

E AND R AMENDMENTS TO LB 424

Introduced by Slama, 1, Chairman Enrollment and Review

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 Section 1. Section 19-5201, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 ~~19-5201~~ Sections 1 to 18 of this act ~~19-5201 to 19-5218~~ shall be
6 known and may be cited as the Nebraska Municipal Land Bank Act.

7 Sec. 2. Section 19-5202, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 ~~19-5202~~ The Legislature finds and declares as follows:

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

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

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

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

23 Sec. 3. Section 19-5203, Revised Statutes Cumulative Supplement,
24 2018, is amended to read:

25 ~~19-5203~~ For purposes of the Nebraska Municipal Land Bank Act:

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

27 (2) Chief executive officer means the mayor, city manager, or

1 chairperson of the board of trustees of a municipality;

2 (3) Immediate family has the same meaning as in section 49-1425;

3 (4) ~~(2)~~ Land bank means a land bank established in accordance with
4 the act;

5 (5) ~~(3)~~ Municipality means any city or village of this state ~~that is~~
6 ~~located (a) within a county in which a city of the metropolitan class is~~
7 ~~located or (b) within a county in which at least three cities of the~~
8 ~~first class are located; and~~

9 (6) ~~(4)~~ Real property means lands, lands under water, structures,
10 and any and all easements, air rights, franchises, and incorporeal
11 hereditaments and every estate and right therein, legal and equitable,
12 including terms for years and liens by way of judgment, mortgage, or
13 otherwise, and any and all fixtures and improvements located thereon.

14 Sec. 4. Section 19-5204, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 ~~19-5204~~ (1) A single municipality may elect to create a land bank if
17 the municipality is a city of the metropolitan class or city of the
18 primary class. Such municipality shall create the land bank by the
19 adoption of an ordinance which specifies the following:

20 (a) The name of the land bank;

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

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

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

28 (3) A municipality may elect to join an existing land bank by
29 entering into an agreement pursuant to the Interlocal Cooperation Act
30 with a city of the metropolitan class or city of the primary class that
31 has created a land bank pursuant to subsection (1) of this section or by

1 joining an existing agreement pursuant to the Interlocal Cooperation Act
2 with the municipalities that formed a land bank pursuant to subsection
3 (2) of this section. Agreements entered into or joined under this
4 subsection shall contain the information required by subsection (1) of
5 this section.

6 (4) ~~(3)~~ Each land bank created pursuant to the Nebraska Municipal
7 Land Bank Act shall be deemed to be a public corporation acting in a
8 governmental capacity and a political subdivision of the state and shall
9 have permanent and perpetual duration until terminated and dissolved in
10 accordance with section 14 of this act ~~19-5214~~.

11 (5) ~~(4)~~ The primary goal of any land bank shall be to facilitate the
12 return of vacant, abandoned, and tax-delinquent properties to productive
13 use.

14 Sec. 5. Section 19-5205, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 ~~19-5205~~ (1) If a land bank is created by a single municipality
17 pursuant to subsection (1) of section 4 of this act, the board of such
18 land bank shall meet the following requirements:

19 (a) The board shall consist of:

20 (i) Seven voting members appointed by the chief executive officer
21 ~~mayor~~ of the municipality that created the land bank and confirmed by a
22 two-thirds vote of the governing body of such municipality; and

23 (ii) The following nonvoting members:

24 (A) The planning director of the municipality that created the land
25 bank or his or her designee or, if there is no planning director, a
26 person designated by the governing body of the municipality that created
27 the land bank ~~, as a nonvoting, ex officio member;~~

28 (B) ~~(iii)~~ One member of the governing body of the municipality that
29 created the land bank, appointed by such governing body, ~~as a nonvoting,~~
30 ~~ex officio member;~~ and

31 (C) ~~(iv)~~ Such other nonvoting members as are appointed by the chief

1 executive officer ~~mayer~~ of the municipality that created the land bank
2 and confirmed by a two-thirds vote of the governing body of such
3 municipality;

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

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

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

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

19 (i) At least one member representing a chamber of commerce;

20 (ii) At least one member with experience in banking;

21 (iii) At least one member with experience in real estate
22 development;

23 (iv) At least one member with experience as a realtor;

24 (v) At least one member with experience in nonprofit or affordable
25 housing; and

26 (vi) At least one member with experience in large-scale residential
27 or commercial property rental; and

28 (f) A single voting member may satisfy more than one of the
29 requirements provided in subdivision (1)(e) of this section if he or she
30 has the required qualifications. It is not necessary that there be a
31 different member to fulfill each such requirement.

1 (2) If a land bank is created by more than one municipality pursuant
2 to an agreement under the Interlocal Cooperation Act as described in
3 subsection (2) or (3) of section 4 of this act, the board of such land
4 bank shall meet the following requirements:

5 (a) The board shall consist of:

6 (i) An odd number of voting members, totaling at least seven,
7 appointed by the chief executive officers ~~mayors~~ of the municipalities
8 that created the land bank, as mutually agreed to by such chief executive
9 officers ~~mayors~~, and confirmed by a two-thirds vote of the governing body
10 of each municipality that created the land bank; and

11 (ii) The following nonvoting members:

12 (A) The planning director of each municipality that created the land
13 bank or his or her designee or, if there is no planning director for any
14 municipality that created the land bank, a person designated by the
15 governing body of such municipality ~~, as nonvoting, ex officio members;~~

16 (B) ~~(iii) One member of the governing body of each municipality that~~
17 ~~created the land bank, appointed by the governing body on which such~~
18 ~~member serves, as nonvoting, ex officio members; and~~

19 (C) ~~(iv) Such other nonvoting members as are appointed by the~~ chief
20 executive officers ~~mayors~~ of the municipalities that created the land
21 bank, as mutually agreed to by such chief executive officers, and
22 confirmed by a two-thirds vote of the governing body of each municipality
23 that created the land bank ~~mayors;~~

24 (b) Each voting member of the board shall be a resident of one of
25 the municipalities that created the land bank. If a land bank is created
26 by a city of the metropolitan class or a city of the primary class, with
27 at least one voting member of the board shall be appointed from each of
28 the municipalities that created the land bank ~~such municipality;~~

29 ~~(c) If the governing body of the largest municipality creating the~~
30 ~~land bank has any of its members elected by district or ward, then at~~
31 ~~least one voting member of the board shall be appointed from each such~~

1 ~~district or ward. Such voting members shall represent, to the greatest~~
2 ~~extent possible, the racial and ethnic diversity of the largest~~
3 ~~municipality creating the land bank;~~

4 (c) (d) The voting members of the board shall have, collectively,
5 verifiable skills, expertise, and knowledge in market-rate and affordable
6 residential, commercial, industrial, and mixed-use real estate
7 development, financing, law, purchasing and sales, asset management,
8 economic and community development, and the acquisition of tax sale
9 certificates;

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

11 (i) At least one member representing a chamber of commerce;

12 (ii) At least one member with experience in banking;

13 (iii) At least one member with experience in real estate
14 development;

15 (iv) At least one member with experience as a realtor;

16 (v) At least one member with experience in nonprofit or affordable
17 housing; and

18 (vi) At least one member with experience in large-scale residential
19 or commercial property rental; and

20 (e) (f) A single voting member may satisfy more than one of the
21 requirements provided in subdivision (2)(d) (2)(e) of this section if he
22 or she has the required qualifications. It is not necessary that there be
23 a different member to fulfill each such requirement.

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

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

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

31 (6) Board members shall serve without compensation.

1 (7) The board shall meet in regular session according to a schedule
2 adopted by the board and shall also meet in special session as convened
3 by the chairperson or upon written notice signed by a majority of the
4 voting members. The presence of a majority of the voting members of the
5 board shall constitute a quorum.

6 (8) Except as otherwise provided in ~~subsections (9) and (11)~~ of this
7 section and in sections 10, 17, and 18 of this act ~~19-5210 and 19-5214~~,
8 all actions of the board shall be approved by the affirmative vote of a
9 majority of the voting members present and voting.

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

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

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

18 (c) The incurring of debt;

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

20 (e) Sale, lease, encumbrance, or alienation of real property,
21 improvements, or personal property with a value of more than fifty
22 thousand dollars.

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

26 (11) The board shall adopt policies and procedures to specify the
27 conditions that must be met in order for the land bank to give an
28 automatically accepted bid as authorized in sections 17 and 18 of this
29 act ~~19-5217 and 19-5218~~. The adoption of such policies and procedures
30 shall require the approval of two-thirds of the voting members of the
31 board. At a minimum, such policies and procedures shall ensure that the

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

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

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

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

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

13 (iv) One or more major ~~Any~~ buildings on the property are exposed to
14 the elements such that deterioration of the buildings ~~building~~ is
15 occurring;

16 (v) One or more major ~~Any~~ buildings on the property are boarded up;

17 (vi) There have been previous efforts to rehabilitate one or more
18 major ~~any~~ buildings on the property;

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

21 (viii) There have been past actions by the municipality to maintain
22 the grounds or one or more major buildings ~~any building~~ on the property;
23 or

24 (ix) The property has been out of compliance with orders of local
25 housing officials; or

26 (b) The real property is contiguous to a parcel that meets four or
27 ~~more than one~~ of the criteria in subdivision (11)(a) of this section or
28 that is already owned by the land bank. ~~;~~ ~~or~~

29 ~~(c) Acquisition of the real property by the land bank would serve~~
30 ~~the best interests of the community as determined by two-thirds of the~~
31 ~~voting members of the board. In determining whether the acquisition would~~

1 ~~serve the best interests of the community, the board shall take into~~
2 ~~consideration the hierarchical ranking of priorities for the use of real~~
3 ~~property conveyed by a land bank established pursuant to subsection (5)~~
4 ~~of section 19-5210, if any such hierarchical ranking is established.~~

5 (12)(a) A member of the board may be removed for neglect of duty,
6 misconduct in office, conviction of any felony, or other good cause as
7 follows:

8 (i) In the case of a land bank created pursuant to subsection (1) of
9 section 4 of this act, a board member may be removed by the chief
10 executive officer of the municipality that created the land bank after
11 such removal has been approved by a two-thirds vote of the governing body
12 of such municipality; or

13 (ii) In the case of a land bank created pursuant to subsection (2)
14 or (3) of section 4 of this act, a board member may be removed by the
15 chief executive officer of the municipality where the member resides
16 after such removal has been approved by a two-thirds vote of the
17 governing body of such municipality.

18 (b) Such chief executive officer shall send a notice of removal to
19 such board member, which notice shall set forth the charges against him
20 or her. The member shall be deemed removed from office unless within ten
21 days from the receipt of such notice he or she files a request for a
22 hearing. Such request shall be filed with:

23 (i) In the case of a land bank created pursuant to subsection (1) of
24 section 4 of this act, the city clerk of the city that created the land
25 bank; or

26 (ii) In the case of a land bank created pursuant to subsection (2)
27 or (3) of section 4 of this act, the city clerk or village clerk of the
28 municipality where the member resides.

29 (c) If a request for hearing is so filed, the governing body of the
30 municipality receiving the request shall hold a hearing not sooner than
31 ten days after the date a hearing is requested, at which hearing the

1 board member shall have the right to appear in person or by counsel and
2 the governing body shall determine whether the removal shall be upheld.
3 If the removal is not upheld by the governing body, the board member
4 shall continue to hold his or her office.

5 Sec. 6. Section 19-5206, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 ~~19-5206~~ A land bank may employ such agents and employees, permanent
8 or temporary, as it may require, and may determine the qualifications and
9 fix the compensation and benefits of such persons.

10 Sec. 7. Section 19-5207, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

12 ~~19-5207~~ (1) A land bank shall have the following powers:

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

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

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

20 (d) To issue negotiable revenue bonds and notes according to the
21 provisions of the Nebraska Municipal Land Bank Act, except that a land
22 bank shall not issue any bonds on or after the effective date of this
23 act;

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

27 (f) To enter into contracts and other instruments necessary,
28 incidental, or convenient to the performance of its duties and the
29 exercise of its powers, including, but not limited to, agreements under
30 the Interlocal Cooperation Act for the joint administration of multiple
31 land banks or the joint exercise of powers under the Nebraska Municipal

1 Land Bank Act;

2 (g) To enter into contracts and other instruments necessary,
3 incidental, or convenient to the performance of functions by the land
4 bank on behalf of municipalities or agencies or departments of
5 municipalities, or the performance by municipalities or agencies or
6 departments of municipalities of functions on behalf of the land bank;

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

9 (i) To provide foreclosure prevention counseling and re-housing
10 assistance;

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

13 (k) To invest money of the land bank, at the discretion of the
14 board, in instruments, obligations, securities, or property determined
15 proper by the board and name and use depositories for its money, except
16 that a land bank shall not invest its money in any instrument,
17 obligation, security, or property that is owned by a member of the board
18 or an employee of the land bank, by a board member's or an employee's
19 immediate family, or by a business or entity in which a board member or
20 an employee has an ownership interest;

21 (l) To enter into contracts for the management of, the collection of
22 rent from, or the sale of real property of the land bank;

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

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

28 (o) To fix, charge, and collect rents and leasehold payments for the
29 use of real property of the land bank for a period not to exceed twelve
30 months, except that such twelve-month limitation shall not apply if the
31 real property of the land bank is subject to a lease with a remaining

1 term of more than twelve months at the time such real property is
2 acquired by the land bank;

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

5 (q) Except as provided in subsection (8) of section 8 of this act,
6 to ~~To~~ enter into partnerships, joint ventures, and other collaborative
7 relationships with municipalities and other public and private entities
8 for the ownership, management, development, and disposition of real
9 property; and

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

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

15 (3) A land bank shall not have the authority to (a) levy property
16 taxes or (b) receive property tax revenue from a political subdivision
17 pursuant to an agreement entered into under the Joint Public Agency Act.

18 Sec. 8. Section 19-5208, Revised Statutes Cumulative Supplement,
19 2018, is amended to read:

20 ~~19-5208~~ (1) A land bank may acquire real property or interests in
21 real property by gift, devise, transfer, exchange, foreclosure, purchase,
22 or otherwise on terms and conditions and in a manner the land bank
23 considers proper.

24 (2) A land bank may acquire real property or interests in real
25 property by purchase contracts, lease-purchase agreements, installment
26 sales contracts, or land contracts and may accept transfers from
27 political subdivisions upon such terms and conditions as agreed to by the
28 land bank and the political subdivision. Notwithstanding any other law to
29 the contrary, any political subdivision may transfer to the land bank
30 real property and interests in real property of the political subdivision
31 on such terms and conditions and according to such procedures as

1 determined by the political subdivision.

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

5 (4) A land bank shall not own or hold real property located outside
6 the jurisdictional boundaries of the municipality or municipalities that
7 created the land bank. For purposes of this subsection, jurisdictional
8 boundaries of a municipality does not include the extraterritorial zoning
9 jurisdiction of such municipality.

10 (5) A land bank may accept transfers of real property and interests
11 in real property from a land reutilization authority on such terms and
12 conditions, and according to such procedures, as mutually determined by
13 the transferring land reutilization authority and the land bank.

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

17 (a) Seven percent of the total number of parcels located in a city
18 of the metropolitan class, and no more than ten percent of such parcels
19 shall be zoned as commercial property;

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

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

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

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

1 (8) Beginning on the effective date of this act, a land bank shall
2 not enter into an agreement with any nonprofit corporation or other
3 private entity for the purpose of temporarily holding real property for
4 such nonprofit corporation or private entity, except that a land bank may
5 enter into such an agreement for the purpose of providing clear title to
6 such real property, but in no case shall such agreement exceed a term of
7 one year.

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

10 ~~19-5209~~ The real property of a land bank and the land bank's income
11 and operations are exempt from all taxation by the state or any political
12 subdivision thereof.

13 Sec. 10. Section 19-5210, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 ~~19-5210~~ (1) A land bank shall hold in its own name all real property
16 acquired by the land bank irrespective of the identity of the transferor
17 of such property.

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

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

29 (4) A land bank may convey, exchange, sell, transfer, grant, release
30 and demise, pledge, and hypothecate any and all interests in, upon, or to
31 real property of the land bank. A land bank may lease as lessor real

1 property of the land bank for a period not to exceed twelve months,
2 except that such twelve-month limitation shall not apply if the real
3 property of the land bank is subject to a lease with a remaining term of
4 more than twelve months at the time such real property is acquired by the
5 land bank.

6 (5) The municipality or municipalities that created the land bank
7 may establish by resolution or ordinance a hierarchical ranking of
8 priorities for the use of real property conveyed by a land bank. Such
9 ranking shall take into consideration the highest and best use that, when
10 possible, will bring the greatest benefit to the community. The
11 priorities may include, but are not limited to, (a) use for purely public
12 spaces and places, (b) use for affordable housing, (c) use for retail,
13 commercial, and industrial activities, (d) use for urban agricultural
14 activities including the establishment of community gardens as defined in
15 section 2-303, and (e) such other uses and in such hierarchical order as
16 determined by the municipality or municipalities.

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

26 Sec. 11. Section 19-5211, Revised Statutes Cumulative Supplement,
27 2018, is amended to read:

28 ~~19-5211~~ (1) A land bank may receive funding through grants and loans
29 from the municipality or municipalities that created the land bank, from
30 other municipalities, from the state, from the federal government, and
31 from other public and private sources.

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

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

18 (b) A land bank may, by resolution of the board, elect not to
19 receive the real property taxes described in subdivision (a) of this
20 subsection for any real property conveyed by the land bank. If such an
21 election is made, the land bank shall notify the county treasurer of the
22 county in which the real property is located by filing a copy of the
23 resolution with the county treasurer, and thereafter the county treasurer
24 shall remit such real property taxes to the appropriate taxing entities.

25 Sec. 12. Section 19-5212, Revised Statutes Cumulative Supplement,
26 2018, is amended to read:

27 ~~19-5212~~ (1) Subject to subsection (7) of this section, a A land bank
28 shall have the power to issue bonds for any of its corporate purposes,
29 the principal and interest of which are payable from its revenue
30 generally. Any of such bonds shall be secured by a pledge of any revenue
31 of the land bank or by a mortgage of any property of the land bank.

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

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

7 (4) Bonds issued by the land bank shall be authorized by resolution
8 of the board and shall be limited obligations of the land bank. The
9 principal and interest, costs of issuance, and other costs incidental
10 thereto shall be payable solely from the income and revenue derived from
11 the sale, lease, or other disposition of the assets of the land bank. Any
12 refunding bonds issued shall be payable from any source described above
13 or from the investment of any of the proceeds of the refunding bonds, and
14 shall not constitute an indebtedness or pledge of the general credit of
15 any municipality within the meaning of any constitutional or statutory
16 limitation of indebtedness and shall contain a recital to that effect.
17 Bonds of the land bank shall be issued in such form, shall be in such
18 denominations, shall bear interest, shall mature in such manner, and
19 shall be executed by one or more members of the board as provided in the
20 resolution authorizing the issuance thereof. Such bonds may be subject to
21 redemption at the option of and in the manner determined by the board in
22 the resolution authorizing the issuance thereof.

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

30 (6) Neither the members of the board nor any person executing the
31 bonds shall be liable personally on any such bonds by reason of the

1 issuance thereof. Such bonds or other obligations of a land bank shall
2 not be a debt of any municipality and shall so state on their face, nor
3 shall any municipality nor any revenue or any property of any
4 municipality be liable therefor.

5 (7) A land bank shall not issue any bonds on or after the effective
6 date of this act.

7 Sec. 13. Section 19-5213, Revised Statutes Cumulative Supplement,
8 2018, is amended to read:

9 ~~19-5213~~ (1) The board shall cause minutes and a record to be kept of
10 all its proceedings. Meetings of the board shall be subject to the Open
11 Meetings Act.

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

14 (3) The board shall provide monthly reports to the municipality or
15 municipalities that created the land bank on the board's activities
16 pursuant to the Nebraska Municipal Land Bank Act. The board shall also
17 provide an annual report to the municipality or municipalities that
18 created the land bank, the Revenue Committee of the Legislature, and the
19 Urban Affairs Committee of the Legislature by March 1 of each year
20 summarizing the board's activities for the prior calendar year. The
21 reports submitted to the legislative committees shall be submitted
22 electronically.

23 Sec. 14. Section 19-5214, Revised Statutes Cumulative Supplement,
24 2018, is amended to read:

25 ~~19-5214~~ A land bank may be dissolved sixty calendar days after a
26 resolution of dissolution is approved in accordance with this section.
27 For a land bank created pursuant to subsection (1) of section 4 of this
28 act, the resolution of dissolution must be approved by two-thirds of the
29 members of the governing body of the municipality that created the land
30 bank. For a land bank created pursuant to subsection (2) or (3) of
31 section 4 of this act, the resolution of dissolution must be approved by

1 ~~a majority of the members of the governing body of each municipality that~~
2 ~~created the land bank. A governing body by two-thirds of the voting~~
3 ~~members of the board and by two-thirds of the membership of the governing~~
4 ~~body of the municipality or municipalities that created the land bank.~~
5 The board shall give sixty calendar days' advance written notice of its
6 consideration of a resolution of dissolution by publishing such notice in
7 a newspaper of general circulation within the municipality or
8 municipalities that created the land bank and shall send such notice by
9 certified mail to the trustee of any outstanding bonds of the land bank.
10 Upon dissolution of the land bank, all real property, personal property,
11 and other assets of the land bank shall become the assets of the
12 municipality or municipalities that created the land bank.

13 Sec. 15. Section 19-5215, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 ~~19-5215~~ (1) No member of the board or employee of a land bank shall
16 acquire any interest, direct or indirect, in real property of the land
17 bank, in any real property to be acquired by the land bank, or in any
18 real property to be acquired from the land bank. No member of the board
19 or employee of a land bank shall have any interest, direct or indirect,
20 in any contract or proposed contract for materials or services to be
21 furnished or used by a land bank. No member of the board or employee of a
22 land bank shall have any interest, direct or indirect, in any investment
23 of the land bank. The restrictions in this subsection shall also apply to
24 a board member's or employee's immediate family and to any business or
25 entity in which the board member or employee has an ownership interest.

26 (2) The board shall adopt:

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

28 (b) Ethical guidelines for members of the board and employees of the
29 land bank.

30 Sec. 16. Section 19-5216, Revised Statutes Cumulative Supplement,
31 2018, is amended to read:

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

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

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

18 ~~19-5217~~ (1)(a) At any sale of real property for the nonpayment of
19 taxes conducted pursuant to sections 77-1801 to 77-1863, a land bank may:

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

25 (ii) If approved by a two-thirds vote of the board, give Give an
26 automatically accepted bid on such real property in an amount equal to
27 the total amount of taxes, interest, and costs due on the real property.
28 If an automatically accepted bid is given, it shall be accepted by the
29 county treasurer regardless of any other bids on such real property. An
30 automatically accepted bid may be given only if the conditions for making
31 such a bid prescribed by the board pursuant to subsection (11) of section

1 5 of this act 19-5205 have been met.

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

6 (2) If a county holds a tax sale certificate pursuant to section
7 77-1809, a land bank may purchase such tax sale certificate from the
8 county by paying the county treasurer the amount expressed on the face of
9 the certificate and interest thereon at the rate specified in section
10 45-104.01, as such rate may from time to time be adjusted by the
11 Legislature, from the date the tax sale certificate was first issued to
12 the county to the date such certificate was purchased by the land bank.

13 (3)(a) Subdivision (b) of this subsection applies until January 1,
14 2015. Subdivision (c) of this subsection applies beginning January 1,
15 2015.

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

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

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

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

30 (i) Apply to the county treasurer for a tax deed for the real
31 property described in the tax sale certificate. A land bank applying for

1 a tax deed shall comply with all the requirements of sections 77-1801 to
2 77-1863 relating to such tax deed; or

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

5 Sec. 18. Section 19-5218, Revised Statutes Cumulative Supplement,
6 2018, is amended to read:

7 ~~19-5218~~ (1)(a) At any sale of real property conducted as part of
8 foreclosure proceedings under sections 77-1901 to 77-1941, a land bank
9 may:

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

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

1 written consent.

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

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

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

19 77-1736.06 The following procedure shall apply when making a
20 property tax refund:

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

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

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

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

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

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

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

29 (4) When the refund involves property valued by the state, the Tax
30 Commissioner shall be authorized to negotiate a settlement of the amount
31 of the refund or claim due pursuant to this section on behalf of the

1 political subdivision from which such refund or claim is due. Any
2 political subdivision which does not agree with the settlement terms as
3 negotiated may reject such terms, and the refund or claim due from the
4 political subdivision then shall be satisfied as set forth in this
5 section as if no such negotiation had occurred;

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

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

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

22 77-1807 (1)(a) This subsection applies until January 1, 2015.

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

30 (c) If a land bank gives an automatically accepted bid for the real
31 property pursuant to section 17 of this act ~~19-5217~~, the land bank shall

1 be the purchaser, regardless of the bid of any other person.

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

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

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

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

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

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

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

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

29 (ii) Sequentially enumerated tickets shall be placed in a
30 receptacle. The number of tickets in the receptacle for the first round
31 shall equal the count taken in subdivision (i) of this subdivision, and

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

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

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

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

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

29 (g) A bidder shall (i) register with the county treasurer prior to
30 participating in the sale, (ii) provide proof that it maintains a
31 registered agent for service of process with the Secretary of State if

1 the bidder is a foreign corporation, and (iii) pay a twenty-five-dollar
2 registration fee. The fee is not refundable upon redemption.

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

5 77-1810 (1) Except as otherwise provided in subsection (2) of this
6 section, whenever any real property subject to sale for taxes is within
7 the corporate limits of any city, village, school district, drainage
8 district, or irrigation district, it shall have the right and power
9 through its governing board or body to purchase such real property for
10 the use and benefit and in the name of the city, village, school
11 district, drainage district, or irrigation district as the case may be.
12 The treasurer of the city, village, school district, drainage district,
13 or irrigation district may assign the certificate of purchase by
14 endorsement of his or her name on the back thereof when directed so to do
15 by written order of the governing board.

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

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

26 Sec. 23. Original sections 77-1736.06, 77-1807, and 77-1810,
27 Reissue Revised Statutes of Nebraska, and sections 19-5201, 19-5202,
28 19-5203, 19-5204, 19-5205, 19-5206, 19-5207, 19-5208, 19-5209, 19-5210,
29 19-5211, 19-5212, 19-5213, 19-5214, 19-5215, 19-5216, 19-5217, and
30 19-5218, Revised Statutes Cumulative Supplement, 2018, are repealed.