

BILL ANALYSIS

C.S.H.B. 2859
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County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Some counties have surplus items that need to be sold, but while waiting a year or more for an auction, the items deteriorate and decrease in value. Usually an auction must be of a certain size in order to justify holding the auction. With the introduction of the Internet auction marketplace, auctioneers can sell one item or thousands of items at a time to a much larger audience of willing buyers. Surplus items can be sold in a shorter time frame, reducing the expense of storage and damage that may occur. By using an online auction site, a county greatly increases its return on surplus and salvage assets without risking further depreciation. Legislation could help counties save money by allowing a county to satisfy the notice requirement by posting property for sale on an online auction site, rather than in a general circulation newspaper.

C.S.H.B. 2859 requires a county that contracts with an auctioneer with an Internet auction site to sell surplus or salvage property to satisfy the posting requirement by posting the property on the site for a specified period of time.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2859 amends the Local Government Code to require a county that contracts with an auctioneer licensed under the Occupations Code who uses an Internet auction site offering online bidding through the Internet to sell surplus or salvage property to satisfy the notice requirement by posting the property on the site for at least 10 days unless the property is sold before the 10th day.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2859 removes a provision in the original requiring the notice that a commissioners court must publish of a sale of surplus or salvage property to be published for at least 10 days but not more than 30 days.