

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 620

Introduced by Guereca, 7.

Read first time January 22, 2025

Committee: Judiciary

- 1 A BILL FOR AN ACT relating to real property; to adopt the Neighborhood
- 2 Revitalization Act; and to provide an operative date.
- 3 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 9 of this act shall be known and may be
2 cited as the Neighborhood Revitalization Act.

3 **Sec. 2.** For purposes of the Neighborhood Revitalization Act:

4 (1) Abate or abatement, in connection with any building, means the
5 removal or correction of any conditions that constitute a public nuisance
6 and the making of any other improvements that are needed to effect such a
7 rehabilitation of the building as is consistent with maintaining safe and
8 habitable conditions over the building's remaining useful life;

9 (2) Acceptable petitioner means:

10 (a) Any nonprofit corporation;

11 (b) The municipal corporation within which such subject parcel is
12 located;

13 (c) The owner or legal occupant of a parcel of real property that is
14 adversely impacted by the condition of the subject parcel; or

15 (d) Any interested person;

16 (3) Building means any building or structure that is located on the
17 subject parcel;

18 (4) Certified person means any person determined by the court
19 pursuant to section 8 of this act to be qualified as a receiver or a
20 qualified buyer;

21 (5) Dwelling unit means a building or the part of a building that is
22 intended to be used as a home, residence, or sleeping place;

23 (6) Governmental authority means any court or governmental,
24 administrative, legislative, regulatory, adjudicatory, or arbitrational
25 body, agency, commission, department, board, bureau, tribunal, or
26 instrumentality of the United States or of any state, commonwealth,
27 nation, territory, possession, county, or municipality, whether now or
28 hereafter constituted or existing, having or claiming jurisdiction over
29 the subject parcel;

30 (7) Interested person means, with respect to a subject parcel, any
31 owner, named trustee, or other person that:

1 (a) Holds, or is the assignee of the holder of, a lien against that
2 subject parcel;

3 (b) Is named as a nominee or agent of the holder of an obligation
4 that is secured by a deed or a deed of trust affecting such subject
5 parcel;

6 (c) Holds the benefit of an easement appurtenant to such subject
7 parcel;

8 (d) Holds the benefit of a restrictive real covenant against such
9 subject parcel; or

10 (e) Possesses an interest of record in or to such subject parcel;

11 (8) Municipal corporation means any county, township, city, or
12 village of this state, whether organized and existing under direct
13 provisions of the Constitution of Nebraska or statutes of this state, or
14 by virtue of charters or other corporate articles or instruments executed
15 under authority of the Constitution of Nebraska or statutes of this
16 state;

17 (9) Nonprofit corporation means any nonprofit corporation that has
18 been duly organized and is in good standing under the laws of this state;

19 (10) Owner means one or more persons, jointly or severally, in whom
20 is vested all or part of the legal title to, or beneficial ownership of,
21 the subject parcel;

22 (11) Person means any individual, firm, corporation, association,
23 trust, partnership, joint venture, limited liability company,
24 governmental authority, or other entity;

25 (12) Public nuisance means any building that is:

26 (a) A menace to the public health, welfare, or safety;

27 (b) Structurally unsafe, unsanitary, or not provided with adequate
28 safe egress;

29 (c) A fire hazard, dangerous to human life, or no longer fit and
30 habitable;

31 (d) Otherwise determined by the court or a municipal corporation to

1 be a violation of any local building, housing, air pollution, sanitation,
2 health, fire, zoning, or safety code, ordinance, or regulation applicable
3 to any subject parcel;

4 (13) Qualified buyer means any person determined by the court to be
5 a certified person as provided in section 8 of this act;

6 (14) Receiver means any certified person appointed by the court for
7 the purpose of preserving or improving the subject parcel;

8 (15) Receiver's lien means a first priority lien in favor of the
9 receiver against the subject parcel that, with regard to the subject
10 parcel, upon approval of the court, secures:

11 (a) Any and all reasonable expenses and costs incurred by the
12 receiver, including reasonable attorney's fees and costs; and

13 (b) A fee, payable to the receiver, equal to ten percent of the
14 total of the amounts provided under subdivision (15)(a) of this section,
15 but in no event less than two thousand five hundred dollars;

16 (16) Residential property means a subject parcel that includes one
17 or more dwelling units that is owner-occupied and the owner's principal
18 place of residence, or that is otherwise intended for single-family
19 residential use;

20 (17) Residential rental property means a building or structure
21 consisting of one or two dwelling units;

22 (18) Stabilization, with regard to a building, means the removal or
23 correction of any conditions that are designed to secure, protect
24 against, or prevent further deterioration of such building; and

25 (19) Subject parcel means a tract or item of real or personal
26 property that becomes subject to the jurisdiction of a court pursuant to
27 the Neighborhood Revitalization Act.

28 **Sec. 3.** (1) The owner of residential rental property or residential
29 property shall be required to maintain the exterior of such property and
30 the lot on which the residential rental property or residential property
31 is located at a level which is no less than the community standards of

1 the residential property in the area.

2 (2) It is prima facie evidence that the residential rental property
3 or residential property is not maintained at the community standards of
4 the residential property in the area if the owner of such residential
5 rental property or residential property has been cited for three or more
6 separate violations of local building and construction codes or property
7 standards governing residential property within a one-year period and the
8 owner has not brought the property into compliance with such building and
9 construction codes or property standards within such period.

10 **Sec. 4.** (1) An owner of residential property affected by
11 residential rental property or residential property not maintained to
12 community standards of residential property in the area may bring an
13 action for damages against the owner of such residential rental property
14 or residential property for failure to maintain the property in the
15 manner required by section 3 of this act; provided, however, that a
16 showing by the owner of the residential rental property or residential
17 property that the failure to maintain the property is due to an act of
18 nature, serious illness, or a legal barrier shall constitute a defense to
19 any cause of action brought under this section.

20 (2) The measure of damages shall be the difference between the value
21 of the owner's residential property if the residential rental property or
22 residential property were maintained at the community standards of the
23 residential property in the area and the value of the owner's residential
24 property because the residential rental property or residential property
25 is not maintained at such community standards.

26 (3) As proof of the value of the owner's residential property, the
27 plaintiff shall submit to the court two independent appraisals.

28 (4) Upon a finding by the court that an owner of residential rental
29 property or residential property has failed to maintain the property in
30 the manner required by section 3 of this act, the court may award the
31 person bringing an action under this section reasonable attorney's fees

1 and costs.

2 **Sec. 5.** The Neighborhood Revitalization Act shall apply in any
3 county, township, city, or village of this state, whether organized and
4 existing under direct provisions of the Constitution of Nebraska or
5 statutes of this state, or by virtue of charters or other corporate
6 articles or instruments executed under the authority of the Constitution
7 of Nebraska or statutes of this state.

8 **Sec. 6.** (1) An acceptable petitioner may file a petition for a
9 judgment in rem against a subject parcel, naming the subject parcel as
10 the defendant and seeking an order that the subject parcel is a public
11 nuisance and for the abatement of the public nuisance. A proceeding
12 pursuant to this section shall be a proceeding in rem. If the applicable
13 municipal corporation is not the acceptable petitioner, then the
14 applicable municipal corporation shall be put on notice of the in rem
15 proceeding and provided with a full copy of the petition as filed by the
16 acceptable petitioner. If the acceptable petitioner has not attached a
17 certificate of public nuisance to the petition, the municipal corporation
18 shall complete an inspection of the subject parcel within thirty calendar
19 days after the first setting of the matter in court, and the court shall
20 promptly schedule a hearing on the issue of public nuisance. At the
21 conclusion of the hearing on the issue of public nuisance, the court
22 shall determine whether or not the issuance of a certificate of public
23 nuisance is warranted. The court shall dismiss the action if the subject
24 parcel is found not to be a public nuisance by the court.

25 (2) The petition filed pursuant to subsection (1) of this section
26 must include a draft order of compliance setting forth the relief
27 requested as described in this section and shall specifically request the
28 appointment of a receiver if an order of compliance pursuant to
29 subsection (5) of this section is entered and if the owner fails to
30 comply with such order.

31 (3) The filing of a petition for a judgment in rem pursuant to

1 subsection (1) of this section shall:

2 (a) Create a receiver's lien that secures an undetermined amount
3 until the court establishes the amount. The receiver's lien shall be a
4 first lien on the subject parcel, which is superior to all prior and
5 subsequent liens or other encumbrances associated with the subject parcel
6 except for the lien for general property taxes as described in section
7 77-203. The acceptable petitioner shall file for record in the register's
8 office of the county a notice certified by the clerk, within one day of
9 certification by the clerk, containing the names of the parties to the
10 suit, a statement that a petition has been filed pursuant to this
11 section, a description of the subject parcel and its ownership, and a
12 brief statement of the nature and amount of the lien sought to be
13 imposed, which filing shall act as a lien lis pendens against the subject
14 parcel. The outstanding principal amount of the receiver's lien carries
15 interest at a standard statutory rate applicable to property tax liens as
16 provided in section 77-207;

17 (b) Act as a bar of any transfer of title of the subject parcel or
18 of any interests pertaining to such subject parcel, including, but not
19 limited to, transfers by foreclosure, transfers or creation of lien
20 interests in the subject parcel, or otherwise, from the date of the
21 filing until the petition is dismissed or until specific orders of the
22 court authorizing a transfer of title, if the petition has attached a
23 certificate of public nuisance issued pursuant to subsection (1) of this
24 section; and

25 (c) Authorize the municipal corporation, in its discretion, to
26 access the subject parcel for securing and maintaining the subject parcel
27 at any time if it has been determined by the court that the owner has
28 failed to do so. Any costs incurred by the municipal corporation shall be
29 charged to the owner.

30 (4) Notice of a petition for a judgment in rem filed pursuant to
31 subsection (1) of this section shall, at a minimum, be provided to each

1 owner and interested person identified by a thorough title search and
2 examination of the subject parcel, including a search of court records of
3 the county where the subject parcel is located. The petitioner shall file
4 with the court a certification that notice has been provided pursuant to
5 this subsection. Notice shall be provided by:

6 (a) Service of the petition by any method for service of summons as
7 provided by section 25-505.01;

8 (b) Posting a copy of the petition in a conspicuous place on the
9 building;

10 (c) Publication of the petition in a newspaper of general
11 circulation published in the county where the subject parcel is located;
12 and

13 (d) Sending a copy of the petition by first-class mail addressed to
14 "occupant" at the subject parcel.

15 (5) If, after a hearing, the subject parcel is found to be a public
16 nuisance, the court shall issue an order of compliance requiring the
17 owner of the subject parcel to produce a plan for the abatement of the
18 public nuisance. The acceptable petitioner shall file such order in the
19 register's office of the county where the subject parcel is located. The
20 plan must comply with subdivision (8)(a) of this section and must be
21 approved by the court. If the owner has commenced work on the subject
22 parcel prior to or during the pendency of the action, the owner is
23 required to provide a report of the work that has been completed to date,
24 as well as a plan for the abatement of the public nuisance. Once a plan
25 is approved by the court, the municipal corporation shall provide
26 periodic updates to the court on the owner's progress towards completion
27 of the plan and other relevant information about the subject parcel and
28 surrounding area. Upon a finding by the court that the subject parcel is
29 a public nuisance, the court may award all reasonable attorney's fees and
30 costs to the person filing the petition for a judgment in rem.

31 (6) If the owner fails to comply with the court's order of

1 compliance pursuant to subsection (5) of this section, the court may
2 allow an interested person the opportunity to undertake the work to abate
3 the public nuisance pursuant to a plan that complies with subdivision (8)
4 (a) of this section submitted by such interested person.

5 (7) If the actions pursuant to subsections (5) and (6) of this
6 section fail to abate the public nuisance, then the court may appoint a
7 receiver to take possession and control of the subject parcel in order to
8 execute a plan submitted by such receiver that complies with either
9 subdivision (8)(a) or (8)(b) of this section. A receiver appointed
10 pursuant to the Neighborhood Revitalization Act is not personally liable
11 for actions taken pursuant to the receivership except for misfeasance,
12 malfeasance, or nonfeasance in the performance of the functions of the
13 office.

14 (8)(a) A public nuisance abatement plan, if submitted by an owner,
15 interested party, or proposed receiver, must provide the following in
16 writing:

17 (i) A detailed budget for abating the public nuisance;

18 (ii) A projected timeline for abating the public nuisance;

19 (iii) If repair and rehabilitation of the subject parcel are found
20 not to be feasible, the cost of demolition of the subject parcel or of
21 the portions of the subject parcel that constitute the public nuisance;
22 and

23 (iv) The terms, conditions, and availability of any financing that
24 is necessary to abate the public nuisance or a show of sufficient assets.

25 (b) A stabilization plan, if submitted by a proposed receiver, must
26 provide the following in writing:

27 (i) A detailed budget for stabilizing the subject parcel;

28 (ii) A projected timeline for stabilizing the subject parcel; and

29 (iii) The terms, conditions, and availability of any financing that
30 is necessary to stabilize the subject parcel or a show of sufficient
31 assets.

1 (9)(a) If the court deems a plan submitted by a receiver to be
2 sufficient and appropriate, the court may empower the receiver to:

3 (i) Take possession and control of the subject parcel;

4 (ii) Pay all expenses of operating and conserving the subject
5 parcel, including obtaining property insurance;

6 (iii) Pay pre-receivership mortgages or installments of such
7 mortgages and other liens;

8 (iv) Pay all outstanding municipal fines, penalties, expenditures,
9 and assessments and all amounts attributable to state and local taxes and
10 assessments, including all outstanding amounts secured by delinquent
11 property tax liens; provided, that, within thirty days of being
12 appointed, a receiver is required to fully satisfy all outstanding
13 amounts secured by delinquent property tax liens; and

14 (v) Implement the plan; provided, that, if the plan requires
15 demolition, the court shall order that the demolition be done properly
16 and in compliance with applicable laws.

17 (b) The receiver shall file a report with the court every sixty
18 calendar days and, upon completion of work pursuant to the receiver's
19 approved plan, shall file a final report with the court and move for the
20 establishment of the amount of the receiver's lien. If the court finds
21 that work pursuant to the receiver's approved plan has been completed,
22 then the court shall establish the amount of the receiver's lien and put
23 the owner on notice that the owner has thirty days from such finding to
24 satisfy the receiver's lien in full. If the owner satisfies the
25 receiver's lien in full during such time, then the receivership shall be
26 terminated by order of the court. An owner or interested party that
27 satisfies a receiver's lien established pursuant to a receiver's
28 completion of a stabilization plan pursuant to subdivision (8)(b) of this
29 section shall submit and complete a public nuisance abatement plan
30 pursuant to subdivision (8)(a) of this section.

31 (10) If the receiver's lien is not satisfied by the owner pursuant

1 to subdivision (9)(b) of this section, the court shall direct the
2 receiver to offer the subject parcel for sale at auction in accordance
3 with the following:

4 (a) The sales procedure shall follow the procedures provided in
5 section 25-1516;

6 (b) The minimum bid at a receiver's auction must be the full amount
7 of the receiver's lien;

8 (c) If the receiver has completed work pursuant to an approved
9 stabilization plan authorized by subdivision (8)(b) of this section, then
10 only bidders who have been certified by the court as qualified buyers may
11 bid at the receiver's auction. The terms of the auction must include the
12 requirement of a bond or other security, in an amount fixed by the court,
13 ensuring abatement of the public nuisance within nine months of the date
14 of the closing of the sale to the qualified buyer. If a qualified buyer
15 prevails at such an auction and the qualified buyer's bid is approved by
16 the court, then the receiver's plan pursuant to subdivision (8)(b) of
17 this section must be amended by the court to include supervision of the
18 qualified buyer and reports to the court of the qualified buyer's
19 progress until the abatement of the public nuisance is completed, at
20 which time the receivership must be terminated by order of the court
21 after a hearing on the receiver's motion for termination of the
22 receivership;

23 (d) If there is no bid at the receiver's auction for greater than
24 the minimum bid, the subject parcel shall be transferred by receiver's
25 deed to the receiver, and there shall be no requirement of cash payment
26 of the minimum bid by the receiver;

27 (e) When the successful bid is paid in cash, the amount of the
28 minimum bid must be paid to satisfy the receiver's lien. Any surplus
29 shall be distributed, as approved by the court, to the owner and
30 interested persons in the priority in which their interests encumbered
31 the subject parcel prior to the auction; and

1 (f) The receiver shall report the prevailing bid at the sale to the
2 court, and upon approval by the court, a receiver's deed shall be issued
3 to the successful bidder and promptly recorded in the office of the
4 register of deeds. Title shall be absolute in the purchaser, and the
5 interests of any interested persons prior to the auction shall be
6 terminated as of the date of the auction. Except as provided in
7 subdivision (10)(c) of this section, the receivership shall be terminated
8 after the auction by order of the court after a hearing on the receiver's
9 motion for termination of the receivership.

10 (11)(a) Nothing in the Neighborhood Revitalization Act limits the
11 powers granted to a court having jurisdiction pursuant to section 7 of
12 this act.

13 (b) A judge in a civil action described in subsection (1) of this
14 section, or the judge's successor in office, has continuing jurisdiction
15 to review and order correction of the condition of any subject parcel
16 that was determined to be a public nuisance pursuant to the Neighborhood
17 Revitalization Act.

18 **Sec. 7.** Jurisdiction for civil actions filed pursuant to the
19 Neighborhood Revitalization Act is conferred upon the district court
20 where the rental or residential property lies.

21 **Sec. 8.** (1) Any person seeking to be qualified as a certified
22 person shall make application to the applicable court in the county in
23 which such person seeks to serve, on such form and according to such
24 standards and procedures as such court reasonably may require, including
25 the following, which the court may require to be brought current at any
26 time, as applicable:

27 (a) An external verification of good standing;

28 (b) The articles of incorporation and bylaws or formation documents;

29 (c) Evidence of financial capacity to carry out an abatement plan,
30 including audited financial statements of the person for the past five
31 years, where applicable;

1 (d) A formal conflict of interest policy governing the staff,
2 officers, and the board of directors, if applicable;

3 (e) Evidence of the administrative capacity to successfully
4 undertake the abatement plan; and

5 (f) Any other documents, evidence, or assurances that the court may
6 require.

7 (2) Any local land bank formed pursuant to the Nebraska Municipal
8 Land Bank Act is a certified person for all purposes under the
9 Neighborhood Revitalization Act. In the court's discretion, an acceptable
10 petitioner may also be qualified as a certified person who is appointed
11 as a receiver.

12 **Sec. 9.** The receiver may be discharged at any time in the
13 discretion of the court. The receiver shall be discharged when all of the
14 following have occurred:

15 (1) The public nuisance has been abated; and

16 (2) The costs of the receivership have been paid.

17 **Sec. 10.** This act becomes operative on January 1, 2026.