

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FOURTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 162**

Introduced by Schumacher, 22.

Read first time January 12, 2015

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-1859, Reissue Revised Statutes of Nebraska, and sections 19-5217,
- 3 77-1807, 77-1812, 77-1824, 77-1825, and 77-1831, Revised Statutes
- 4 Cumulative Supplement, 2014; to change provisions relating to sales
- 5 of real property for nonpayment of taxes; to eliminate obsolete
- 6 provisions; to harmonize provisions; and to repeal the original
- 7 sections.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 19-5217, Revised Statutes Cumulative Supplement,  
2 2014, is amended to read:

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

5 (i) ~~Offer to pay the Bid on such real property in an amount equal to~~  
6 ~~the total~~ amount of taxes, interest, and costs due on the real property  
7 and bid an interest rate as described in section 77-1807. If a bid is  
8 given pursuant to this subdivision, the bid shall not receive any special  
9 treatment by the county treasurer and shall be accepted or rejected in  
10 the same manner as any other bid on such real property; or

11 (ii) Give an automatically accepted bid on such real property, which  
12 shall include an offer to pay the in an amount equal to the total amount  
13 of taxes, interest, and costs due on the real property and an interest  
14 rate bid at the rate specified in section 45-104.01. If an automatically  
15 accepted bid is given, it shall be accepted by the county treasurer  
16 regardless of any other bids on such real property. An automatically  
17 accepted bid may be given only if the conditions for making such a bid  
18 prescribed by the board pursuant to subsection (11) of section 19-5205  
19 have been met.

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

24 (2) If a county holds a tax sale certificate pursuant to section  
25 77-1809, a land bank may purchase such tax sale certificate from the  
26 county by paying the county treasurer the amount expressed on the face of  
27 the certificate and interest thereon at the rate specified in section  
28 45-104.01, as such rate may from time to time be adjusted by the  
29 Legislature, from the date the tax sale certificate was first issued to  
30 the county to the date such certificate was purchased by the land bank.

31 ~~(3)(a) Subdivision (b) of this subsection applies until January 1,~~

1 ~~2015. Subdivision (c) of this subsection applies beginning January 1,~~  
2 ~~2015.~~

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

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

11 ~~(ii) Foreclose the lien represented by the tax sale certificate as~~  
12 ~~authorized in section 77-1902.~~

13 ~~(3 e) Within nine months after the expiration of three years from~~  
14 ~~the date of sale of real property for the nonpayment of taxes pursuant to~~  
15 ~~sections 77-1801 to 77-1863, a land bank that has acquired a tax sale~~  
16 ~~certificate for such real property under this section may:~~

17 ~~(a i) Apply to the county treasurer for a tax deed for the real~~  
18 ~~property described in the tax sale certificate. A land bank applying for~~  
19 ~~a tax deed shall comply with all the requirements of sections 77-1801 to~~  
20 ~~77-1863 relating to such tax deed; or~~

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

23 Sec. 2. Section 77-1807, Revised Statutes Cumulative Supplement,  
24 2014, is amended to read:

25 77-1807 (1)(a) ~~This subsection applies until January 1, 2015.~~

26 ~~(b) Except as otherwise provided in subdivision (c) of this~~  
27 ~~subsection, the person who offers to pay the amount of taxes due on any~~  
28 ~~real property for the smallest portion of the same shall be the~~  
29 ~~purchaser, and when such person designates the smallest portion of the~~  
30 ~~real property for which he or she will pay the amount of taxes assessed~~  
31 ~~against any such property, the portion thus designated shall be~~

1 ~~considered an undivided portion.~~

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

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

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

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

12 ~~(1 b) If a land bank gives an automatically accepted bid for real~~  
13 ~~property pursuant to section 19-5217, the land bank shall be the~~  
14 ~~purchaser and no public or private auction shall be held under sections~~  
15 ~~77-1801 to 77-1863.~~

16 ~~(2 e) If no land bank has given an automatically accepted bid~~  
17 ~~pursuant to section 19-5217, the person who offers to pay the amount of~~  
18 ~~taxes, delinquent interest, and costs due on any real property and who~~  
19 ~~bids the lowest interest rate to be received upon the redemption of such~~  
20 ~~real property shall be the purchaser.~~

21 ~~(3 d) The county treasurer shall announce bidding rules at the~~  
22 ~~beginning of the public auction, and such rules shall apply to all~~  
23 ~~bidders throughout the public auction.~~

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

26 ~~(i) At the commencement of the sale, a count shall be taken of the~~  
27 ~~number of registered bidders present who want to be eligible to purchase~~  
28 ~~property. Each registered bidder shall only be counted once. If~~  
29 ~~additional registered bidders appear at the sale after the commencement~~  
30 ~~of a round, such registered bidders shall have the opportunity to~~  
31 ~~participate at the end of the next following round, if any, as provided~~

1 in subdivision (v) of this subdivision;

2 ~~(ii) Sequentially enumerated tickets shall be placed in a~~  
3 ~~receptacle. The number of tickets in the receptacle for the first round~~  
4 ~~shall equal the count taken in subdivision (i) of this subdivision, and~~  
5 ~~the number of tickets in the receptacle for each subsequent round shall~~  
6 ~~equal the number of the count taken in subdivision (i) of this~~  
7 ~~subdivision plus additional registered bidders as provided in subdivision~~  
8 ~~(v) of this subdivision;~~

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

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

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

31 ~~(4 f) Any property remaining unsold upon completion of the public~~

1 auction shall be sold at a private sale pursuant to section 77-1814.

2 (5 g) A bidder shall (a i) register with the county treasurer prior  
3 to participating in the sale, (b ii) provide proof that it maintains a  
4 registered agent for service of process with the Secretary of State if  
5 the bidder is a foreign corporation, and (c iii) pay a twenty-five-dollar  
6 registration fee. The fee is not refundable upon redemption.

7 (6) If any bidder at a public auction held pursuant to this section  
8 knowingly and willfully colludes with another bidder to obtain an  
9 interest rate under this section that he or she would not have obtained  
10 had the auction been conducted fairly, such sale shall, after notice,  
11 hearing, and a finding of collusion, be voidable by the county board, and  
12 the bidder shall in all counties be forever barred from participating in  
13 any future public auctions under this section. Such determination by the  
14 county board may be appealed to the district court of such county.

15 Sec. 3. Section 77-1812, Revised Statutes Cumulative Supplement,  
16 2014, is amended to read:

17 77-1812 The county treasurer shall keep a record showing in separate  
18 columns the number and date of each certificate of sale, the name of the  
19 owners or owner if known, the description of the real property, the name  
20 of the purchaser, the total amount of taxes and costs for which sold, the  
21 interest rate to be received by the purchaser upon redemption, the amount  
22 of subsequent taxes paid by the purchaser and date of payment, to whom  
23 assigned, and the amount paid therefor, name of person redeeming, date of  
24 redemption, total amount paid for redemption, name of person to whom  
25 conveyed, and date of deed.

26 Sec. 4. Section 77-1824, Revised Statutes Cumulative Supplement,  
27 2014, is amended to read:

28 77-1824 (1) The owner or occupant of any real property sold for  
29 taxes or any person having a lien thereupon or interest therein may  
30 redeem the same. The right of redemption expires when the purchaser files  
31 an application for tax deed with the county treasurer. A redemption shall

1 not be accepted by the county treasurer, or considered valid, unless  
2 received prior to the close of business on the day the application for  
3 the tax deed is received by the county treasurer. Redemption shall be  
4 accomplished by paying the county treasurer ~~for the use of such purchaser~~  
5 ~~or his or her heirs or assigns~~ the sum mentioned in the purchaser's his  
6 ~~or her~~ certificate, with interest thereon at the rate specified in  
7 section 45-104.01, as such rate may from time to time be adjusted by the  
8 Legislature, from the date of purchase to date of redemption, together  
9 with all other taxes subsequently paid, whether for any year or years  
10 previous or subsequent to the sale, and interest thereon at the same rate  
11 from date of such payment to date of redemption. The interest received  
12 under this section shall be allocated as follows:

13 (a) Interest at the rate bid by the purchaser under section 77-1807  
14 shall be allocated to the purchaser or his or her heirs or assigns; and

15 (b) Any interest remaining after the allocation required in  
16 subdivision (1)(a) of this section shall be allocated to the county.

17 (2) The amount due for redemption shall include the issuance fee  
18 charged pursuant to section 77-1823.

19 Sec. 5. Section 77-1825, Revised Statutes Cumulative Supplement,  
20 2014, is amended to read:

21 77-1825 The county treasurer shall enter a memorandum of redemption  
22 of real property in the record and shall give a receipt therefor to the  
23 person redeeming the same, for which the county treasurer may charge a  
24 fee of two dollars. The county treasurer shall send written notice of  
25 redemption to the holder of the county treasurer's certificate of tax  
26 sale by first-class mail if the post office address of the holder of the  
27 certificate is filed in the office of the county treasurer or by  
28 electronic means if previously agreed to by the parties. The redemption  
29 money owed to the holder of the certificate shall be paid to or upon the  
30 order of the holder on return of the certificate, and the redemption  
31 money owed to the county pursuant to subdivision (1)(b) of section

1 77-1824 shall be paid to the county.

2 Sec. 6. Section 77-1831, Revised Statutes Cumulative Supplement,  
3 2014, is amended to read:

4 77-1831 Except as otherwise provided in this section, no purchaser  
5 at any sale for taxes or his or her assignees shall be entitled to a tax  
6 deed from the county treasurer for the real property so purchased unless  
7 such purchaser or assignee, at least three months before applying for the  
8 tax deed, serves or causes to be served a notice that states, after the  
9 expiration of at least three months from the date of service of such  
10 notice, the tax deed will be applied for. In the case of owner-occupied  
11 property, no purchaser at any sale for taxes or his or her assignees  
12 shall be entitled to a tax deed from the county treasurer for the real  
13 property so purchased unless such purchaser or assignee, at least three  
14 months and forty-five days before applying for the tax deed, serves or  
15 causes to be served a notice that states, after the expiration of at  
16 least three months and forty-five days from the date of service of such  
17 notice, the tax deed will be applied for.

18 The notice shall include:

19 (1) The following statement in sixteen-point type: UNLESS YOU ACT  
20 YOU WILL LOSE THIS PROPERTY;

21 (2) The date when the purchaser purchased the real property sold by  
22 the county for taxes;

23 (3) The description of the real property;

24 (4) In whose name the real property was assessed;

25 (5) The amount of taxes represented by the tax sale certificate, the  
26 year the taxes were levied or assessed, and a statement that subsequent  
27 taxes may have been paid and interest may have accrued as of the date the  
28 notice is signed by the purchaser; and

29 (6) The following statements:

30 (a) That the issuance of a tax deed is subject to the right of  
31 redemption under sections 77-1824 to 77-1830;



1 (b) The right of redemption requires payment to the county  
2 treasurer, ~~for the use of such purchaser, or his or her heirs or assigns,~~  
3 the amount of taxes represented by the tax sale certificate for the year  
4 the taxes were levied or assessed and any subsequent taxes paid and  
5 interest accrued as of the date payment is made to the county treasurer;  
6 and

7 (c) Except as provided for real property that is actually occupied  
8 by the record owner of the real property, the surviving spouse of the  
9 record owner, or a minor child of the record owner, right of redemption  
10 expires at the close of business on the date of application for the tax  
11 deed, and a deed may be applied for after the expiration of three months  
12 from the date of service of this notice. For real property that is  
13 actually occupied by the record owner of the real property, the surviving  
14 spouse of the record owner, or a minor child of the record owner, a deed  
15 may be applied for after the expiration of three months and forty-five  
16 days after the service of this notice.

17 Sec. 7. Section 77-1859, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 77-1859 Whenever, for any reason, real estate has been sold or shall  
20 hereafter be sold for the payment of any tax or special assessment levied  
21 by any county, municipality, drainage district, or other political  
22 subdivision of the state, and it shall thereafter be determined by a  
23 court of competent jurisdiction that the said sale was void, it shall be  
24 the duty of the said county, municipality, drainage district, or other  
25 political subdivision of the state, which levied the tax or special  
26 assessment, to hold the said purchaser harmless by paying him or her the  
27 amount of principal paid by him or her at the sale, with interest thereon  
28 at the rate bid by the purchaser at the sale ~~specified in section~~  
29 ~~45-104.01, as such rate may from time to time be adjusted by the~~  
30 ~~Legislature,~~ from the date of the sale.

31 Sec. 8. Original section 77-1859, Reissue Revised Statutes of

- 1 Nebraska, and sections 19-5217, 77-1807, 77-1812, 77-1824, 77-1825, and
- 2 77-1831, Revised Statutes Cumulative Supplement, 2014, are repealed.