

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1135

Introduced by Urban Affairs Committee: McKinney, 11, Chairperson; Cavanaugh, J., 9; Quick, 35; Rountree, 3.

Read first time January 20, 2026

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Nebraska Municipal Land Bank Act; to
2 amend sections 18-3405, 18-3407, 18-3408, 18-3410, and 18-3413,
3 Reissue Revised Statutes of Nebraska; to change provisions relating
4 to boards of directors, land bank powers, acquisitions of property,
5 and reports; to harmonize provisions; and to repeal the original
6 sections.

7 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 18-3405, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 18-3405 (1) If a land bank is created by a single municipality
4 pursuant to subsection (1) of section 18-3404, 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 Seven voting members, totaling at least seven,
8 appointed by the chief executive officer of the municipality that created
9 the land bank and confirmed by a two-thirds vote of the governing body of
10 such municipality; and

11 (ii) The following nonvoting members:

12 (A) The planning director of the municipality that created the land
13 bank or his or her designee or, if there is no planning director, a
14 person designated by the governing body of the municipality that created
15 the land bank;

16 (B) One member of the governing body of the municipality that
17 created the land bank, appointed by such governing body; and

18 (C) Such other nonvoting members as are appointed by the chief
19 executive officer of the municipality that created the land bank and
20 confirmed by a two-thirds vote of the governing body of such
21 municipality;

22 (b) Each voting member of the board shall reside (i) within the
23 municipality that created the land bank, (ii) within ten miles of such
24 municipality, (iii) within the extraterritorial zoning jurisdiction of
25 such municipality, or (iv) within the county in which such municipality
26 is located, except that a majority of the voting members shall reside
27 within the municipality that created the land bank; The seven voting
28 members of the board shall be residents of the municipality that created
29 the land bank;

30 (c) If the governing body of the municipality creating the land bank
31 has any of its members elected by district or ward, then at least one

1 voting member of the board shall be appointed from each such district or
2 ward. Such voting members shall represent, to the greatest extent
3 possible, the racial and ethnic diversity of the municipality creating
4 the land bank; and

5 (d) The seven voting members of the board shall include individuals
6 with knowledge, expertise, or experience in fields relevant to land bank
7 operations, including, but not limited to, community development, real
8 estate, and housing. have, collectively, verifiable skills, expertise,
9 and knowledge in market-rate and affordable residential, commercial,
10 industrial, and mixed-use real estate development, financing, law,
11 purchasing and sales, asset management, economic and community
12 development, and the acquisition of tax sale certificates;

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

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

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

16 (iii) At least one member with experience in real estate
17 development;

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

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

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

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

27 (2) If a land bank is created by more than one municipality pursuant
28 to an agreement under the Interlocal Cooperation Act as described in
29 subsection (2) or (3) of section 18-3404, the board of such land bank
30 shall meet the following requirements:

31 (a) The board shall consist of:

6 (ii) The following nonvoting members:

11 (B) One member of the governing body of each municipality that
12 created the land bank, appointed by the governing body on which such
13 member serves; and

14 (C) Such other nonvoting members as are appointed by the chief
15 executive officers of the municipalities that created the land bank, as
16 mutually agreed to by such chief executive officers, and confirmed by a
17 two-thirds vote of the governing body of each municipality that created
18 the land bank;

19 (b) Each voting member of the board shall reside (i) within one of
20 the municipalities that created the land bank, (ii) within ten miles of
21 such a municipality, (iii) within the extraterritorial zoning
22 jurisdiction of such a municipality, or (iv) within a county in which
23 such a municipality is located, except that a majority of the voting
24 members shall reside within the municipality in which the majority of
25 land bank property is located; and be a resident of one of the
26 municipalities that created the land bank. If a land bank is created by a
27 city of the metropolitan class or a city of the primary class, at least
28 one voting member of the board shall be appointed from each of the
29 municipalities that created the land bank;

30 (c) The voting members of the board shall include individuals with
31 knowledge, expertise, or experience in fields relevant to land bank

1 operations, including, but not limited to, community development, real
2 estate, and housing. have, collectively, verifiable skills, expertise,
3 and knowledge in market-rate and affordable residential, commercial,
4 industrial, and mixed-use real estate development, financing, law,
5 purchasing and sales, asset management, economic and community
6 development, and the acquisition of tax sale certificates;

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

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

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

10 (iii) At least one member with experience in real estate
11 development;

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

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

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

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

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

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

26 (5) A vacancy on the board among the appointed board members shall
27 be filled not later than six months after the date of such vacancy in the
28 same manner as the original appointment.

29 (6) Board members shall serve without compensation.

30 (7) The board shall meet in regular session according to a schedule
31 adopted by the board and shall also meet in special session as convened

1 by the chairperson or upon written notice signed by a majority of the
2 voting members. The presence of a majority of the voting members of the
3 board shall constitute a quorum.

4 (8) Except as otherwise provided in this section and in sections
5 18-3410, 18-3417, and 18-3418, all actions of the board shall be approved
6 by the affirmative vote of a majority of the voting members present and
7 voting.

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

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

12 (b) Hiring or firing of any employee or contractor of the land bank.

13 This function may, by majority vote of the voting members, be delegated
14 by the board to a specified officer or committee of the land bank, under
15 such terms and conditions, and to the extent, that the board may specify;

16 (c) The incurring of debt;

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

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

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

24 (11) The board of a land bank created by a city of the metropolitan
25 class that borders a county in which at least three cities of the first
26 class are located shall adopt policies and procedures to specify the
27 conditions that must be met in order for such land bank to give an
28 automatically accepted bid as authorized in sections 18-3417 and 18-3418.
29 The adoption of such policies and procedures shall require the approval
30 of two-thirds of the voting members of the board. At a minimum, such
31 policies and procedures shall ensure that the automatically accepted bid

1 shall only be given for one of the following reasons:

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

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

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

9 (iii) Any buildings on the property have been deemed unfit for human
10 habitation, occupancy, or use by local housing officials;

11 (iv) Any buildings on the property are exposed to the elements such
12 that deterioration of the building is occurring;

13 (v) Any buildings on the property are boarded up;

14 (vi) There have been previous efforts to rehabilitate any buildings
15 on the property;

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

18 (viii) There have been past actions by the municipality to maintain
19 the grounds or any building on the property; or

20 (ix) The property has been out of compliance with orders of local
21 housing officials;

22 (b) The real property is contiguous to a parcel that meets more than
23 one of the criteria in subdivision (11)(a) of this section or that is
24 already owned by the land bank; or

25 (c) Acquisition of the real property by the land bank would serve
26 the best interests of the community as determined by two-thirds of the
27 voting members of the board. In determining whether the acquisition would
28 serve the best interests of the community, the board shall take into
29 consideration the hierarchical ranking of priorities for the use of real
30 property conveyed by a land bank established pursuant to subsection (5)
31 of section 18-3410, if any such hierarchical ranking is established.

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

4 (i) In the case of a land bank created pursuant to subsection (1) of
5 section 18-3404, a board member may be removed by the chief executive
6 officer of the municipality that created the land bank after such removal
7 has been approved by a two-thirds vote of the governing body of such
8 municipality; or

9 (ii) In the case of a land bank created pursuant to subsection (2)
10 or (3) of section 18-3404, a board member may be removed by the chief
11 executive officer of the municipality in which the majority of land bank
12 property is located where the member resides after such removal has been
13 approved by a two-thirds vote of the governing body of such municipality.

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

19 (i) In the case of a land bank created pursuant to subsection (1) of
20 section 18-3404, the city clerk of the city that created the land bank;
21 or

22 (ii) In the case of a land bank created pursuant to subsection (2)
23 or (3) of section 18-3404, the city clerk or village clerk of the
24 municipality in which the majority of land bank property is located where
25 the member resides.

26 (c) If a request for hearing is so filed, the governing body of the
27 municipality receiving the request shall hold a hearing not sooner than
28 ten days after the date a hearing is requested, at which hearing the
29 board member shall have the right to appear in person or by counsel and
30 the governing body shall determine whether the removal shall be upheld.
31 If the removal is not upheld by the governing body, the board member

1 shall continue to hold his or her office.

2 **Sec. 2.** Section 18-3407, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 18-3407 (1) A land bank shall have the following powers:

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

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

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

12 (d) To issue negotiable revenue bonds and notes according to the
13 provisions of the Nebraska Municipal Land Bank Act, except that a land
14 bank shall not issue any bonds on or after November 14, 2020;

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

18 (f) To enter into contracts and other instruments necessary,
19 incidental, or convenient to the performance of its duties and the
20 exercise of its powers, including, but not limited to, agreements under
21 the Interlocal Cooperation Act for the joint administration of multiple
22 land banks or the joint exercise of powers under the Nebraska Municipal
23 Land Bank Act;

24 (g) To enter into contracts and other instruments necessary,
25 incidental, or convenient to the performance of functions by the land
26 bank on behalf of municipalities or agencies or departments of
27 municipalities, or the performance by municipalities or agencies or
28 departments of municipalities of functions on behalf of the land bank;

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

31 (i) To provide foreclosure prevention counseling and re-housing

1 assistance;

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

4 (k) To invest money of the land bank, at the discretion of the
5 board, in instruments, obligations, securities, or property determined
6 proper by the board and name and use depositories for its money, except
7 that a land bank shall not invest its money in any instrument,
8 obligation, security, or property in which a direct or indirect interest
9 is held by a member of the board or an employee of the land bank, by a
10 board member's or an employee's immediate family, or by a business or
11 entity in which a board member or an employee has a financial interest;

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

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

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

19 (o) To fix, charge, and collect rents and leasehold payments for the
20 use of real property of the land bank for a period not to exceed twelve
21 months, except that such twelve-month limitation shall not apply (i) if
22 the real property of the land bank is subject to a lease with a remaining
23 term of more than twelve months at the time such real property is
24 acquired by the land bank or (ii) if the real property of the land bank
25 is held pursuant to an agreement with a nonprofit corporation or other
26 private entity under subsection (8) of section 18-3408;

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

29 (q) To Except as provided in subsection (8) of section 18-3408, to
30 enter into partnerships, joint ventures, and other collaborative
31 relationships with municipalities and other public and private entities

1 for the ownership, management, development, and disposition of real
2 property, subject to the requirements of subsection (8) of section
3 18-3408, if applicable; and

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

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

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

12 **Sec. 3.** Section 18-3408, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 18-3408 (1) A land bank may acquire real property or interests in
15 real property by gift, devise, transfer, exchange, foreclosure, purchase,
16 or otherwise on terms and conditions and in a manner the land bank
17 considers proper.

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

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

30 (4) A land bank shall not own or hold real property located outside
31 the jurisdictional boundaries of the municipality or municipalities that

1 created the land bank. For purposes of this subsection, jurisdictional
2 boundaries of a municipality does not include the extraterritorial zoning
3 jurisdiction of such municipality.

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

8 (6) A land bank shall not hold legal title at any one time to more
9 than:

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

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

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

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

22 (7) A land bank shall not acquire a parcel that is zoned as
23 commercial property unless (a) the parcel has been vacant for at least
24 three years or (b) the owner of the parcel has been directed by the
25 relevant municipality to remove a nuisance found on such parcel but has
26 failed to do so.

27 (8) A Beginning on November 14, 2020, a land bank shall not enter
28 into an agreement with any nonprofit corporation or other private entity
29 for the purpose of temporarily holding real property on behalf of for
30 such nonprofit corporation or private entity for a period longer than one
31 year unless the depositing entity has entered into a community benefits

1 agreement, to which the land bank shall also be a party. For the purposes
2 of this subsection: , except that a land bank may enter into such an
3 agreement for the purpose of providing clear title to such real property,
4 but in no case shall such agreement exceed a term of one year.

5 (a) Community benefits agreement means a legally binding contract
6 between the depositing entity, a land bank, and local community groups,
7 where the depositing entity commits to specific community benefits, such
8 as affordable housing, local hiring, living wages, or community services,
9 for large projects undertaken by the depositing entity, and in exchange,
10 the local community groups agree to support or not oppose such projects;
11 and

12 (b) Local community groups shall include, but are not limited to,
13 neighborhood or block associations, business improvement districts,
14 service and fraternal organizations, and faith-based organizations within
15 the neighborhood in which the proposed project will be located.

16 **Sec. 4.** Section 18-3410, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 18-3410 (1) A land bank shall hold in its own name all real property
19 acquired by the land bank irrespective of the identity of the transferor
20 of such property.

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

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

1 (4) A land bank may convey, exchange, sell, transfer, grant, release
2 and demise, pledge, and hypothecate any and all interests in, upon, or to
3 real property of the land bank. A land bank may lease as lessor real
4 property of the land bank for a period not to exceed twelve months,
5 except that such twelve-month limitation shall not apply (a) if the real
6 property of the land bank is subject to a lease with a remaining term of
7 more than twelve months at the time such real property is acquired by the
8 land bank or (b) if the real property of the land bank is held pursuant
9 to an agreement with a nonprofit corporation or other private entity
10 under subsection (8) of section 18-3408.

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

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

31 **Sec. 5.** Section 18-3413, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 18-3413 (1) The board shall cause minutes and a record to be kept of
3 all its proceedings. Meetings of the board shall be subject to the Open
4 Meetings Act.

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

7 (3) The board shall provide a report monthly reports to the
8 municipality or municipalities that created the land bank on the board's
9 activities pursuant to the Nebraska Municipal Land Bank Act. The report
10 shall be provided after each meeting of the board or at least quarterly.
11 The board shall also electronically submit provide an annual report to
12 the municipality or municipalities that created the land bank, the
13 Speaker of the Legislature, the chairperson of the Executive Board of the
14 Legislative Council, the Revenue Committee of the Legislature, and the
15 Urban Affairs Committee of the Legislature by March 1 of each year
16 summarizing the board's activities for the prior calendar year. The
17 reports submitted to the Legislature shall be submitted electronically.

18 (4) The annual report required under subsection (3) of this section
19 shall include, but not be limited to:

20 (a) A listing of each property owned by the land bank at the end of
21 the prior calendar year, including (i) how long each such property has
22 been owned by the land bank, (ii) and whether such property was acquired
23 utilizing the automatically accepted bid under section 18-3417 or
24 18-3418, (iii) whether such property is being held on behalf of a
25 nonprofit corporation or other private entity pursuant to subsection (8)
26 of section 18-3408, and (iv) the intended use of each property being held
27 on behalf of a nonprofit corporation or other private entity pursuant to
28 subsection (8) of section 18-3408;

29 (b) A list of entities and individuals who received more than two
30 thousand five hundred dollars from the land bank in the prior calendar
31 year;

1 (c) A list of financial institutions in which the land bank has
2 deposited funds;

3 (d) The percentage of total parcels located in each municipality
4 which are held by the land bank; and

5 (e) A statement certifying that all board members and employees of
6 the land bank comply with the conflict of interest requirements in
7 sections 18-3407 and 18-3415.

8 **Sec. 6.** Original sections 18-3405, 18-3407, 18-3408, 18-3410, and
9 18-3413, Reissue Revised Statutes of Nebraska, are repealed.