

BILL ANALYSIS

C.S.H.B. 2177
By: Huberty
Ways & Means
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties suggest that, given the amount of auction items processed by certain commissioners courts and general increased usage of and access to the Internet, online auctions would greatly benefit many commissioners courts in Texas. C.S.H.B. 2177 seeks to grant commissioners courts the power to authorize property tax sales of real property to be conducted by means of online auctions.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 2177 amends the Tax Code to authorize the commissioners court of a county by official action to authorize the officer charged with selling real property seized under a tax warrant or ordered sold pursuant to foreclosure of a tax lien to conduct a public auction using online bidding and sale. The bill authorizes the commissioners court to adopt rules governing the online auctions and makes the rules effective on the 90th day after the date the rules are published in the real property records of the county.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2177 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

| INTRODUCED | HOUSE COMMITTEE SUBSTITUTE |
|---|---|
| SECTION 1. Section 34.01, Tax Code, is amended by adding Subsection (a-1) and amending Subsection (r) to read as follows: <u>(a-1) The commissioners court of a county</u> | SECTION 1. Section 34.01, Tax Code, is amended by adding Subsection (a-1) and amending Subsection (r) to read as follows: <u>(a-1) The commissioners court of a county</u> |

with a population of 3.3 million or more by official action may authorize the officer charged with selling property under this section to conduct a public auction using online bidding and sale. The commissioners court may adopt rules governing online auctions authorized under this subsection. Rules adopted by the commissioners court under this subsection take effect on the 90th day after the date the rules are published in the real property records of the county.

(r) Except as provided by Subsection (a-1) and this subsection, a sale of real property under this section must take place at the county courthouse in the county in which the land is located. The commissioners court of the county may designate an area other than an area at the county courthouse where sales under this section will take place that is in a public place within a reasonable proximity of the county courthouse as determined by the commissioners court and in a location as accessible to the public as the courthouse door. The commissioners court shall record that designation in the real property records of the county. A designation by a commissioners court under this section is not a ground for challenging or invalidating any sale. A sale must be held at an area designated under this subsection if the sale is held on or after the 90th day after the date the designation is recorded.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

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SECTION 2. Same as introduced version.