

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 854

Introduced by Quick, 35.

Read first time January 05, 2018

Committee:

- 1 A BILL FOR AN ACT relating to the Nebraska Municipal Land Bank Act; to
- 2 amend sections 19-5203, 19-5205, and 19-5207, Revised Statutes
- 3 Cumulative Supplement, 2016; to expand the number of municipalities
- 4 that may elect to create a land bank; to redefine a term; to change
- 5 provisions relating to land bank board requirements; to change land
- 6 bank powers; and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 19-5203, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 19-5203 For purposes of the Nebraska Municipal Land Bank Act:

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

5 (2) Land bank means a land bank established in accordance with the
6 act;

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

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

16 Sec. 2. Section 19-5205, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

18 19-5205 (1) If a land bank is created by a single municipality, the
19 board of such land bank shall meet the following requirements:

20 (a) The board shall consist of:

21 (i) Seven voting members appointed by the mayor or chairperson of
22 the village board of trustees of the municipality that created the land
23 bank and confirmed by a two-thirds vote of the governing body of such
24 municipality;

25 (ii) The planning director of the municipality that created the land
26 bank or his or her designee, or in the case of a village, a person
27 designated by the village board of trustees, as a nonvoting, ex officio
28 member;

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

1 (iv) Such other nonvoting members as are appointed by the mayor or
2 chairperson of the village board of trustees of the municipality that
3 created the land bank;

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, the board of such
3 land bank shall meet the following requirements:

4 (a) The board shall consist of:

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

10 (ii) The planning director of each municipality that created the
11 land bank or his or her designee, or in the case of a village, a person
12 designated by the village board of trustees, as nonvoting, ex officio
13 members;

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

17 (iv) Such other nonvoting members as are appointed by the mayors or
18 chairpersons of the village boards of trustees of the municipalities that
19 created the land bank, as mutually agreed to by such mayors or
20 chairpersons;

21 (b) Each voting member of the board shall be a resident of one of
22 the municipalities that created the land bank, with at least one voting
23 member appointed from each such municipality;

24 (c) If the governing body of the largest municipality creating the
25 land bank has any of its members elected by district or ward, then at
26 least one voting member of the board shall be appointed from each such
27 district or ward. Such voting members shall represent, to the greatest
28 extent possible, the racial and ethnic diversity of the largest
29 municipality creating the land bank;

30 (d) The voting members of the board shall have, collectively,
31 verifiable skills, expertise, and knowledge in market-rate and affordable

1 residential, commercial, industrial, and mixed-use real estate
2 development, financing, law, purchasing and sales, asset management,
3 economic and community development, and the acquisition of tax sale
4 certificates;

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

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

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

8 (iii) At least one member with experience in real estate
9 development;

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

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

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

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

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

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

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

26 (6) Board members shall serve without compensation.

27 (7) The board shall meet in regular session according to a schedule
28 adopted by the board and shall also meet in special session as convened
29 by the chairperson or upon written notice signed by a majority of the
30 voting members. The presence of a majority of the voting members of the
31 board shall constitute a quorum.

1 (8) Except as otherwise provided in subsections (9) and (11) of this
2 section and in sections 19-5210 and 19-5214, all actions of the board
3 shall be approved by the affirmative vote of a majority of the voting
4 members present and voting.

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

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

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

13 (c) The incurring of debt;

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

15 (e) Sale, lease, encumbrance, or alienation of real property,
16 improvements, or personal property with a value of more than fifty
17 thousand dollars.

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

21 (11) The board shall adopt policies and procedures to specify the
22 conditions that must be met in order for the land bank to give an
23 automatically accepted bid as authorized in sections 19-5217 and 19-5218.
24 The adoption of such policies and procedures shall require the approval
25 of two-thirds of the voting members of the board. At a minimum, such
26 policies and procedures shall ensure that the automatically accepted bid
27 shall only be given for one of the following reasons:

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

31 (i) The property is not occupied by the owner or any lessee or

1 licensee of the owner;

2 (ii) There are no utilities currently being provided to the
3 property;

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

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

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

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

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

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

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

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

20 (c) Acquisition of the real property by the land bank would serve
21 the best interests of the community as determined by two-thirds of the
22 voting members of the board. In determining whether the acquisition would
23 serve the best interests of the community, the board shall take into
24 consideration the hierarchical ranking of priorities for the use of real
25 property conveyed by a land bank established pursuant to subsection (5)
26 of section 19-5210, if any such hierarchical ranking is established.

27 Sec. 3. Section 19-5207, Revised Statutes Cumulative Supplement,
28 2016, is amended to read:

29 19-5207 (1) A land bank shall have the following powers:

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

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

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

6 (d) To issue negotiable revenue bonds and notes according to the
7 provisions of the Nebraska Municipal Land Bank Act;

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

11 (f) To enter into contracts and other instruments necessary,
12 incidental, or convenient to the performance of its duties and the
13 exercise of its powers, including, but not limited to, agreements under
14 the Interlocal Cooperation Act for the joint administration of multiple
15 land banks or the joint exercise of powers under the Nebraska Municipal
16 Land Bank Act;

17 (g) To enter into contracts and other instruments necessary,
18 incidental, or convenient to the performance of functions by the land
19 bank on behalf of municipalities or agencies or departments of
20 municipalities, or the performance by municipalities or agencies or
21 departments of municipalities of functions on behalf of the land bank;

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

24 (i) To provide foreclosure prevention counseling and re-housing
25 assistance;

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

28 (k) To invest money of the land bank, at the discretion of the
29 board, in instruments, obligations, securities, or property determined
30 proper by the board and name and use depositories for its money;

31 (l) To enter into contracts for the management of, the collection of

1 rent from, or the sale of real property of the land bank;

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

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

7 (o) To fix, charge, and collect rents and leasehold payments for the
8 use of real property of the land bank for a period not to exceed twelve
9 months, except that such twelve-month limitation shall not apply if the
10 real property of the land bank is subject to a lease with a remaining
11 term of more than twelve months at the time such real property is
12 acquired by the land bank;

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

15 (q) To enter into partnerships, joint ventures, and other
16 collaborative relationships with municipalities and other public and
17 private entities for the ownership, management, development, and
18 disposition of real property; and

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

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

24 Sec. 4. Original sections 19-5203, 19-5205, and 19-5207, Revised
25 Statutes Cumulative Supplement, 2016, are repealed.