

LEGISLATIVE BILL 73

Approved by the Governor April 21, 1973

Introduced by Goodrich, 20

AN ACT to adopt the Land Reutilization Act.
Be it enacted by the people of the State of Nebraska,

Section 1. (1) There is hereby created, within each county which now has or may hereafter have a population in excess of three hundred fifty thousand inhabitants, an authority for the management, sale, transfer, and other disposition of tax-delinquent lands, which authority shall be known as the Land Reutilization Authority of the County of It shall have authority to accept the grant of any interest in real property made to it or to accept gifts and grant-in-aid assistance. Such authority shall have and exercise all the powers conferred by the provisions of this act necessary and incidental to the effective management, sale, transfer, or other disposition of real estate acquired under and by virtue of the foreclosure of the lien for delinquent real estate taxes, and in the exercise of such powers, the authority shall be deemed to be a public corporation acting in a governmental capacity.

(2) The authority shall foster the public purpose of returning land which is in a nonrevenue generating nontax-producing status to effective utilization in order to provide housing, new industry, and jobs for the citizens of the county and new tax revenue for such county.

Sec. 2. The beneficiaries of the authority shall be the taxing authorities which held or owned tax bills against the respective parcels of real estate sold to the authority at the sheriff's foreclosure sale included in the judgment of the court, and their respective interests in each parcel of real estate shall be to the extent and in the proportion and according to the priorities determined by the court on the basis of the principal amount of the judgment against each such parcel of real estate.

Sec. 3. (1) In each county described in section 1 of this act, there is hereby created the Land Reutilization Commission, which shall be composed of five members, one of whom shall be appointed by the governing body of the most populous city within the county, one of

Sec. 5. (1) Such authority shall be a continuing body and shall have and adopt an official seal which shall bear on its face the words Land Reutilization Authority of the County of, and shall have the power to issue deeds in its name, which deeds shall be signed by the chairman or vice-chairman, and attested by the secretary, and shall have the general power to administer its business as any other corporate body.

(2) The authority may convey title to any real estate sold or conveyed by it by general or special warranty deed, and may convey an absolute title in fee simple, without in any case procuring any consent, conveyance, or other instrument from the beneficiaries for which it acts; Provided, that each such deed shall recite whether the selling price represents a consideration equal to or in excess of two-thirds of the appraised value of such real estate so sold or conveyed, and if such selling price represents a consideration less than two-thirds of the appraised value of such real estate, then the commissioners shall first procure the consent thereto of not less than two of the three appointing authorities, which consent shall be evidenced by a copy of the action of each such appointing authority duly certified to by its clerk or secretary attached to and made a part of such deed.

Sec. 6. It shall be the duty of such authority to administer the tax-delinquent lands as follows:

(1) Such authority shall immediately assume possession and control of all real estate acquired by it under the provisions of this act and proceed to inventory and appraise such land and thereafter keep and maintain a perpetual inventory of such real estate, except that individual parcels may be consolidated and grouped or regrouped for economy, utility, or convenience;

(2) It shall classify such land as to its use into the following three classifications:

(a) Suitable for private use;

(b) Suitable for use by a public agency; and

(c) Not usable in its present condition or situation and held as a public land reserve. Any parcel of property may be reclassified by a three-fifths vote of the commissioners;

(3) Such authority shall administer all property described in subdivision (2) (a) of this section in

accordance with subdivision (4) of this section. Every effort shall be made to sell such property at a price as close to its appraised value as possible. Property described in subdivisions (2) (b) and (2) (c) of this section may be transferred at no cost by the authority upon request of and to a public agency upon submission of a plan of use for the property by such public agency to the land reutilization commissioners. No property shall be transferred at no cost unless there be a unanimous vote of the commissioners. If the property is transferred at no cost to any public agency and such public agency shall then sell or otherwise dispose of such property within ten years for any consideration, the proceeds of such sale or disposal shall be returned to the commissioners who shall in turn distribute the proceeds in accordance with the provisions of this act. If the commissioners do not give an affirmative vote to the request for transfer, the authority may dispose of the property in accordance with subdivision (4) of this section. Properties described in subdivision (2) (c) of this section shall be studied and recommendations made to taxing authorities as to possible uses for such real estate. In furtherance of this objective, such authority shall have access to any and all city and county records at any time and may call upon any and all city and county officers, departments, boards, planning commissions, or other commissions for studies, statistics, or recommendations. Such authority shall prepare a list of all land described in subdivision (2) (a) of this section, which list shall be corrected and amended from time to time in the discretion of the commissioners. Such commissioners may make a charge not to exceed one dollar for each copy of such list, which charge shall be used to help defray the costs of preparing such list. Any person may purchase a copy of such list. Any real estate agent or broker licensed to do business in the city may, when authorized by the commissioners, sell any such property upon the terms and conditions imposed by the commissioners, and the commissioners may pay a reasonable real estate commission; Provided, that nothing in this act shall prohibit the commissioners from selling or exchanging any such real estate directly to or with any purchaser;

(4) Such commissioners shall manage, maintain, protect, rent, lease, repair, insure, alter, sell, trade, exchange, or otherwise dispose of any such real estate on such terms and conditions as may be determined in the sole discretion of the commissioners. Such commissioners may assemble tracts or parcels of real estate for public parks or other public purposes and to such end may exchange parcels and otherwise effectuate such purposes by agreement with any taxing authority; and

(5) Such authority shall adopt rules and regulations consistent with this act and shall keep records of all of its transactions, which records shall be open to inspection of any taxing authority in the county at any time. There shall be an annual audit of the affairs, accounts, expenses, and financial transactions of such authority by certified public accountants as of December 31 of each year, which accountants shall be employed by the commissioners on or before November 1 of each year, and certified copies of such audit shall be furnished to the appointing authorities and shall be available for public inspection at the offices of such appointing authorities.

Sec. 7. (1) The commissioners may appoint a director and such other employees as are deemed necessary to carry out the responsibilities and duties imposed by this act and may incur such other reasonable and proper costs and expenses related thereto. If such costs and expenses exceed the amount of funds available to the authority under the provisions of this act, the authority shall obtain approval for such additional or supplemental needs. Such appropriations shall be considered advances to the authority subject to repayment from funds accumulated by the authority under the provisions of this act.

The county treasurer's office shall handle all such appropriated expense funds and disburse the same under the provisions for handling other expenditures.

The authority shall deposit all funds received under the provisions of this act with the county treasurer of the county and make disbursements therefrom upon receipt of vouchers duly authorized by the authority under the provisions of this act and in accordance with standard procedures adopted by and approved by the county treasurer.

(2) The fiscal year of the authority shall commence on January 1 of each year. The authority shall audit all claims for the expenditure of money and the chairman or vice-chairman thereof shall draw warrants therefor from time to time.

Sec. 8. Such authority shall set up and maintain a perpetual inventory on each tract of its real estate, except that individual tracts may be consolidated and grouped or regrouped for economy or convenience.

Sec. 9. (1) The authority shall set up accounts on its books relating to the operation, management, or other expense of each individual parcel of real estate.

(2) When any parcel of real estate is sold or otherwise disposed of by the authority, the proceeds therefrom shall be applied and distributed in the following order, except as provided for in section 6 of this act:

(a) To the payment of the expenses of sale, the costs of the care, improvement, operation, demolition, management, and administration of such parcels of real estate as determined by the commissioners and apportioned to such parcel;

(b) To the payment of any penalties, fees, or costs which were included in the judgment originally entered against such parcel of real estate, plus its proportional part of the costs of the sheriff's foreclosure sale, as shown by the court records; and

(c) The balance shall be paid to the respective taxing authorities and tax bill owners, if any, in the proportion that the principal amounts of the tax bills of each such party bears to the total principal amount of all the tax bills included in the original judgment relating to such parcel of real estate and in the order of their respective priorities. After deduction of all sums charged to each account for various expenses, distribution shall be made to the respective taxing authorities and to tax bill owners having an interest in such parcel of real estate on January 1 and July 1 of each year and at such other times as the commissioners in their discretion may determine.

Sec. 10. (1) Neither the members nor any salaried employee of the authority shall receive any compensation, emolument, or other profit directly or indirectly from the rental, management, purchase, sale, or other disposition of any lands held by such authority other than the salaries, expenses, and emoluments provided for in this act.

(2) Any person convicted of violating any provision of this section shall be guilty of a felony and shall, upon conviction thereof, be punished by imprisonment in the Nebraska Penal and Correctional Complex not less than two years nor more than five years.

Sec. 11. (1) If, when the sheriff offers the parcels of real estate for sale under the tax foreclosure laws of this state, there is no bid equal to the full amount of all tax bills included in the judgment, interest, penalties, fees, and costs then due thereon made or received at such sale, the authority shall be deemed to have bid the full amount of all tax bills

included in the judgment, interest, penalties, fees, and costs then due, and if no other earlier or later bid be then received by the sheriff as allowed by law in excess of the bid of the authority, then the bid of the authority shall be announced as accepted. The sheriff shall report any such bid or bids so made by the authority in the same way as his report of other bids is made.

(2) The authority shall pay, if possible, any penalties, fees, or costs included in the judgment of foreclosure of such parcel of real estate when such parcel is sold or otherwise disposed of by such authority. Upon confirmation by the court of such bid at such sale by such authority, and upon notification by the sheriff, the county treasurer shall mark the tax bills so bid by the authority as canceled by sale to the authority, and shall take credit for the full amount of such tax bills, including principal amount, interest, penalties, fees, and costs, on his books and his statements with any other taxing authorities.

Sec. 12. (1) The title to any real estate which shall vest in the authority under the provisions of this act shall be held by the authority in trust for the tax bill owners and taxing authorities having an interest in any tax liens which were foreclosed, as their interests may appear in the judgment of foreclosure.

(2) The title to any real estate which shall vest in any purchaser or the authority upon confirmation of such sale by the court shall be an absolute estate in fee simple, subject to rights-of-way, easements, and covenants thereon and subject to all rights of redemption provided by law or the Constitution.

Sec. 13. This act shall be known and may be cited as the Land Reutilization Act.

Sec. 14. If any section in this act or any part of any section shall be declared invalid or unconstitutional, such declaration of invalidity shall not affect the validity of the remaining portions thereof.