section only if the question of proceeding
21 with such project has been submitted at a primary, general, or
22 special election held within the governmental unit that will be a
23 party to the lease-purchase agreement, financing lease, or other
24 instrument and has been approved by the voters of such governmental
25 unit. For purposes of this subdivision, (i) project means the
26 acquisition of real property or the construction of a public
27 building and (ii) threshold amount means the greater of fifty

1 thousand dollars or six-tenths of one percent of the total actual
2 value of real and personal property of the governmental unit that
3 will be a party to the lease-purchase agreement, financing lease,
4 or other instrument as of the end of the governmental unit's prior
5 fiscal year.

6 (2) The appointment of purchasing agents shall be
7 recognized for the purpose of altering the status of the
8 construction contractor as the ultimate consumer of building
9 materials which are physically annexed to the structure and which
10 subsequently belong to the state or the governmental unit. The
11 appointment of purchasing agents shall be in writing and occur
12 prior to having any building materials annexed to real estate in
13 the construction, improvement, or repair. The contractor who has
14 been appointed as a purchasing agent may apply for a refund of or
15 use as a credit against a future use tax liability the tax paid
16 on inventory items annexed to real estate in the construction,
17 improvement, or repair of a project for the state or a governmental
18 unit.

19 (3) Any governmental unit listed in subsection (1) of
20 this section, except the state, which enters into a contract
21 of construction, improvement, or repair upon property annexed to
22 real estate without first issuing a purchasing agent authorization
23 to a contractor or repairperson prior to the building materials
24 being annexed to real estate in the project may apply to the Tax
25 Commissioner for a refund of any sales and use tax paid by the
26 contractor or repairperson on the building materials physically
27 annexed to real estate in the construction, improvement, or repair.

1 Sec. 27. Section 77-3211, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-3211 ~~(1) If,~~ (1) (a) Except as provided in subsection
4 (2) of this section, if, when the sheriff offers the parcels of
5 real estate for sale under the tax foreclosure laws of this state,
6 there is no bid equal to the full amount of all tax bills included
7 in the judgment, interest, penalties, fees, and costs then due
8 thereon made or received at such sale, the authority shall be
9 deemed to have bid the full amount of all tax bills included in
10 the judgment, interest, penalties, fees, and costs then due, and if
11 no other earlier or later bid be then received by the sheriff as
12 allowed by law in excess of the bid of the authority, then the bid
13 of the authority shall be announced as accepted. The sheriff shall
14 report any such bid or bids so made by the authority in the same
15 way as his or her report of other bids is made.

16 ~~(2) (b)~~ (b) The authority shall pay, if possible, any
17 penalties, fees, or costs included in the judgment of foreclosure
18 of such parcel of real estate when such parcel is sold or otherwise
19 disposed of by such authority. Upon confirmation by the court of
20 such bid at such sale by such authority, and upon notification by
21 the sheriff, the county treasurer, or the city treasurer in the
22 case of an authority created pursuant to subsection (3) of section
23 77-3201, shall mark the tax bills to the date of such confirmation
24 as canceled by sale to the authority, and shall take credit for
25 the full amount of such tax bills, including principal amount,
26 interest, penalties, fees, and costs, on his or her books and his
27 or her statements with any other taxing authorities.

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

5 Sec. 28. Section 77-3213, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 77-3213 Sections 77-3201 to 77-3213 and section 29 of
8 this act shall be known and may be cited as the Land Reutilization
9 Act.

10 Sec. 29. Notwithstanding any provision of the Land
11 Reutilization Act to the contrary, a land reutilization authority
12 may transfer property held by such authority to a land bank created
13 under the Nebraska Municipal Land Bank Act upon such terms and
14 conditions as may be agreed upon between the authority and the land
15 bank.

16 Sec. 30. This act becomes operative on October 1, 2013.

17 Sec. 31. Original sections 77-1759, 77-1807, 77-1809,
18 77-1810, 77-3211, and 77-3213, Reissue Revised Statutes of
19 Nebraska, and sections 77-1736.06, 77-1915, 77-1916, and
20 77-2704.15, Revised Statutes Cumulative Supplement, 2012, are
21 repealed.

22 2. On page 1, line 4, strike "and" and after the
23 second comma insert "and 77-2704.15,"; in line 8 after the
24 semicolon insert "to exempt purchases from sales and use taxes
25 as prescribed;"; and in line 10 after the semicolon insert "to
26 provide an operative date;".