

BILL ANALYSIS

Senate Research Center
81R25003 EAH-D

H.B. 2859
By: Miller, Doug (Wentworth)
Intergovernmental Relations
5/18/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Some counties have surplus items that need to be sold, but usually wait until the auction will be a certain size in order to justify holding the auction. During this time, which can sometimes be longer than one year, the items deteriorate and decrease in value.

The introduction of the Internet auction marketplace enables auctioneers to sell one item or thousands to a much larger audience of buyers in a significantly 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. This 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.

H.B. 2859 relates to notice requirements for a county selling surplus or salvage property.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 263.153, Local Government Code, by adding Subsection (c), to require a county that contracts with an auctioneer licensed under Chapter 1802 (Auctioneers), Occupations Code, who uses an Internet auction site offering online bidding through the Internet to sell surplus or salvage property under this subchapter to satisfy the notice requirement under this section by posting the property on the site for at least 10 days unless the property is sold before the 10th day.

SECTION 2. Effective date: upon passage or September 1, 2009.