

LEGISLATURE OF NEBRASKA  
 ONE HUNDRED THIRD LEGISLATURE  
 FIRST SESSION  
**LEGISLATIVE BILL 97**

Final Reading

Introduced by Mello, 5; Ashford, 20; McGill, 26; Nordquist, 7.

Read first time January 10, 2013

Committee: Revenue

A BILL

1 FOR AN ACT relating to land banks; to amend sections 77-1759,  
 2 77-1807, 77-1809, 77-1810, 77-3211, and 77-3213, Reissue  
 3 Revised Statutes of Nebraska, and sections 77-1736.06,  
 4 77-1915, 77-1916, and 77-2704.15, Revised Statutes  
 5 Cumulative Supplement, 2012; to adopt the Nebraska  
 6 Municipal Land Bank Act; to change provisions relating to  
 7 property tax refunds, payment of taxes, and collection of  
 8 delinquent real property taxes; to exempt purchases from  
 9 sales and use taxes as prescribed; to provide for  
 10 transfers of real property from land reutilization  
 11 authorities; to harmonize provisions; to provide an  
 12 operative date; and to repeal the original sections.

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

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

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

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

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

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

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

19           Sec. 3. For purposes of the Nebraska Municipal Land Bank  
20 Act:

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

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

24           (3) Municipality means any city or village of this state  
25 that is located (a) within a county in which a city of the

1 metropolitan class is located or (b) within a county in which at  
2 least three cities of the first class are located; and

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

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

11 (a) The name of the land bank;

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

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

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

21 (3) Each land bank created pursuant to the Nebraska  
22 Municipal Land Bank Act shall be deemed to be a public corporation  
23 acting in a governmental capacity and a political subdivision of the  
24 state and shall have permanent and perpetual duration until  
25 terminated and dissolved in accordance with section 14 of this act.

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

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

7           (a) The board shall consist of:

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

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

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

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

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

24           (d) The seven voting members of the board shall have,  
25 collectively, verifiable skills, expertise, and knowledge in market-

1 rate and affordable residential, commercial, industrial, and mixed-  
2 use real estate development, financing, law, purchasing and sales,  
3 asset management, economic and community development, and the  
4 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 following  
20 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 the  
24 land bank, as mutually agreed to by such mayors, and confirmed by a  
25 two-thirds vote of the governing body of each municipality that

1 created the land bank;

2 (ii) The planning director of each municipality that  
3 created the land bank or his or her designee, as nonvoting, ex  
4 officio members; and

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

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

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

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

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

24 (i) At least one member representing realtors;

25 (ii) At least one member representing the banking

1 industry;

2 (iii) At least one member representing real estate  
3 developers;

4 (iv) At least one member representing a chamber of  
5 commerce;

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

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

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

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

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

18 (6) Board members shall serve without compensation.

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

24 (8) Except as otherwise provided in subsections (9) and  
25 (11) of this section and in sections 10 and 14 of this act, all

1 actions of the board shall be approved by the affirmative vote of a  
2 majority of the voting members present and voting.

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

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

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

12 (c) The incurring of debt;

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

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

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

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



1 the automatically accepted bid shall only be given for one of the  
2 following reasons:

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

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

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

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

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

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

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

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

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

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

24 (b) The real property is contiguous to a parcel that  
25 meets more than one of the criteria in subdivision (11)(a) of this

1 section or that is already owned by the land bank; or

2 (c) Acquisition of the real property by the land bank  
3 would serve the best interests of the community as determined by two-  
4 thirds of the voting members of the board. In determining whether the  
5 acquisition would serve the best interests of the community, the  
6 board shall take into consideration the hierarchical ranking of  
7 priorities for the use of real property conveyed by a land bank  
8 established pursuant to subsection (5) of section 10 of this act, if  
9 any such hierarchical ranking is established.

10 Sec. 6. A land bank may employ such agents and employees,  
11 permanent or temporary, as it may require, and may determine the  
12 qualifications and fix the compensation and benefits of such persons.

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

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

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

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

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

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

1 therewith;

2 (f) To enter into contracts and other instruments  
3 necessary, incidental, or convenient to the performance of its duties  
4 and the exercise of its powers, including, but not limited to,  
5 agreements under the Interlocal Cooperation Act for the joint  
6 exercise of powers under the Nebraska Municipal Land Bank Act;

7 (g) To enter into contracts and other instruments  
8 necessary, incidental, or convenient to the performance of functions  
9 by the land bank on behalf of municipalities or agencies or  
10 departments of municipalities, or the performance by municipalities  
11 or agencies or departments of municipalities of functions on behalf  
12 of the land bank;

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

16 (i) To provide foreclosure prevention counseling and re-  
17 housing assistance;

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

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

24 (l) To enter into contracts for the management of, the  
25 collection of rent from, or the sale of real property of the land

1 bank;

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

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

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

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

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

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

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

25 Sec. 8. (1) A land bank may acquire real property or

1 interests in real property by gift, devise, transfer, exchange,  
2 foreclosure, purchase, or otherwise on terms and conditions and in a  
3 manner the land bank considers proper.

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

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

17 (4) A land bank shall not own or hold real property  
18 located outside the jurisdictional boundaries of the municipality or  
19 municipalities that created the land bank. For purposes of this  
20 subsection, jurisdictional boundaries of a municipality does not  
21 include the extraterritorial zoning jurisdiction of such  
22 municipality.

23 (5) A land bank may accept transfers of real property and  
24 interests in real property from a land reutilization authority on  
25 such terms and conditions, and according to such procedures, as

1 mutually determined by the transferring land reutilization authority  
2 and the land bank.

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

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

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

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

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

25 (4) A land bank may convey, exchange, sell, transfer,

1 grant, release and demise, pledge, and hypothecate any and all  
2 interests in, upon, or to real property of the land bank. A land bank  
3 may lease as lessor real property of the land bank for a period not  
4 to exceed twelve months, except that such twelve-month limitation  
5 shall not apply if the real property of the land bank is subject to a  
6 lease with a remaining term of more than twelve months at the time  
7 such real property is acquired by the land bank.

8 (5) The municipality or municipalities that created the  
9 land bank may establish by resolution or ordinance a hierarchical  
10 ranking of priorities for the use of real property conveyed by a land  
11 bank. Such ranking shall take into consideration the highest and best  
12 use that, when possible, will bring the greatest benefit to the  
13 community. The priorities may include, but are not limited to, (a)  
14 use for purely public spaces and places, (b) use for affordable  
15 housing, (c) use for retail, commercial, and industrial activities,  
16 and (d) such other uses and in such hierarchical order as determined  
17 by the municipality or municipalities.

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

1 documents pertaining to the conveyance of real property by the land  
2 bank.

3           Sec. 11. (1) A land bank may receive funding through  
4 grants and loans from the municipality or municipalities that created  
5 the land bank, from other municipalities, from the state, from the  
6 federal government, and from other public and private sources.

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

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

24           (b) A land bank may, by resolution of the board, elect  
25 not to receive the real property taxes described in subdivision (a)



1 of this subsection for any real property conveyed by the land bank.  
2 If such an election is made, the land bank shall notify the county  
3 treasurer of the county in which the real property is located by  
4 filing a copy of the resolution with the county treasurer, and  
5 thereafter the county treasurer shall remit such real property taxes  
6 to the appropriate taxing entities.

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

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

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

18           (4) Bonds issued by the land bank shall be authorized by  
19 resolution of the board and shall be limited obligations of the land  
20 bank. The principal and interest, costs of issuance, and other costs  
21 incidental thereto shall be payable solely from the income and  
22 revenue derived from the sale, lease, or other disposition of the  
23 assets of the land bank. Any refunding bonds issued shall be payable  
24 from any source described above or from the investment of any of the  
25 proceeds of the refunding bonds, and shall not constitute an

1 indebtedness or pledge of the general credit of any municipality  
2 within the meaning of any constitutional or statutory limitation of  
3 indebtedness and shall contain a recital to that effect. Bonds of the  
4 land bank shall be issued in such form, shall be in such  
5 denominations, shall bear interest, shall mature in such manner, and  
6 shall be executed by one or more members of the board as provided in  
7 the resolution authorizing the issuance thereof. Such bonds may be  
8 subject to redemption at the option of and in the manner determined  
9 by the board in the resolution authorizing the issuance thereof.

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

18           (6) Neither the members of the board nor any person  
19 executing the bonds shall be liable personally on any such bonds by  
20 reason of the issuance thereof. Such bonds or other obligations of a  
21 land bank shall not be a debt of any municipality and shall so state  
22 on their face, nor shall any municipality nor any revenue or any  
23 property of any municipality be liable therefor.

24           Sec. 13. (1) The board shall cause minutes and a record  
25 to be kept of all its proceedings. Meetings of the board shall be

1 subject to the Open Meetings Act.

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

5 (3) The board shall provide monthly reports to the  
6 municipality or municipalities that created the land bank on the  
7 board's activities pursuant to the Nebraska Municipal Land Bank Act.  
8 The board shall also provide an annual report to the municipality or  
9 municipalities that created the land bank and to the Revenue  
10 Committee of the Legislature by December 31 of each year summarizing  
11 the board's activities for the year. The report submitted to the  
12 Revenue Committee shall be submitted electronically.

13 Sec. 14. A land bank may be dissolved sixty calendar days  
14 after a resolution of dissolution is approved by two-thirds of the  
15 voting members of the board and by two-thirds of the membership of  
16 the governing body of the municipality or municipalities that created  
17 the land bank. The board shall give sixty calendar days' advance  
18 written notice of its consideration of a resolution of dissolution by  
19 publishing such notice in a newspaper of general circulation within  
20 the municipality or municipalities that created the land bank and  
21 shall send such notice by certified mail to the trustee of any  
22 outstanding bonds of the land bank. Upon dissolution of the land  
23 bank, all real property, personal property, and other assets of the  
24 land bank shall become the assets of the municipality or  
25 municipalities that created the land bank.

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

8           (2) The board shall adopt:

9           (a) Rules addressing potential conflicts of interest; and  
10          (b) Ethical guidelines for members of the board and  
11 employees of the land bank.

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

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

1 treasurer of the county that levied such taxes for distribution to  
2 the appropriate taxing entity.

3           Sec. 17. (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 5 of this act  
19 have been 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) Within six months after the expiration of three years  
8 from the date of sale of real property for the nonpayment of taxes  
9 pursuant to sections 77-1801 to 77-1863, a land bank that has  
10 acquired a tax sale certificate for such real property under this  
11 section may:

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

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

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

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

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

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

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

13           77-1736.06 The following procedure shall apply when  
14 making a property tax refund:

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



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

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

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

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

25                   If a political subdivision fails to fully satisfy the

1 refund or claim prior to the sixth next succeeding levy following the  
2 entry of a final nonappealable order or other action approving a  
3 refund, interest shall accrue on the unpaid balance commencing on the  
4 sixth next succeeding levy following such entry or action at the rate  
5 set forth in section 45-103;

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

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

22 (5) In the event that the Legislature appropriates state  
23 funds to be disbursed for the purposes of satisfying all or any  
24 portion of any refund or claim, the Tax Commissioner shall order the  
25 county treasurer to disburse such refund amounts directly to the

1 persons entitled to the refund in partial or total satisfaction of  
2 such persons' claims. The county treasurer shall disburse such  
3 amounts within forty-five days after receipt thereof; and

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

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

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

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

1           77-1807 ~~The~~ (1)(a) Except as otherwise provided in  
2 subdivision (b) of this subsection, the person who offers to pay the  
3 amount of taxes due on any real property for the smallest portion of  
4 the same shall be the purchaser, and when such person designates the  
5 smallest portion of the real property for which he or she will pay  
6 the amount of taxes assessed against any such property, the portion  
7 thus designated shall be considered an undivided portion.

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

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

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

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

21           77-1809 (1) At all sales provided by law, the county  
22 board may purchase for the use and benefit, and in the name of the  
23 county, any real estate advertised and offered for sale when the same  
24 remains unsold for want of bidders. The county treasurer shall issue  
25 certificates of purchase of the real estate so sold in the name of

1 the county. Such certificates shall remain in the custody of the  
2 county treasurer, who shall at any time assign the same to any person  
3 wishing to buy for the amount expressed on the face of the  
4 certificate and interest thereon at the rate specified in section  
5 45-104.01, as such rate may from time to time be adjusted by the  
6 Legislature, from the date thereof. Such assignment shall be attested  
7 by the endorsement of the county clerk of his or her name on the back  
8 of such certificate, and such endorsement shall be made when  
9 requested by the county treasurer.

10 (2) If real estate is purchased by a county under this  
11 section and such real estate lies within a municipality that has  
12 created a land bank pursuant to the Nebraska Municipal Land Bank Act,  
13 the county treasurer of such county shall notify the land bank of  
14 such purchase as soon as practical and shall give the land bank the  
15 first opportunity to acquire the certificate of purchase for such  
16 real estate from the county.

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

19 77-1810 ~~whenever~~—(1) Except as otherwise provided in  
20 subsection (2) of this section, whenever any real property subject to  
21 sale for taxes is within the corporate limits of any city, village,  
22 school district, drainage district, or irrigation district, it shall  
23 have the right and power through its governing board or body to  
24 purchase such real property for the use and benefit and in the name  
25 of the city, village, school district, drainage district, or

1 irrigation district as the case may be. The treasurer of the city,  
2 village, school district, drainage district, or irrigation district  
3 may assign the certificate of purchase by endorsement of his or her  
4 name on the back thereof when directed so to do by written order of  
5 the governing board.

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

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

16 77-1915 From the proceeds of the sale of any real  
17 property, the costs charged thereto shall first be paid. When the  
18 plaintiff is a private person, firm, or corporation, the balance  
19 thereof, or so much thereof as is necessary, shall be paid to the  
20 plaintiff. When the plaintiff is a governmental subdivision other  
21 than a land bank, or is a municipal corporation, or drainage or  
22 irrigation district, the balance thereof, or so much thereof as is  
23 necessary, shall be paid to the county treasurer for distribution to  
24 the various governmental subdivisions, municipal corporations, or  
25 drainage or irrigation districts entitled thereto in discharge of all

1 claims, excluding any lien on real estate for special assessments  
2 levied by any sanitary and improvement district which special  
3 assessments have not been previously offered for sale by the county  
4 treasurer. When the plaintiff is a land bank, the balance thereof, or  
5 so much thereof as is necessary, shall be paid to the land bank.

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

8 77-1916 If a surplus remains after satisfying all costs  
9 and taxes against any particular item of real property, the excess  
10 shall be applied in the manner provided by law for the disposition of  
11 the surplus in the foreclosure of mortgages on real property. If the  
12 proceeds are insufficient to pay the costs and all the taxes, when  
13 the plaintiff is a governmental subdivision, other than a land bank  
14 or is a municipal corporation, or a drainage or irrigation district,  
15 the amount remaining shall be prorated among the governmental  
16 subdivisions, municipal corporations, and drainage or irrigation  
17 districts in the proportion of their interest in the decree of  
18 foreclosure. The proceeds of the sale of one item of real property  
19 shall not be applied to the discharge of a lien for taxes against  
20 another item of real property except when so directed by the decree  
21 for foreclosure under the circumstances set forth in section 77-1910.  
22 The lien on real estate for special assessments levied by any  
23 sanitary and improvement district shall not be entitled to any  
24 surplus unless such special assessments have been previously offered  
25 for sale by the county treasurer.



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

3           77-2704.15 (1)(a) Sales and use taxes shall not be  
4 imposed on the gross receipts from the sale, lease, or rental of and  
5 the storage, use, or other consumption in this state of purchases by  
6 the state, including public educational institutions recognized or  
7 established under the provisions of Chapter 85, or by any county,  
8 township, city, village, rural or suburban fire protection district,  
9 city airport authority, county airport authority, joint airport  
10 authority, drainage district organized under sections 31-401 to  
11 31-450, land bank created under the Nebraska Municipal Land Bank Act,  
12 natural resources district, elected county fair board, housing agency  
13 as defined in section 71-1575 except for purchases for any commercial  
14 operation that does not exclusively benefit the residents of an  
15 affordable housing project, cemetery created under section 12-101, or  
16 joint entity or agency formed by any combination of two or more  
17 counties, townships, cities, villages, or other exempt governmental  
18 units pursuant to the Interlocal Cooperation Act, the Integrated  
19 Solid Waste Management Act, or the Joint Public Agency Act, except  
20 for purchases for use in the business of furnishing gas, water,  
21 electricity, or heat, or by any irrigation or reclamation district,  
22 the irrigation division of any public power and irrigation district,  
23 or public schools or learning communities established under Chapter  
24 79.

25           (b) For purposes of this subsection, purchases by the

1 state or by a governmental unit listed in subdivision (a) of this  
2 subsection include purchases by a nonprofit corporation under a  
3 lease-purchase agreement, financing lease, or other instrument which  
4 provides for transfer of title to the property to the state or  
5 governmental unit upon payment of all amounts due thereunder. If a  
6 nonprofit corporation will be making purchases under a lease-purchase  
7 agreement, financing lease, or other instrument as part of a project  
8 with a total estimated cost that exceeds the threshold amount, then  
9 such purchases shall qualify for an exemption under this section only  
10 if the question of proceeding with such project has been submitted at  
11 a primary, general, or special election held within the governmental  
12 unit that will be a party to the lease-purchase agreement, financing  
13 lease, or other instrument and has been approved by the voters of  
14 such governmental unit. For purposes of this subdivision, (i) project  
15 means the acquisition of real property or the construction of a  
16 public building and (ii) threshold amount means the greater of fifty  
17 thousand dollars or six-tenths of one percent of the total actual  
18 value of real and personal property of the governmental unit that  
19 will be a party to the lease-purchase agreement, financing lease, or  
20 other instrument as of the end of the governmental unit's prior  
21 fiscal year.

22 (2) The appointment of purchasing agents shall be  
23 recognized for the purpose of altering the status of the construction  
24 contractor as the ultimate consumer of building materials which are  
25 physically annexed to the structure and which subsequently belong to

1 the state or the governmental unit. The appointment of purchasing  
2 agents shall be in writing and occur prior to having any building  
3 materials annexed to real estate in the construction, improvement, or  
4 repair. The contractor who has been appointed as a purchasing agent  
5 may apply for a refund of or use as a credit against a future use tax  
6 liability the tax paid on inventory items annexed to real estate in  
7 the construction, improvement, or repair of a project for the state  
8 or a governmental unit.

9 (3) Any governmental unit listed in subsection (1) of  
10 this section, except the state, which enters into a contract of  
11 construction, improvement, or repair upon property annexed to real  
12 estate without first issuing a purchasing agent authorization to a  
13 contractor or repairperson prior to the building materials being  
14 annexed to real estate in the project may apply to the Tax  
15 Commissioner for a refund of any sales and use tax paid by the  
16 contractor or repairperson on the building materials physically  
17 annexed to real estate in the construction, improvement, or repair.

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

20 77-3211 ~~(1)~~ —(1)(a) Except as provided in subsection  
21 (2) of this section, if, when the sheriff offers the parcels of real  
22 estate for sale under the tax foreclosure laws of this state, there  
23 is no bid equal to the full amount of all tax bills included in the  
24 judgment, interest, penalties, fees, and costs then due thereon made  
25 or received at such sale, the authority shall be deemed to have bid

1 the full amount of all tax bills included in the judgment, interest,  
2 penalties, fees, and costs then due, and if no other earlier or later  
3 bid be then received by the sheriff as allowed by law in excess of  
4 the bid of the authority, then the bid of the authority shall be  
5 announced as accepted. The sheriff shall report any such bid or bids  
6 so made by the authority in the same way as his or her report of  
7 other bids is made.

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

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

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

1                   77-3213 Sections 77-3201 to 77-3213 and section 29 of  
2 this act shall be known and may be cited as the Land Reutilization  
3 Act.

4                   Sec. 29. Notwithstanding any provision of the Land  
5 Reutilization Act to the contrary, a land reutilization authority may  
6 transfer property held by such authority to a land bank created under  
7 the Nebraska Municipal Land Bank Act upon such terms and conditions  
8 as may be agreed upon between the authority and the land bank.

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

10                  Sec. 31. Original sections 77-1759, 77-1807, 77-1809,  
11 77-1810, 77-3211, and 77-3213, Reissue Revised Statutes of Nebraska,  
12 and sections 77-1736.06, 77-1915, 77-1916, and 77-2704.15, Revised  
13 Statutes Cumulative Supplement, 2012, are repealed.