

AMENDMENTS TO LB424

(Amendments to Standing Committee amendments, AM509)

Introduced by Quick, 35.

1 1. Strike amendment 1 and insert the following new amendment:

2 1. Strike the original sections and insert the following new
3 sections:

4 Section 1. Section 19-5201, Revised Statutes Cumulative Supplement,
5 2018, is amended to read:

6 ~~19-5201~~ Sections 1 to 18 of this act ~~19-5201 to 19-5218~~ shall be
7 known and may be cited as the Nebraska Municipal Land Bank Act.

8 Sec. 2. Section 19-5202, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 ~~19-5202~~ The Legislature finds and declares as follows:

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

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

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

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

24 Sec. 3. Section 19-5203, Revised Statutes Cumulative Supplement,
25 2018, is amended to read:

26 ~~19-5203~~ For purposes of the Nebraska Municipal Land Bank Act:

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

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

4 (3) ~~(2)~~ Land bank means a land bank established in accordance with
5 the act;

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

10 (5) ~~(4)~~ Real property means lands, lands under water, structures,
11 and any and all easements, air rights, franchises, and incorporeal
12 hereditaments and every estate and right therein, legal and equitable,
13 including terms for years and liens by way of judgment, mortgage, or
14 otherwise, and any and all fixtures and improvements located thereon.

15 Sec. 4. Section 19-5204, Revised Statutes Cumulative Supplement,
16 2018, is amended to read:

17 ~~19-5204~~ (1) A single municipality may elect to create a land bank if
18 the municipality is a city of the metropolitan class or city of the
19 primary class. Such municipality shall create the land bank by the
20 adoption of an ordinance which specifies the following:

21 (a) The name of the land bank;

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

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

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

29 (3) A municipality may elect to join an existing land bank by
30 entering into an agreement pursuant to the Interlocal Cooperation Act
31 with a city of the metropolitan class or city of the primary class that

1 has created a land bank pursuant to subsection (1) of this section or by
2 joining an existing agreement pursuant to the Interlocal Cooperation Act
3 with the municipalities that formed a land bank pursuant to subsection
4 (2) of this section. Agreements entered into or joined under this
5 subsection shall contain the information required by subsection (1) of
6 this section.

7 (4) ~~(3)~~ Each land bank created pursuant to the Nebraska Municipal
8 Land Bank Act shall be deemed to be a public corporation acting in a
9 governmental capacity and a political subdivision of the state and shall
10 have permanent and perpetual duration until terminated and dissolved in
11 accordance with section 14 of this act ~~19-5214~~.

12 (5) ~~(4)~~ The primary goal of any land bank shall be to facilitate the
13 return of vacant, abandoned, and tax-delinquent properties to productive
14 use.

15 Sec. 5. Section 19-5205, Revised Statutes Cumulative Supplement,
16 2018, is amended to read:

17 ~~19-5205~~ (1) If a land bank is created by a single municipality
18 pursuant to subsection (1) of section 4 of this act, the board of such
19 land bank shall meet the following requirements:

20 (a) The board shall consist of:

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

24 (ii) The following nonvoting members:

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

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

1 (C) ~~(iv)~~ Such other nonvoting members as are appointed by the chief
2 executive officer ~~mayer~~ of the municipality that created the land bank
3 and confirmed by a two-thirds vote of the governing body of such
4 municipality;

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

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

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

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

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

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

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

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

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

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

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

1 different member to fulfill each such requirement.

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

6 (a) The board shall consist of:

7 (i) An odd number of voting members, totaling at least seven,
8 appointed by the chief executive officers ~~mayors~~ of the municipalities
9 that created the land bank, as mutually agreed to by such chief executive
10 officers ~~mayors~~, and confirmed by a two-thirds vote of the governing body
11 of each municipality that created the land bank; and

12 (ii) The following nonvoting members:

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

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

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

25 (b) Each voting member of the board shall be a resident of one of
26 the municipalities that created the land bank. If a land bank is created
27 by a city of the metropolitan class or a city of the primary class, with
28 at least one voting member of the board shall be appointed from each of
29 the municipalities that created the land bank ~~such municipality;~~

30 (c) ~~If the governing body of the largest municipality creating the~~
31 ~~land bank has any of its members elected by district or ward, then at~~

1 ~~least one voting member of the board shall be appointed from each such~~
2 ~~district or ward. Such voting members shall represent, to the greatest~~
3 ~~extent possible, the racial and ethnic diversity of the largest~~
4 ~~municipality creating the land bank;~~

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

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

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

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

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

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

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

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

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

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

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

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

1 (6) Board members shall serve without compensation.

2 (7) The board shall meet in regular session according to a schedule
3 adopted by the board and shall also meet in special session as convened
4 by the chairperson or upon written notice signed by a majority of the
5 voting members. The presence of a majority of the voting members of the
6 board shall constitute a quorum.

7 (8) Except as otherwise provided in ~~subsections (9) and (11)~~ of this
8 section and in sections 10, 14, 17, and 18 of this act ~~19-5210 and~~
9 ~~19-5214~~, all actions of the board shall be approved by the affirmative
10 vote of a majority of the voting members present and voting.

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

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

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

19 (c) The incurring of debt;

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

21 (e) Sale, lease, encumbrance, or alienation of real property,
22 improvements, or personal property with a value of more than fifty
23 thousand dollars.

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

27 (11) The board shall adopt policies and procedures to specify the
28 conditions that must be met in order for the land bank to give an
29 automatically accepted bid as authorized in sections 17 and 18 of this
30 act ~~19-5217 and 19-5218~~. The adoption of such policies and procedures
31 shall require the approval of two-thirds of the voting members of the

1 board. At a minimum, such policies and procedures shall ensure that the
2 automatically accepted bid shall only be given for one of the following
3 reasons:

4 (a) The real property substantially meets four or more ~~than one~~ of
5 the following criteria as determined by two-thirds of the voting members
6 of the board:

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

9 (ii) There are no utilities currently being provided to the
10 property;

11 (iii) One or more major ~~Any~~ buildings on the property have been
12 deemed unfit for human habitation, occupancy, or use by local housing
13 officials;

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

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

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

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

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

25 (ix) The property has been out of compliance with orders of local
26 housing officials; or

27 (b) The real property is contiguous to a parcel that meets four or
28 ~~more than one~~ of the criteria in subdivision (11)(a) of this section or
29 that is already owned by the land bank. ~~;~~ ~~or~~

30 ~~(c) Acquisition of the real property by the land bank would serve~~
31 ~~the best interests of the community as determined by two-thirds of the~~

1 ~~voting members of the board. In determining whether the acquisition would~~
2 ~~serve the best interests of the community, the board shall take into~~
3 ~~consideration the hierarchical ranking of priorities for the use of real~~
4 ~~property conveyed by a land bank established pursuant to subsection (5)~~
5 ~~of section 19-5210, if any such hierarchical ranking is established.~~

6 (12)(a) A member of the board may be removed for neglect of duty,
7 misconduct in office, conviction of any felony, or other good cause as
8 follows:

9 (i) In the case of a land bank created pursuant to subsection (1) of
10 section 4 of this act, a board member may be removed by the chief
11 executive officer of the municipality that created the land bank after
12 such removal has been approved by a two-thirds vote of the governing body
13 of such municipality; or

14 (ii) In the case of a land bank created pursuant to subsection (2)
15 or (3) of section 4 of this act, a board member may be removed by the
16 chief executive officer of the municipality where the member resides
17 after such removal has been approved by a two-thirds vote of the
18 governing body of such municipality.

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

24 (i) In the case of a land bank created pursuant to subsection (1) of
25 section 4 of this act, the city clerk of the city that created the land
26 bank; or

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

30 (c) If a request for hearing is so filed, the governing body of the
31 municipality receiving the request shall hold a hearing not sooner than

1 ten days after the date a hearing is requested, at which hearing the
2 board member shall have the right to appear in person or by counsel and
3 the governing body shall determine whether the removal shall be upheld.
4 If the removal is not upheld by the governing body, the board member
5 shall continue to hold his or her office.

6 Sec. 6. Section 19-5206, Revised Statutes Cumulative Supplement,
7 2018, is amended to read:

8 ~~19-5206~~ A land bank may employ such agents and employees, permanent
9 or temporary, as it may require, and may determine the qualifications and
10 fix the compensation and benefits of such persons.

11 Sec. 7. Section 19-5207, Revised Statutes Cumulative Supplement,
12 2018, is amended to read:

13 ~~19-5207~~ (1) A land bank shall have the following powers:

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

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

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

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

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

26 (f) To enter into contracts and other instruments necessary,
27 incidental, or convenient to the performance of its duties and the
28 exercise of its powers, including, but not limited to, agreements under
29 the Interlocal Cooperation Act for the joint administration of multiple
30 land banks or the joint exercise of powers under the Nebraska Municipal
31 Land Bank Act;

1 (g) To enter into contracts and other instruments necessary,
2 incidental, or convenient to the performance of functions by the land
3 bank on behalf of municipalities or agencies or departments of
4 municipalities, or the performance by municipalities or agencies or
5 departments of municipalities of functions on behalf of the land bank;

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

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

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

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

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

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

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

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

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

30 (q) To enter into partnerships, joint ventures, and other
31 collaborative relationships with municipalities and other public and

1 private entities for the ownership, management, development, and
2 disposition of real property; and

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

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

8 (3) A land bank shall not have the authority to levy property taxes.

9 Sec. 8. Section 19-5208, Revised Statutes Cumulative Supplement,
10 2018, is amended to read:

11 ~~19-5208~~ (1) A land bank may acquire real property or interests in
12 real property by gift, devise, transfer, exchange, foreclosure, purchase,
13 or otherwise on terms and conditions and in a manner the land bank
14 considers proper.

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

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

27 (4) A land bank shall not own or hold real property located outside
28 the jurisdictional boundaries of the municipality or municipalities that
29 created the land bank. For purposes of this subsection, jurisdictional
30 boundaries of a municipality does not include the extraterritorial zoning
31 jurisdiction of such municipality.

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

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

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

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

14 (c) Twenty-five percent of the total number of parcels located in a
15 city of the second class or village, and no more than five percent of
16 such parcels shall be zoned as commercial property.

17 Sec. 9. Section 19-5209, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

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

22 Sec. 10. Section 19-5210, Revised Statutes Cumulative Supplement,
23 2018, is amended to read:

24 ~~19-5210~~ (1) A land bank shall hold in its own name all real property
25 acquired by the land bank irrespective of the identity of the transferor
26 of such property.

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

29 (3) A land bank shall determine and set forth in policies and
30 procedures of the board the general terms and conditions for
31 consideration to be received by the land bank for the transfer of real

1 property and interests in real property, which consideration may take the
2 form of monetary payments and secured financial obligations, covenants
3 and conditions related to the present and future use of the property,
4 contractual commitments of the transferee, and such other forms of
5 consideration as determined by the board to be in the best interest of
6 the land bank.

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

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

26 (6) The municipality or municipalities that created the land bank
27 may require by resolution or ordinance that any particular form of
28 disposition of real property, or any disposition of real property located
29 within specified jurisdictions, be subject to specified voting and
30 approval requirements of the board. Except and unless restricted or
31 constrained in this manner, the board may delegate to officers and

1 employees the authority to enter into and execute agreements, instruments
2 of conveyance, and all other related documents pertaining to the
3 conveyance of real property by the land bank.

4 Sec. 11. Section 19-5211, Revised Statutes Cumulative Supplement,
5 2018, is amended to read:

6 ~~19-5211~~ (1) A land bank may receive funding through grants and loans
7 from the municipality or municipalities that created the land bank, from
8 other municipalities, from the state, from the federal government, and
9 from other public and private sources.

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

16 (3)(a) Except as otherwise provided in subdivision (b) of this
17 subsection, fifty percent of the real property taxes collected on real
18 property conveyed by a land bank pursuant to the laws of this state shall
19 be remitted to the land bank. Such allocation of property tax revenue
20 shall commence with the first taxable year following the date of
21 conveyance and shall continue for a period of five years. Such allocation
22 of property tax revenue shall not occur if such taxes have been divided
23 under section 18-2147 as part of a redevelopment project under the
24 Community Development Law, unless the authority, as defined in section
25 18-2103, enters into an agreement with the land bank for the remittance
26 of such funds to the land bank.

27 (b) A land bank may, by resolution of the board, elect not to
28 receive the real property taxes described in subdivision (a) of this
29 subsection for any real property conveyed by the land bank. If such an
30 election is made, the land bank shall notify the county treasurer of the
31 county in which the real property is located by filing a copy of the

1 resolution with the county treasurer, and thereafter the county treasurer
2 shall remit such real property taxes to the appropriate taxing entities.

3 Sec. 12. Section 19-5212, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 ~~19-5212~~ (1) A land bank shall have the power to issue bonds for any
6 of its corporate purposes, the principal and interest of which are
7 payable from its revenue generally. Any of such bonds shall be secured by
8 a pledge of any revenue of the land bank or by a mortgage of any property
9 of the land bank.

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

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

16 (4) Bonds issued by the land bank shall be authorized by resolution
17 of the board and shall be limited obligations of the land bank. The
18 principal and interest, costs of issuance, and other costs incidental
19 thereto shall be payable solely from the income and revenue derived from
20 the sale, lease, or other disposition of the assets of the land bank. Any
21 refunding bonds issued shall be payable from any source described above
22 or from the investment of any of the proceeds of the refunding bonds, and
23 shall not constitute an indebtedness or pledge of the general credit of
24 any municipality within the meaning of any constitutional or statutory
25 limitation of indebtedness and shall contain a recital to that effect.
26 Bonds of the land bank shall be issued in such form, shall be in such
27 denominations, shall bear interest, shall mature in such manner, and
28 shall be executed by one or more members of the board as provided in the
29 resolution authorizing the issuance thereof. Such bonds may be subject to
30 redemption at the option of and in the manner determined by the board in
31 the resolution authorizing the issuance thereof.

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

8 (6) Neither the members of the board nor any person executing the
9 bonds shall be liable personally on any such bonds by reason of the
10 issuance thereof. Such bonds or other obligations of a land bank shall
11 not be a debt of any municipality and shall so state on their face, nor
12 shall any municipality nor any revenue or any property of any
13 municipality be liable therefor.

14 Sec. 13. Section 19-5213, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 ~~19-5213~~ (1) The board shall cause minutes and a record to be kept of
17 all its proceedings. Meetings of the board shall be subject to the Open
18 Meetings Act.

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

21 (3) The board shall provide monthly reports to the municipality or
22 municipalities that created the land bank on the board's activities
23 pursuant to the Nebraska Municipal Land Bank Act. The board shall also
24 provide an annual report to the municipality or municipalities that
25 created the land bank, the Revenue Committee of the Legislature, and the
26 Urban Affairs Committee of the Legislature by March 1 of each year
27 summarizing the board's activities for the prior calendar year. The
28 reports submitted to the legislative committees shall be submitted
29 electronically.

30 Sec. 14. Section 19-5214, Revised Statutes Cumulative Supplement,
31 2018, is amended to read:

1 ~~19-5214~~ A land bank may be dissolved sixty calendar days after a
2 resolution of dissolution is approved by two-thirds of the voting members
3 of the board and by two-thirds of the membership of the governing body of
4 the municipality or municipalities that created the land bank. The board
5 shall give sixty calendar days' advance written notice of its
6 consideration of a resolution of dissolution by publishing such notice in
7 a newspaper of general circulation within the municipality or
8 municipalities that created the land bank and shall send such notice by
9 certified mail to the trustee of any outstanding bonds of the land bank.
10 Upon dissolution of the land bank, all real property, personal property,
11 and other assets of the land bank shall become the assets of the
12 municipality or municipalities that created the land bank.

13 Sec. 15. Section 19-5215, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 ~~19-5215~~ (1) No member of the board or employee of a land bank shall
16 acquire any interest, direct or indirect, in real property of the land
17 bank, in any real property to be acquired by the land bank, or in any
18 real property to be acquired from the land bank. No member of the board
19 or employee of a land bank shall have any interest, direct or indirect,
20 in any contract or proposed contract for materials or services to be
21 furnished or used by a land bank.

22 (2) The board shall adopt:

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

24 (b) Ethical guidelines for members of the board and employees of the
25 land bank.

26 Sec. 16. Section 19-5216, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 ~~19-5216~~ (1) Whenever any real property is acquired by a land bank
29 and is encumbered by a lien or claim for real property taxes owed to one
30 or more political subdivisions of the state, the land bank may, by
31 resolution of the board, discharge and extinguish any and all such liens

1 or claims, except that no lien or claim represented by a tax sale
2 certificate held by a private third party shall be discharged or
3 extinguished pursuant to this section. To the extent necessary and
4 appropriate, the land bank shall file in appropriate public records
5 evidence of the extinguishment and dissolution of such liens or claims.

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

12 Sec. 17. Section 19-5217, Revised Statutes Cumulative Supplement,
13 2018, is amended to read:

14 ~~19-5217~~ (1)(a) At any sale of real property for the nonpayment of
15 taxes conducted pursuant to sections 77-1801 to 77-1863, a land bank may:

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

21 (ii) If approved by a two-thirds vote of the board, give Give an
22 automatically accepted bid on such real property in an amount equal to
23 the total amount of taxes, interest, and costs due on the real property.
24 If an automatically accepted bid is given, it shall be accepted by the
25 county treasurer regardless of any other bids on such real property. An
26 automatically accepted bid may be given only if the conditions for making
27 such a bid prescribed by the board pursuant to subsection (11) of section
28 5 of this act ~~19-5205~~ have been met.

29 (b) If a land bank's bid pursuant to subdivision (1)(a) of this
30 section is accepted by the county treasurer, the land bank shall pay the
31 county treasurer and shall be entitled to a tax sale certificate for such

1 real property.

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

9 (3)(a) Subdivision (b) of this subsection applies until January 1,
10 2015. Subdivision (c) of this subsection applies beginning January 1,
11 2015.

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

16 (i) Apply to the county treasurer for a tax deed for the real
17 property described in the tax sale certificate. A land bank applying for
18 a tax deed shall comply with all the requirements of sections 77-1801 to
19 77-1863 relating to such tax deed; or

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

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

26 (i) Apply to the county treasurer for a tax deed for the real
27 property described in the tax sale certificate. A land bank applying for
28 a tax deed shall comply with all the requirements of sections 77-1801 to
29 77-1863 relating to such tax deed; or

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

1 Sec. 18. Section 19-5218, Revised Statutes Cumulative Supplement,
2 2018, is amended to read:

3 ~~19-5218~~ (1)(a) At any sale of real property conducted as part of
4 foreclosure proceedings under sections 77-1901 to 77-1941, a land bank
5 may:

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

11 (ii) If approved by a two-thirds vote of the board, give Give an
12 automatically accepted bid on such real property in an amount equal to
13 the total amount of taxes, interest, and costs due on the real property.
14 If an automatically accepted bid is given, it shall be accepted by the
15 sheriff regardless of any other bids on such real property. An
16 automatically accepted bid may be given only if the conditions for making
17 such a bid prescribed by the board pursuant to subsection (11) of section
18 5 of this act ~~19-5205~~ have been met and only if the land bank has
19 obtained written consent to the tender of an automatically accepted bid
20 from the holder of a mortgage or the beneficiary or trustee under a trust
21 deed giving rise to a lien against such real property. To obtain such
22 written consent, the land bank shall send, by certified mail, a notice of
23 its intent to make an automatically accepted bid to any such holder of a
24 mortgage or beneficiary or trustee under a trust deed and shall request
25 that written consent be given within thirty days. If no response is given
26 within such thirty-day time period, such holder of a mortgage or
27 beneficiary or trustee under a trust deed shall be deemed to have given
28 written consent.

29 (b) If a land bank's bid pursuant to subdivision (1)(a) of this
30 section is accepted by the sheriff, the land bank shall pay the sheriff
31 and shall be entitled to a deed to the real property in accordance with

1 sections 77-1901 to 77-1941.

2 (2) If a sheriff attempts to sell real property as part of
3 foreclosure proceedings under sections 77-1901 to 77-1941, there is no
4 bid given at such sale equal to the total amount of taxes, interest, and
5 costs due thereon, and the real property being sold lies within a
6 municipality that has created a land bank, then such land bank shall be
7 deemed to have bid the total amount of taxes, interest, and costs due
8 thereon and such bid shall be accepted by the sheriff. The land bank may
9 then discharge and extinguish the liens for delinquent taxes included in
10 the foreclosure proceedings pursuant to section 16 of this act ~~19-5216~~.
11 The land bank shall then be entitled to a deed to the real property in
12 accordance with sections 77-1901 to 77-1941.

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

15 77-1736.06 The following procedure shall apply when making a
16 property tax refund:

17 (1) Within thirty days of the entry of a final nonappealable order,
18 an unprotested determination of a county assessor, an unappealed decision
19 of a county board of equalization, or other final action requiring a
20 refund of real or personal property taxes paid or, for property valued by
21 the state, within thirty days of a recertification of value by the
22 Property Tax Administrator pursuant to section 77-1775 or 77-1775.01, the
23 county assessor shall determine the amount of refund due the person
24 entitled to the refund, certify that amount to the county treasurer, and
25 send a copy of such certification to the person entitled to the refund.
26 Within thirty days from the date the county assessor certifies the amount
27 of the refund, the county treasurer shall notify each political
28 subdivision, including any school district receiving a distribution
29 pursuant to section 79-1073 and any land bank receiving real property
30 taxes pursuant to subdivision (3)(a) of section 11 of this act ~~19-5211~~,
31 of its respective share of the refund, except that for any political

1 subdivision whose share of the refund is two hundred dollars or less, the
2 county board may waive this notice requirement. Notification shall be by
3 first-class mail, postage prepaid, to the last-known address of record of
4 the political subdivision. The county treasurer shall pay the refund from
5 funds in his or her possession belonging to any political subdivision,
6 including any school district receiving a distribution pursuant to
7 section 79-1073 and any land bank receiving real property taxes pursuant
8 to subdivision (3)(a) of section 11 of this act ~~19-5211~~, which received
9 any part of the tax or penalty being refunded. If sufficient funds are
10 not available or the political subdivision, within thirty days of the
11 mailing of the notice by the county treasurer if applicable, certifies to
12 the county treasurer that a hardship would result and create a serious
13 interference with its governmental functions if the refund of the tax or
14 penalty is paid, the county treasurer shall register the refund or
15 portion thereof which remains unpaid as a claim against such political
16 subdivision and shall issue the person entitled to the refund a receipt
17 for the registration of the claim. The certification by a political
18 subdivision declaring a hardship shall be binding upon the county
19 treasurer;

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

28 (a) Such receipt shall be applied to satisfy any tax levied or
29 assessed by that political subdivision next falling due from the person
30 holding the receipt after the sixth next succeeding levy is made on
31 behalf of the political subdivision following the final order or other

1 action approving the refund; and

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

12 If a political subdivision fails to fully satisfy the refund or
13 claim prior to the sixth next succeeding levy following the entry of a
14 final nonappealable order or other action approving a refund, interest
15 shall accrue on the unpaid balance commencing on the sixth next
16 succeeding levy following such entry or action at the rate set forth in
17 section 45-103;

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

25 (4) When the refund involves property valued by the state, the Tax
26 Commissioner shall be authorized to negotiate a settlement of the amount
27 of the refund or claim due pursuant to this section on behalf of the
28 political subdivision from which such refund or claim is due. Any
29 political subdivision which does not agree with the settlement terms as
30 negotiated may reject such terms, and the refund or claim due from the
31 political subdivision then shall be satisfied as set forth in this

1 section as if no such negotiation had occurred;

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

9 (6) If all or any portion of the refund is reduced by way of
10 settlement or forgiveness by the person entitled to the refund, the
11 proportionate amount of the refund that was paid by an appropriation of
12 state funds shall be reimbursed by the county treasurer to the State
13 Treasurer within forty-five days after receipt of the settlement
14 agreement or receipt of the forgiven refund. The amount so reimbursed
15 shall be credited to the General Fund.

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

18 77-1807 (1)(a) This subsection applies until January 1, 2015.

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

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

29 (d) If no person bids for a less quantity than the whole and no land
30 bank has given an automatically accepted bid pursuant to section 17 of
31 this act ~~19-5217~~, the treasurer may sell any real property to any one who

1 will take the whole and pay the taxes and charges thereon.

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

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

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

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

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

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

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

25 (ii) Sequentially enumerated tickets shall be placed in a
26 receptacle. The number of tickets in the receptacle for the first round
27 shall equal the count taken in subdivision (i) of this subdivision, and
28 the number of tickets in the receptacle for each subsequent round shall
29 equal the number of the count taken in subdivision (i) of this
30 subdivision plus additional registered bidders as provided in subdivision
31 (v) of this subdivision;

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

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

8 (v) If property listed remains unsold at the end of a round, a new
9 round shall commence until all property listed is either sold or, if any
10 property listed remains unsold, each registered bidder has consecutively
11 passed on the opportunity to make a purchase. Registered bidders who are
12 not present when it is their turn to purchase property shall be
13 considered to have passed on the opportunity to make a purchase. At the
14 beginning of the second and any subsequent rounds, the county treasurer
15 shall inquire whether there are additional registered bidders. If
16 additional registered bidders are present, tickets for each such bidder
17 shall be placed in a receptacle and selected as provided in subdivisions
18 (ii) through (iv) of this subdivision. The second and any subsequent
19 rounds shall proceed in the same manner and purchase order as the last
20 preceding round, except that any additional registered bidders shall be
21 given the opportunity to purchase at the end of the round in the order
22 designated on their ticket.

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

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

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

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

12 (2) No such sale shall be made to any city, village, school
13 district, drainage district, or irrigation district by the county
14 treasurer (a) when the real property has been previously sold to the
15 county, but in any such case, the city, village, school district,
16 drainage district, or irrigation district may purchase the tax
17 certificate held by the county or (b) if a land bank has given an
18 automatically accepted bid on such real property pursuant to section 17
19 of this act ~~19-5217~~.

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

22 Sec. 23. Original sections 77-1736.06, 77-1807, and 77-1810,
23 Reissue Revised Statutes of Nebraska, and sections 19-5201, 19-5202,
24 19-5203, 19-5204, 19-5205, 19-5206, 19-5207, 19-5208, 19-5209, 19-5210,
25 19-5211, 19-5212, 19-5213, 19-5214, 19-5215, 19-5216, 19-5217, and
26 19-5218, Revised Statutes Cumulative Supplement, 2018, are repealed.