

LEGISLATIVE BILL 1010

Approved by the Governor April 11, 2000

Introduced by Baker, 44; Bohlke, 33; Bromm, 23; Engel, 17; Jones, 43;
 Kremer, 34; Matzke, 47; Raikes, 25; Stuhr, 24; Wehrbein, 2

AN ACT relating to educational land; to amend sections 72-240.26, 72-257, 72-258, and 72-258.02, Reissue Revised Statutes of Nebraska; to define a term; to change procedures relating to appraisal and sale of land; to harmonize provisions; and to repeal the original sections.

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

Section 1. For purposes of sales of educational lands at public auction, appraised value is the adjusted value as determined by the Property Tax Administrator or his or her representative (1) for agricultural and horticultural land, multiplied by one and twenty-five hundredths, or (2) for all other classes of real property, multiplied by one, unless the Board of Educational Lands and Funds establishes a higher value pursuant to section 72-257 or 72-258, in which case that value shall be the appraised value for purposes of sale.

Sec. 2. Section 72-240.26, Reissue Revised Statutes of Nebraska, is amended to read:

72-240.26. The ~~board~~ Board of Educational Lands and Funds and the Nebraska Investment Council shall jointly report annually to the Clerk of the Legislature, and such report shall contain anticipated future actions by the board as well as actions already taken. The board's portion of the report shall include, (1) with reference to each tract of land sold pursuant to section 72-201.01: ~~(1)~~ (a) The legal description; ~~(2)~~ (b) the unique characteristics of the land being sold; ~~(3)~~ (c) the appraised value; ~~(4)~~ (d) the sale price; ~~(5)~~ (e) the amount of funds received in the calendar year covered by the report from the sale; ~~(6)~~ (f) the disposition of the funds; ~~(7)~~ (g) the total number of acres of any unsold educational lands remaining under the general management and control of the board by county; ~~and~~ ~~(8)~~ (h) the total appraised value of unsold land; and (i) the percentage of the investment portfolio remaining in real estate, including all nonagricultural real estate and (2) the corresponding information for any land that has been acquired or traded. The council's portion of the report shall include a cost-benefit analysis which considers the land being sold versus the anticipated investment potential of proceeds resulting from the sale. The cost-benefit analysis model used shall be consistent with the standards of the investment industry at the time of the proposed sale. Each member of the Legislature shall receive a copy of such report by making a request for it to the chairperson of the board.

Sec. 3. Section 72-257, Reissue Revised Statutes of Nebraska, is amended to read:

72-257. All lands, now owned or hereafter acquired by the state for educational purposes, may be sold at the expiration of the present leases. The Board of Educational Lands and Funds shall retain all mineral rights in the land sold. Prior to such sale, the land ~~shall~~ may be appraised for ~~sale~~ purposes of sale in the same manner as privately owned land by a ~~representative certified general real estate appraiser appointed by the Board of Educational Lands and Funds,~~ board and thereafter shall be sold at public sale at not less than the appraised value. ~~When~~ PROVIDED, that when two or more contiguous tracts are under separate leases with different expiration dates, the board may, if it is deemed to be in the best interest of the state, defer the sale of any tract having an earlier lease expiration date, and may offer the tract for lease for less than twelve years to coincide with the expiring lease of the contiguous tract, in order that the contiguous lands may eventually be offered for sale on the same date.

Sec. 4. Section 72-258, Reissue Revised Statutes of Nebraska, is amended to read:

72-258. Educational land shall be offered for sale at public auction by a representative of the Board of Educational Lands and Funds and sold at not less than ~~either~~ the appraised value ~~or the fair market value~~ to the highest bidder. ~~The appraised value for sales purposes shall be the starting bid price.~~ Notice of such sale and the time and place where the same will be held shall be given by publication three consecutive weeks in some legal newspaper published in the county where the tracts of land or the lots are located or, in case no legal newspaper is published in the county, then in

some legal newspaper of general circulation therein. The proof of such publication shall be made by the affidavit of the publisher or principal clerk of such newspaper or by some other person knowing about the same and shall be filed in the office of the board. When the land consists of an undivided interest in realty, an action to partition may be maintained in the same manner as provided by law for the partition of real property among several joint owners. All notices of sale shall be posted in the office of the board. The board may arrange for such commercial advertising of land sales as it deems in the best interest of the state.

Any person or entity requesting that a tract of land be sold at public auction shall file an agreement with the board to pay the appraised value or a higher value as a minimum opening bid for the land. Within sixty days after receipt by the board of the request, the board shall determine whether or not to offer the tract of land for sale at public auction with a minimum opening bid equal to that amount stated in the accepted agreement for the minimum opening bid and shall notify the person or entity requesting the auction of the board's determination prior to advertising the tract of land for sale. If the board determines to offer the tract of land for sale at public auction, the auction shall be held within one hundred twenty days after the board accepts the agreement for a minimum opening bid. If the board determines not to offer the tract of land for sale, the offering price and legal description of the tract of land shall be included in the annual report to the Legislature.

The sale shall be subject to confirmation by the board that the requirements of this section have been met. Settlement shall be made by paying cash of not less than twenty percent of the purchase price at the time of sale, and the balance shall be payable in cash within ninety days after the date of sale. If the person submitting the high bid for the land fails to pay the balance of the purchase price and complete the sale within ninety days, his or her rights under the sale, including the twenty percent downpayment, shall be forfeited by the board and a new sale shall be authorized.

Sec. 5. Section 72-258.02, Reissue Revised Statutes of Nebraska, is amended to read:

72-258.02. Whenever a portion of the National System of Interstate and Defense Highways is constructed on school land and an interchange is constructed on such school land, the Board of Educational Lands and Funds shall ~~appraise such land and offer it~~ such land for sale at public auction in such tracts as the board shall determine, and sell it at not less than its appraised value. The sale shall be made subject to the rights of leaseholders, if any, and the leaseholder shall be paid for improvements and the value of the leasehold for agricultural purposes. The sale shall be made in accordance with the provisions of section 72-258.

Sec. 6. Original sections 72-240.26, 72-257, 72-258, and 72-258.02, Reissue Revised Statutes of Nebraska, are repealed.