

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1226**

Introduced by Wayne, 13.

Read first time January 20, 2022

Committee: Revenue

1 A BILL FOR AN ACT relating to real estate sold for delinquent property  
2 taxes; to amend section 77-1902, Reissue Revised Statutes of  
3 Nebraska, and sections 18-3417, 77-1832, and 77-1837, Revised  
4 Statutes Cumulative Supplement, 2020; to change provisions relating  
5 to land banks, service of notice, and the time periods for applying  
6 for a tax deed and for bringing certain foreclosure actions; and to  
7 repeal the original sections.  
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-3417, Revised Statutes Cumulative Supplement,  
2 2020, is amended to read:

3 18-3417 (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) Bid on such real property in an amount equal to the total amount  
6 of taxes, interest, and costs due on the real property. If a bid is given  
7 pursuant to this subdivision, the bid shall not receive any special  
8 treatment by the county treasurer and shall be accepted or rejected in  
9 the same manner as any other bid on such real property; or

10 (ii) If a land bank is created by a city of the metropolitan class  
11 that borders a county in which at least three cities of the first class  
12 are located and if approved by a two-thirds vote of the board, give an  
13 automatically accepted bid on such real property in an amount equal to  
14 the total amount of taxes, interest, and costs due on the real property.  
15 If an automatically accepted bid is given, it shall be accepted by the  
16 county treasurer regardless of any other bids on such real property. An  
17 automatically accepted bid may be given only if the conditions for making  
18 such a bid prescribed by the board pursuant to subsection (11) of section  
19 18-3405 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) (c) Within the applicable time period prescribed in section  
14 77-1837 or 77-1902 ~~nine months after the expiration of three years from~~  
15 ~~the date of sale of real property for the nonpayment of taxes pursuant to~~  
16 ~~sections 77-1801 to 77-1863, a land bank that has acquired a tax sale~~  
17 ~~certificate for such real property under this section may:~~

18 (a) (i) ~~Apply to the county treasurer for a tax deed for the real~~  
19 ~~property described in the tax sale certificate. A land bank applying for~~  
20 ~~a tax deed shall comply with all the requirements of sections 77-1801 to~~  
21 ~~77-1863 relating to such tax deed; or~~

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

24 Sec. 2. Section 77-1832, Revised Statutes Cumulative Supplement,  
25 2020, is amended to read:

26 77-1832 (1) Service of the notice provided by section 77-1831 shall  
27 be made by:

28 (a) Personal or residence service as described in section 25-505.01  
29 as follows:

30 (i) Except as provided in subdivision (1)(a)(ii) of this section,  
31 such personal or residence service shall be made upon a person in actual

1 possession or occupancy of the real property and upon the person in whose  
2 name the title to the real property appears of record who can be found in  
3 this state. If a person in actual possession or occupancy of the real  
4 property cannot be served by personal or residence service, service of  
5 the notice shall be made upon such person by certified mail service or  
6 designated delivery service as described in section 25-505.01, and the  
7 notice shall be sent to the address of the property. If the person in  
8 whose name the title to the real property appears of record cannot be  
9 found in this state or if such person cannot be served by personal or  
10 residence service, service of the notice shall be made upon such person  
11 by certified mail service or designated delivery service as described in  
12 section 25-505.01, and the notice shall be sent to the name and address  
13 to which the property tax statement was mailed; ~~or and~~

14 (ii) In the event that real property is not legally occupied and  
15 deemed vacant and abandoned as provided in subsection (4) of section  
16 77-1837, such personal or residence service shall be made upon a person  
17 in actual possession or occupancy of the real property and upon the  
18 person in whose name the title to the real property appears of record. If  
19 either such person cannot be served by personal or residence service  
20 after three separate attempts at such service, service of the notice  
21 shall be made upon such person by certified mail service or designated  
22 delivery service as described in section 25-505.01, and the notice shall  
23 be sent to the address of the property and to the name and address to  
24 which the property tax statement was mailed; and

25 (b) Certified mail or designated delivery service as described in  
26 section 25-505.01 upon every encumbrancer of record found by the title  
27 search required in section 77-1833. The notice shall be sent to the  
28 encumbrancer's name and address appearing of record as shown in the  
29 encumbrance filed with the register of deeds.

30 (2) Personal or residence service shall be made by the county  
31 sheriff of the county where service is made or by a person authorized by

1 section 25-507. The sheriff or other person serving the notice shall be  
2 entitled to the statutory fee prescribed in section 33-117.

3 Sec. 3. Section 77-1837, Revised Statutes Cumulative Supplement,  
4 2020, is amended to read:

5 77-1837 (1) At any time within (a) nine months after the expiration  
6 of three years after the date of sale of any real estate for taxes or  
7 special assessments or (b) nine months after the expiration of two years  
8 after the date of sale of any real estate for taxes or special  
9 assessments if such real estate is not legally occupied and deemed vacant  
10 and abandoned as provided in subsection (4) of this section, if such real  
11 estate has not been redeemed, the purchaser or his or her assignee may  
12 apply to the county treasurer for a tax deed for the real estate  
13 described in such purchaser's or assignee's tax sale certificate.

14 (2) The county treasurer shall execute and deliver a deed of  
15 conveyance for the real estate described in such tax sale certificate if  
16 he or she has received the following:

17 (a) The tax sale certificate;

18 (b) The issuance fee for the tax deed and the fee of the notary  
19 public or other officer acknowledging the tax deed, as required under  
20 section 77-1823;

21 (c) For any notice provided pursuant to section 77-1832, the  
22 affidavit proving service of notice, the copy of the notice, and the copy  
23 of the title search required under section 77-1833; and

24 (d) For any notice provided by publication pursuant to section  
25 77-1834, the affidavit of the publisher, manager, or other employee of  
26 the newspaper, the copy of the notice, the affidavit of the purchaser or  
27 assignee, and the copy of the title search required under section  
28 77-1835.

29 (3) ~~(2)~~ The failure of the county treasurer to issue the deed of  
30 conveyance if requested within the timeframe provided in this section  
31 shall not impair the validity of such deed if there has otherwise been

1 compliance with sections 77-1801 to 77-1863.

2 (4) Vacant and abandoned real estate shall be defined pursuant to  
3 any vacant property registration ordinance adopted by a municipality or,  
4 in the absence of such an ordinance, as any condition or circumstance  
5 that, on its own or combined with other conditions and circumstances,  
6 would lead a reasonable person to believe that the real estate is vacant.  
7 Such conditions may include (a) overgrown or dead vegetation, including  
8 lawns, shrubbery, and other plantings, (b) accumulation of abandoned  
9 personal property, trash, or waste, (c) visible deterioration or lack of  
10 maintenance of any building or structure on the real estate, (d) graffiti  
11 or other defacement of any building or structure on the real estate, or  
12 (e) any other condition or circumstance reasonably indicating that the  
13 real estate is not occupied.

14 Sec. 4. Section 77-1902, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 77-1902 (1) When land has been sold for delinquent taxes and a tax  
17 sale certificate or tax deed has been issued, the holder of such tax sale  
18 certificate or tax deed may, instead of demanding a deed or, if a deed  
19 has been issued, by surrendering the same in court, proceed in the  
20 district court of the county in which the land is situated to foreclose  
21 the lien for taxes represented by the tax sale certificate or tax deed  
22 and all subsequent tax liens thereon, excluding any lien on real estate  
23 for special assessments levied by any sanitary and improvement district  
24 which special assessments have not been previously offered for sale by  
25 the county treasurer, in the same manner and with like effect as in the  
26 foreclosure of a real estate mortgage, except as otherwise specifically  
27 provided by sections 77-1903 to 77-1917.

28 (2)(a) Except as provided in subdivision (2)(b) of this section,  
29 such ~~Such~~ action shall only be brought within nine months after the  
30 expiration of three years from the date of sale of any real estate for  
31 taxes or special assessments.

1           (b) If the land represented by the tax sale certificate or tax deed  
2 is not legally occupied and deemed vacant and abandoned as provided in  
3 subsection (3) of this section, such action shall only be brought within  
4 nine months after the expiration of two years from the date of sale of  
5 the real estate for taxes or special assessments.

6           (3) Vacant and abandoned land shall be defined pursuant to any  
7 vacant property registration ordinance adopted by a municipality or, in  
8 the absence of such an ordinance, as any condition or circumstance that,  
9 on its own or combined with other conditions and circumstances, would  
10 lead a reasonable person to believe that the land is vacant. Such  
11 conditions may include (a) overgrown or dead vegetation, including lawns,  
12 shrubbery, and other plantings, (b) accumulation of abandoned personal  
13 property, trash, or waste, (c) visible deterioration or lack of  
14 maintenance of any building or structure on the land, (d) graffiti or  
15 other defacement of any building or structure on the land, or (e) any  
16 other condition or circumstance reasonably indicating that the land is  
17 not occupied.

18           Sec. 5.   Original section 77-1902, Reissue Revised Statutes of  
19 Nebraska, and sections 18-3417, 77-1832, and 77-1837, Revised Statutes  
20 Cumulative Supplement, 2020, are repealed.