

- SUBJECT:** Allowing online notice for a county selling surplus or salvage property
- COMMITTEE:** County Affairs — committee substitute recommended
- VOTE:** 8 ayes — Coleman, Morrison, Berman, Bolton, Castro, Marquez, Sheffield, W. Smith
- 0 nays
- 1 absent — J. Davis
- WITNESSES:** For — (*On original version:*) (*Registered, but did not testify:* Donald Lee, Texas Conference of Urban Counties; John Paul Urban, Harris County) (*On committee substitute:*) Cyd Grimes, Travis County Commissioners Court, Texas Public Purchasing Association; James Oakley (Govdeals.com) (*Registered, but did not testify:* Jim Allison, County Judges & Commissioners Association of Texas; Lesa Crosswhite, County Treasurers Association of Texas; Ed Laney; Dolores Ortega Carter, County Treasurers of Texas; Terry Simpson, San Patricio County; Paul Sugg, Texas Association of Counties)
- Against — (*On original version*) (*Registered, but did not testify:* Ken Whalen, Texas Daily Newspaper Association, Texas Press Association)
- BACKGROUND:** Local Government Code, sec. 263.153 requires the commissioners court of a county to publish notice of a sale of surplus or salvage property in at least one newspaper of general circulation in the county at least 10 days before the date of the sale but not more than 30 days before the sale.
- DIGEST:** CSHB 2859 would allow a county that contracts with a licensed auctioneer who sells surplus or salvage property through an Internet auction site to satisfy the notice requirement for a the sale by posting the property on the website, rather than in a newspaper of general circulation in the county. A county would have to post the property on the website for at least 10 days, unless the property was sold before the 10th day.
- The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

**SUPPORTERS
SAY:**

CSHB 2859 would help counties save money and increase the efficiency of the online auction process by allowing a county to post notice online for surplus and salvage property sold by online auction, rather than in a general circulation newspaper. Online auctions afford counties the flexibility to sell one item or thousands of items to a large audience of buyers before the value of surplus or salvage items substantially depreciates, thereby increasing a county's return on surplus and salvage assets and reducing expenses associated with storage and damage that may occur. However, these savings are partially negated by the requirement that counties pay the advertising costs of publishing notice of online auctions in a local newspaper. This requirement restricts financially a county's ability to offer online auctions, since it forces a county to pay the costs of publishing notice each time it adds new salvage or surplus property to an online auction site.

Concerns that HB 2573 would reduce participation in the auctioneering process and make county auctions less transparent are unfounded. The lack of a newspaper notice does not mean lack of notice. County commissioners courts regularly make public announcements of online auctions and publish the announcements on the county's website. In addition, interested buyers and individuals without Internet access could acquire notice by using an Internet-accessible computer in a public library.

**OPPONENTS
SAY:**

This bill would reduce public participation in county auctions and make the auction process less transparent. Publishing notice of an online auction in a newspaper of general circulation gives the public a convenient means of obtaining information about auctioned property and increases participation in the auction. Requiring notice in this fashion helps the many people who do not have ready access to the Internet stay informed about when auctions will occur and what property will be offered for sale.