

SENATE BILL REPORT

SB 6146

As Reported by Senate Committee On:
Governmental Operations, February 4, 2014

Title: An act relating to county electronic public auctions.

Brief Description: Concerning county electronic public auctions.

Sponsors: Senators Cleveland and Benton.

Brief History:

Committee Activity: Governmental Operations: 1/27/14, 2/04/14 [DPS].

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

Majority Report: That Substitute Senate Bill No. 6146 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Benton, Vice Chair; Hasegawa, Ranking Member; Conway, Dandel and McCoy.

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 (Recommended Substitute): A county may conduct a public auction sale by electronic media (electronic auction) 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

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or failure of an electronic device not owned, operated, or managed by the county that prevents a person from participating in the sale.

EFFECT OF CHANGES MADE BY GOVERNMENTAL OPERATIONS COMMITTEE (Recommended Substitute): Authorizes counties to conduct personal property tax foreclosure (distrain) sales over the Internet, in addition to real property tax foreclosure sales, and authorizes counties to conduct sales of county property over the Internet. Notice requirements and definitions are clarified.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: This bill clarifies old statutes to grant counties clear authority to conduct auctions over the Internet. Some Washington counties are currently conducting auctions over the Internet.

Persons Testifying: PRO: Doug Lasher, Clark County Treasurer.