



Hundredth Legislature - Second Session - 2008  
**Introducer's Statement of Intent**  
**LB 893**

---

**Chairperson:** Ray Janssen  
**Committee:** Revenue  
**Date of Hearing:** January 24, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 893 addresses various issues relating to tax sales certificates, treasurer's tax deeds, and the foreclosure of tax sale certificates and treasurer's tax deeds.

Prior to making application for a treasurer's tax deed, the holder of a tax sales certificate is required to provide notice to the owner of real property and every encumbrancer of record. The notice must state that a treasurer's tax deed will be applied for upon the expiration of three months from the date of service of such notice. LB 893 amends Neb.Rev.Stat. sec. 77-1834 to require published notice in the event that the holder of the tax sale certificate cannot, upon diligent inquiry, find the holder of an encumbrance of record against the real property that is the subject of the tax sales certificate.

LB 893 is also designed to reverse the holdings of a series of Nebraska Supreme Court decisions which held that a sheriff's deed passes title to the purchaser free and clear of all liens of every nature whatsoever and the interest or interests of all persons over whom the Court had jurisdiction, even if such persons were not made a party to the foreclosure action. The bill provides that a sheriff's deed will only extinguish liens and other interests of persons who were parties to the proceedings, who received service of process and over whom the Court had jurisdiction.

LB 893 also amends the provisions of Neb.Rev.Stat. sec. 77-1917 to clarify the right of individuals entitled to redeem real property prior to the institution of foreclosure proceedings by making payment to the County Treasurer of the amount of taxes represented by the tax sale certificate plus interest at the rate provided for under Neb.Rev.Stat. sec. 45-104.01 (currently established at the rate of 14 percent).

**Principal Introducer:** \_\_\_\_\_  
**Senator Chris Langemeier**