

SENATE BILL REPORT

SHB 2592

As of February 26, 2014

Title: An act relating to county electronic public auctions.

Brief Description: Concerning county electronic public auctions.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Stonier, Pike, Wylie, Harris, Fey, Orcutt and Moeller).

Brief History: Passed House: 2/13/14, 97-0.

Committee Activity: Governmental Operations: 2/25/14.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Staff: Sam Thompson (786-7413)

Background: Counties may conduct public auctions to sell property in tax foreclosure proceedings. California law authorizes counties to conduct tax foreclosure auctions over the Internet. Washington law does not explicitly authorize counties to do so.

Summary of Bill: A county may conduct a public auction sale by electronic media via the Internet to sell county property or private property in real or personal property tax foreclosure proceedings. Invitations and bids are submitted through an electronic device, including a computer. The county treasurer may require participants to provide a deposit, accept bids for as long as the treasurer deems necessary, and require electronic funds transfers to pay deposits and a winning bid.

The treasurer must publish and post notice of the sale. A deposit paid by a winning bidder must be applied to the balance due. If a winning bidder does not comply with the terms of the sale, the winning bidder's deposit is forfeited and credited to the county treasurer's operations and maintenance fund. Deposits paid by nonwinning bidders must be refunded within ten business days of the close of the sale.

All property is offered and sold as is. A county treasurer is not liable for conditions of the property, including errors in the assessor's records or failure of an electronic device not owned, operated, or managed by the county that prevents a person from participating in the sale.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: Some counties in Washington, including Pierce County, currently conduct tax foreclosure auctions over the Internet. Pierce County was challenged in superior court for doing so. While the county prevailed, this legislation is necessary to provide counties with clear authority to conduct auctions over the Internet. These auctions can lead to higher bids, resulting in more revenue to pay delinquent taxes.

Persons Testifying: PRO: Mike Lonergan, Pierce County Assessor-Treasurer; Doug Lasher, Clark County Treasurer.