

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION  
**LEGISLATIVE BILL 681**

Introduced by Mello, 5.

Read first time January 08, 2014

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 19-5217 and 77-1807, Revised Statutes Supplement, 2013;  
3 to change provisions relating to land banks and tax sales  
4 for delinquent property taxes; and to repeal the original  
5 sections.  
6 Be it enacted by the people of the State of Nebraska,

1                   Section 1. Section 19-5217, Revised Statutes Supplement,  
2   2013, is amended to read:

3                   19-5217 (1)(a) At any sale of real property for the  
4   nonpayment of taxes conducted pursuant to sections 77-1801 to  
5   77-1863, a land bank may:

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

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

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

24                   (2) If a county holds a tax sale certificate pursuant to  
25   section 77-1809, a land bank may purchase such tax sale certificate

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

7 (3)(a) Subdivision (b) of this subsection applies until  
8 January 1, 2015. Subdivision (c) of this subsection applies beginning  
9 January 1, 2015.

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

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

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

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

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

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

7           Sec. 2. Section 77-1807, Revised Statutes Supplement,  
8 2013, is amended to read:

9           77-1807 (1)(a) This subsection applies until January 1,  
10 2015.

11           (b) Except as otherwise provided in subdivision ~~(b)~~~~(c)~~  
12 of this subsection, the person who offers to pay the amount of taxes  
13 due on any real property for the smallest portion of the same shall  
14 be the purchaser, and when such person designates the smallest  
15 portion of the real property for which he or she will pay the amount  
16 of taxes assessed against any such property, the portion thus  
17 designated shall be considered an undivided portion.

18           ~~(b)~~~~(c)~~ If a land bank gives an automatically accepted  
19 bid for the real property pursuant to section 19-5217, the land bank  
20 shall be the purchaser, regardless of the bid of any other person.

21           ~~(2)~~~~(d)~~ If no person bids for a less quantity than the  
22 whole and no land bank has given an automatically accepted bid  
23 pursuant to section 19-5217, the treasurer may sell any real property  
24 to any one who will take the whole and pay the taxes and charges  
25 thereon.

1           ~~(3)~~(e) If the homestead is listed separately as a  
2 homestead, it shall be sold only for the taxes delinquent thereon.

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

4           (b) If a land bank gives an automatically accepted bid  
5 for real property pursuant to section 19-5217, the land bank shall be  
6 the purchaser and no public or private auction shall be held under  
7 sections 77-1801 to 77-1863.

8           (c) If no land bank has given an automatically accepted  
9 bid pursuant to section 19-5217, the person who offers to pay the  
10 amount of taxes, delinquent interest, and costs due on any real  
11 property shall be the purchaser.

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

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

17           (i) At the commencement of the sale, a count shall be  
18 taken of the number of registered bidders present who want to be  
19 eligible to purchase property. Each registered bidder shall only be  
20 counted once. If additional registered bidders appear at the sale  
21 after the commencement of a round, such registered bidders shall have  
22 the opportunity to participate at the end of the next following  
23 round, if any, as provided in subdivision (v) of this subdivision;

24           (ii) Sequentially enumerated tickets shall be placed in a  
25 receptacle. The number of tickets in the receptacle for the first

1 round shall equal the count taken in subdivision (i) of this  
2 subdivision, and the number of tickets in the receptacle for each  
3 subsequent round shall equal the number of the count taken in  
4 subdivision (i) of this subdivision plus additional registered  
5 bidders as provided in subdivision (v) of this subdivision;

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

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

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

1 (iv) of this subdivision. The second and any subsequent rounds shall  
2 proceed in the same manner and purchase order as the last preceding  
3 round, except that any additional registered bidders shall be given  
4 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  
7 public auction shall be sold at a private sale pursuant to section  
8 77-1814.

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

15 Sec. 3. Original sections 19-5217 and 77-1807, Revised  
16 Statutes Supplement, 2013, are repealed.