

NEBRASKA TAX SALE

If the Nebraska property taxes become delinquent, the County Treasurer can sell the property at the tax sale to pay off the overdue amounts. But you'll get the chance to reclaim the property after the sale because, under Nebraska law, the owner can "redeem" the property – even after someone else invests at the tax sale. If the owner doesn't redeem the property, though, the winning investor at the tax sale can eventually get ownership of the property.

HOW TAX SALES WORK IN NEBRASKA

Nebraska tax payers who fail to pay the delinquent taxes can lose their property, or some portion of it, to a tax sale. (Neb. Rev. Stat. § 77-1802, 77-1807). After the sale, the investor gets a "Certificate of Purchase." (Neb. Rev. Stat. § 77-1818).

But the investor doesn't immediately get ownership of the property. That's because Nebraska law institutes a waiting period, called a "redemption" period (3 years). During this time, the owner is legally able to pay off the debt and reclaim the property. The Certificate of Purchase merely acts as evidence of the investor's interest in the property during the redemption period. During the redemption period, the investor can pay the current taxes owed as subsequent taxes. The investor will have to wait until the current year's taxes become delinquent before the investor can pay the subsequent taxes.

NOTICE OF THE TAX SALE

The County Treasurer must publish a list of the properties to be sold in a newspaper once a week for three weeks prior to the date of sale, beginning the first week in February. The list will also be published online (Nebraska Dept of Revenue) (Neb. Rev. Stat § 77-1804). The tax sale will take place the first Monday in March. (Neb. Rev. Stat. § 77-1802).

The treasurer also has to post a copy of the notice in a conspicuous place in his or her office. (Neb. Rev. Stat § 77-1804).

HOW LONG THE OWNER GETS TO REDEEM THE PROPERTY AFTER A NEBRASKA TAX SALE

The investor must wait until three years expires before taking the necessary steps to obtain ownership of the property. This three-year period is called a "redemption period." So, the owner gets at least this long to pay off the tax debt and reclaim the property.

AFTER A TAX SALE IS REDEEMED

The investor will receive notification of the redemption with a copy of the Redemption Certificate. In order for the investor to redeem the certificate, the investor will have to provide the receipts of the paid taxes and the original Tax Sale Certificate. The investor will then

receive a check for the original certificate amount plus interest. The investor does NOT get the \$22 certificate fee returned.

STEPS TO GET TITLE TO THE PROPERTY AFTER A NEBRASKA TAX SALE

After three years expires, the investor has to take specific steps to get title to the property. Please seek legal advise. The investor must either:

- Apply for a tax deed or
- Foreclosure

HOW THE INVESTOR GETS TITLE WITH A TAX DEED. The investor can apply to the County Clerk for a tax deed at any time within nine months after the three-year redemption period expires. The county clerk will then execute and deliver a deed to the investor, which gives the investor ownership of the property. (Neb. Rev. Stat § 77-1837). The property owner can redeem the property up until the date of the tax deed application. (Neb. Rev. Stat. §§ 77-1824, 77-1837).

HOW THE INVESTOR GETS TITLE THROUGH A FORCLOSURE. Instead of applying for a deed from the Clerk, the investor from the tax sale can file a complaint (lawsuit) in court to foreclose the tax lien represented by the certificate of purchase. The court will enter a judgment and hold a sheriff's sale. The investor at the sale then gets title to the property. The foreclosure must be stated within nine months after the three-year period expires. (Neb. Rev. Stat § 77-1902). The owner can redeem the property up until final confirmation of the sale. (Neb. Rev. Stat § 77-1917). The amount the owner will have to pay to reclaim the property depends on when it is redeemed.

IF REDEEMED BEFORE THE INVESTOR APPLIES FOR THE TAX DEED OR STARTS A FORCLOSURE

To redeem the Nebraska property following the tax sale, but before the investor applies for a tax deed or starts a foreclosure, County Treasurer must be paid:

- The invested price stated in the certificate of sale
- Interest from the invested date to the redemption date, and
- All other taxes the investor subsequently paid, plus interest. (Neb. Rev. Stat §§ 77-1824, 77-1917).

IF REDEEMED AFTER THE FORECLOSURE STARTS

To redeem the property after a foreclosure starts, the Clerk of the District Court:

- The amount due on the property
- Interest
- Costs, and

- Attorneys' fees, if requested in the foreclosure complaint. (Neb. Rev. Stat. § 77-1917).

IF REDEEMED AFTER THE FORECLOSURE DECREE BUT BEFORE CONFIRMATION

To redeem the property after the foreclosure decree, but before the court confirms the sale, the Clerk of the District Court must be paid:

- The amount due on the property
- Interest
- Costs
- Any subsequent taxes the investor paid plus interest (if the property was sold at the sheriff's sale to an investor other than the foreclosing party and he or she paid additional taxes). (Neb. Rev. Stat § 77-1917).