

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, and no more than ten percent of such parcels  
10 shall be zoned as commercial property;

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

14 (c) Ten percent of the total number of parcels located in a city of  
15 the first class, and no more than five percent of such parcels shall be  
16 zoned as commercial property; or

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

20 (7) A land bank shall not acquire a parcel that is zoned as  
21 commercial property unless the parcel has been vacant for at least three  
22 years.

23 Sec. 9. Section 19-5209, Revised Statutes Cumulative Supplement,  
24 2018, is amended to read:

25 ~~19-5209~~ The real property of a land bank and the land bank's income  
26 and operations are exempt from all taxation by the state or any political  
27 subdivision thereof.

28 Sec. 10. Section 19-5210, Revised Statutes Cumulative Supplement,  
29 2018, is amended to read:

30 ~~19-5210~~ (1) A land bank shall hold in its own name all real property  
31 acquired by the land bank irrespective of the identity of the transferor

1 of such property.

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

4 (3) A land bank shall determine and set forth in policies and  
5 procedures of the board the general terms and conditions for  
6 consideration to be received by the land bank for the transfer of real  
7 property and interests in real property, which consideration may take the  
8 form of monetary payments and secured financial obligations, covenants  
9 and conditions related to the present and future use of the property,  
10 contractual commitments of the transferee, and such other forms of  
11 consideration as determined by the board to be in the best interest of  
12 the land bank.

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

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

1           (6) The municipality or municipalities that created the land bank  
2 may require by resolution or ordinance that any particular form of  
3 disposition of real property, or any disposition of real property located  
4 within specified jurisdictions, be subject to specified voting and  
5 approval requirements of the board. Except and unless restricted or  
6 constrained in this manner, the board may delegate to officers and  
7 employees the authority to enter into and execute agreements, instruments  
8 of conveyance, and all other related documents pertaining to the  
9 conveyance of real property by the land bank.

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

12           ~~19-5211~~ (1) A land bank may receive funding through grants and loans  
13 from the municipality or municipalities that created the land bank, from  
14 other municipalities, from the state, from the federal government, and  
15 from other public and private sources.

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

22           (3)(a) Except as otherwise provided in subdivision (b) of this  
23 subsection, fifty percent of the real property taxes collected on real  
24 property conveyed by a land bank pursuant to the laws of this state shall  
25 be remitted to the land bank. Such allocation of property tax revenue  
26 shall commence with the first taxable year following the date of  
27 conveyance and shall continue for a period of five years. Such allocation  
28 of property tax revenue shall not occur if such taxes have been divided  
29 under section 18-2147 as part of a redevelopment project under the  
30 Community Development Law, unless the authority, as defined in section  
31 18-2103, enters into an agreement with the land bank for the remittance

1 of such funds to the land bank.

2 (b) A land bank may, by resolution of the board, elect not to  
3 receive the real property taxes described in subdivision (a) of this  
4 subsection for any real property conveyed by the land bank. If such an  
5 election is made, the land bank shall notify the county treasurer of the  
6 county in which the real property is located by filing a copy of the  
7 resolution with the county treasurer, and thereafter the county treasurer  
8 shall remit such real property taxes to the appropriate taxing entities.

9 Sec. 12. Section 19-5212, Revised Statutes Cumulative Supplement,  
10 2018, is amended to read:

11 ~~19-5212~~ (1) A land bank shall have the power to issue bonds for any  
12 of its corporate purposes, the principal and interest of which are  
13 payable from its revenue generally. Any of such bonds shall be secured by  
14 a pledge of any revenue of the land bank or by a mortgage of any property  
15 of the land bank.

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

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

22 (4) Bonds issued by the land bank shall be authorized by resolution  
23 of the board and shall be limited obligations of the land bank. The  
24 principal and interest, costs of issuance, and other costs incidental  
25 thereto shall be payable solely from the income and revenue derived from  
26 the sale, lease, or other disposition of the assets of the land bank. Any  
27 refunding bonds issued shall be payable from any source described above  
28 or from the investment of any of the proceeds of the refunding bonds, and  
29 shall not constitute an indebtedness or pledge of the general credit of  
30 any municipality within the meaning of any constitutional or statutory  
31 limitation of indebtedness and shall contain a recital to that effect.

1 Bonds of the land bank shall be issued in such form, shall be in such  
2 denominations, shall bear interest, shall mature in such manner, and  
3 shall be executed by one or more members of the board as provided in the  
4 resolution authorizing the issuance thereof. Such bonds may be subject to  
5 redemption at the option of and in the manner determined by the board in  
6 the resolution authorizing the issuance thereof.

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

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

20 Sec. 13. Section 19-5213, Revised Statutes Cumulative Supplement,  
21 2018, is amended to read:

22 ~~19-5213~~ (1) The board shall cause minutes and a record to be kept of  
23 all its proceedings. Meetings of the board shall be subject to the Open  
24 Meetings Act.

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

27 (3) The board shall provide monthly reports to the municipality or  
28 municipalities that created the land bank on the board's activities  
29 pursuant to the Nebraska Municipal Land Bank Act. The board shall also  
30 provide an annual report to the municipality or municipalities that  
31 created the land bank, the Revenue Committee of the Legislature, and the

1 Urban Affairs Committee of the Legislature by March 1 of each year  
2 summarizing the board's activities for the prior calendar year. The  
3 reports submitted to the legislative committees shall be submitted  
4 electronically.

5 Sec. 14. Section 19-5214, Revised Statutes Cumulative Supplement,  
6 2018, is amended to read:

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

19 Sec. 15. Section 19-5215, Revised Statutes Cumulative Supplement,  
20 2018, is amended to read:

21 ~~19-5215~~ (1) No member of the board or employee of a land bank shall  
22 acquire any interest, direct or indirect, in real property of the land  
23 bank, in any real property to be acquired by the land bank, or in any  
24 real property to be acquired from the land bank. No member of the board  
25 or employee of a land bank shall have any interest, direct or indirect,  
26 in any contract or proposed contract for materials or services to be  
27 furnished or used by a land bank.

28 (2) The board shall adopt:

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

30 (b) Ethical guidelines for members of the board and employees of the  
31 land bank.

1           Sec. 16. Section 19-5216, Revised Statutes Cumulative Supplement,  
2 2018, is amended to read:

3           ~~19-5216~~ (1) Whenever any real property is acquired by a land bank  
4 and is encumbered by a lien or claim for real property taxes owed to one  
5 or more political subdivisions of the state, the land bank may, by  
6 resolution of the board, discharge and extinguish any and all such liens  
7 or claims, except that no lien or claim represented by a tax sale  
8 certificate held by a private third party shall be discharged or  
9 extinguished pursuant to this section. To the extent necessary and  
10 appropriate, the land bank shall file in appropriate public records  
11 evidence of the extinguishment and dissolution of such liens or claims.

12           (2) To the extent that a land bank receives payments of any kind  
13 attributable to liens or claims for real property taxes owed to a  
14 political subdivision on property acquired by the land bank, the land  
15 bank shall remit the full amount of the payments to the county treasurer  
16 of the county that levied such taxes for distribution to the appropriate  
17 taxing entity.

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

20           ~~19-5217~~ (1)(a) At any sale of real property for the nonpayment of  
21 taxes conducted pursuant to sections 77-1801 to 77-1863, a land bank may:

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

27           (ii) If approved by a two-thirds vote of the board, give Give an  
28 automatically accepted bid on such real property in an amount equal to  
29 the total amount of taxes, interest, and costs due on the real property.  
30 If an automatically accepted bid is given, it shall be accepted by the  
31 county treasurer regardless of any other bids on such real property. An

1 automatically accepted bid may be given only if the conditions for making  
2 such a bid prescribed by the board pursuant to subsection (11) of section  
3 5 of this act ~~19-5205~~ have been met.

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

8 (2) If a county holds a tax sale certificate pursuant to section  
9 77-1809, a land bank may purchase such tax sale certificate from the  
10 county by paying the county treasurer the amount expressed on the face of  
11 the certificate and interest thereon at the rate specified in section  
12 45-104.01, as such rate may from time to time be adjusted by the  
13 Legislature, from the date the tax sale certificate was first issued to  
14 the county to the date such certificate was purchased by the land bank.

15 (3)(a) Subdivision (b) of this subsection applies until January 1,  
16 2015. Subdivision (c) of this subsection applies beginning January 1,  
17 2015.

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

22 (i) Apply to the county treasurer for a tax deed for the real  
23 property described in the tax sale certificate. A land bank applying for  
24 a tax deed shall comply with all the requirements of sections 77-1801 to  
25 77-1863 relating to such tax deed; or

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

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

1 (i) Apply to the county treasurer for a tax deed for the real  
2 property described in the tax sale certificate. A land bank applying for  
3 a tax deed shall comply with all the requirements of sections 77-1801 to  
4 77-1863 relating to such tax deed; or

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

7 Sec. 18. Section 19-5218, Revised Statutes Cumulative Supplement,  
8 2018, is amended to read:

9 ~~19-5218~~ (1)(a) At any sale of real property conducted as part of  
10 foreclosure proceedings under sections 77-1901 to 77-1941, a land bank  
11 may:

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

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

1 within such thirty-day time period, such holder of a mortgage or  
2 beneficiary or trustee under a trust deed shall be deemed to have given  
3 written consent.

4 (b) If a land bank's bid pursuant to subdivision (1)(a) of this  
5 section is accepted by the sheriff, the land bank shall pay the sheriff  
6 and shall be entitled to a deed to the real property in accordance with  
7 sections 77-1901 to 77-1941.

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

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

21 77-1736.06 The following procedure shall apply when making a  
22 property tax refund:

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

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

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

1 satisfied pursuant to this section. If a receipt for the registration of  
2 a claim is given:

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

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

18 If a political subdivision fails to fully satisfy the refund or  
19 claim prior to the sixth next succeeding levy following the entry of a  
20 final nonappealable order or other action approving a refund, interest  
21 shall accrue on the unpaid balance commencing on the sixth next  
22 succeeding levy following such entry or action at the rate set forth in  
23 section 45-103;

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

31 (4) When the refund involves property valued by the state, the Tax

1 Commissioner shall be authorized to negotiate a settlement of the amount  
2 of the refund or claim due pursuant to this section on behalf of the  
3 political subdivision from which such refund or claim is due. Any  
4 political subdivision which does not agree with the settlement terms as  
5 negotiated may reject such terms, and the refund or claim due from the  
6 political subdivision then shall be satisfied as set forth in this  
7 section as if no such negotiation had occurred;

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

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

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

24 77-1807 (1)(a) This subsection applies until January 1, 2015.

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

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

4 (d) If no person bids for a less quantity than the whole and no land  
5 bank has given an automatically accepted bid pursuant to section 17 of  
6 this act 19-5217, the treasurer may sell any real property to any one who  
7 will take the whole and pay the taxes and charges thereon.

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

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

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

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

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

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

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

31 (ii) Sequentially enumerated tickets shall be placed in a

1 receptacle. The number of tickets in the receptacle for the first round  
2 shall equal the count taken in subdivision (i) of this subdivision, and  
3 the number of tickets in the receptacle for each subsequent round shall  
4 equal the number of the count taken in subdivision (i) of this  
5 subdivision plus additional registered bidders as provided in subdivision  
6 (v) of this subdivision;

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

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

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

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

31 (g) A bidder shall (i) register with the county treasurer prior to

1 participating in the sale, (ii) provide proof that it maintains a  
2 registered agent for service of process with the Secretary of State if  
3 the bidder is a foreign corporation, and (iii) pay a twenty-five-dollar  
4 registration fee. The fee is not refundable upon redemption.

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

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

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

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

28 Sec. 23. Original sections 77-1736.06, 77-1807, and 77-1810,  
29 Reissue Revised Statutes of Nebraska, and sections 19-5201, 19-5202,  
30 19-5203, 19-5204, 19-5205, 19-5206, 19-5207, 19-5208, 19-5209, 19-5210,  
31 19-5211, 19-5212, 19-5213, 19-5214, 19-5215, 19-5216, 19-5217, and

1 19-5218, Revised Statutes Cumulative Supplement, 2018, are repealed.