# RealAuction.com Online Auction Software Solutions



# **Online Auctions**

<u>Authority</u> – Texas Property Tax Code Sec. 34.01 (a-1) allows for Commissioners Court to authorize online sales and requires them to adopt rules governing those sales. HB 1652 was passed this session extending online sales to resales by amending section 34.05 (d) of the Code.

<u>Partner</u> – Linebarger has partnered with Realauction to provide the online support. A Florida company, they represent hundreds of taxing entities around the country providing online auction services. El Paso County will have no direct contractual relationship with Realauction.



# Online Auctions — continued

#### **General Matters**

- Setting up to hold online auctions is a process that will take 6-12 months.
- Realauction's fee (generally \$300 per tract) is paid by the tax sale purchaser.
- Realauction's staff work closely with El Paso County staff to implement the program.
  - Generally there are two phases:

    Pre-Implementation and Implementation.



### **Online Sales**

- Expands potential audience bringing more bidders to the table.
- Efficiency of effort and time by eliminating the need for actual physical auctions.
- Convenience by allowing access 24/7 from any device with internet access and provides multiple research tools at the bidders fingertips.
- Utilizes modern technologies to their fullest.
- Eliminates potential for collusion between bidders at a live auction.



# Resolution and Rules

The Pre-Implementation phase includes the need to have a Resolution and set of Rules adopted by El Paso County Commissioners Court.

- §34.01 (a) requires the Commissioners to authorize the online process (Resolution) and to create rules governing the process.



- Once adopted, the statute requires that the rules are recorded "in the real property records of El Paso County."
  - It isn't enough that they may be recorded in the minutes of the Commissioners Court.
  - The rules do not take effect until they have been recorded 'in the real property records' for 90 days.



# **Implementation**

The resolution and rules have been adopted and recorded . . . What next?



# **Contact Realauction!**

- Once Realauction gets the green light they will begin the process of developing the website unique to El Paso County.



# PR Component

- Once you have set the online conversion in motion, Linebarger will prepare to advertise the change.
- Linebarger will prepare a handout that we can disperse and post at appropriate places.
- Linebarger will develop a press release that can be circulate to local media.
- Linebarger will be prepared to speak at various functions to promote the conversion (Chamber of Commerce; Commissioners Court, Council Meetings, etc.)





#### **RealAuction Online Sheriff's Sale Training**

Orange County Sheriff Keith Merritt and Orange County Tax Assessor-Collector Karen Fisher, are proud to offer RealTaxDeed, a web-based service that moves the sale of the Orange County tax deed property online.

This service is located at https://orange.texas.sheriffsaleauctions.com
The first auction will be held on June 4, 2019.

Please check the website for property listings.

#### **Bidder Training**

Tuesday, May 7, 2019 9:00 a.m. - 11:00 a.m.

Orange Convention and Expo Center 11475 FM 1442, Orange, Jexas 77630

Training event attendance is by registration only.

#### Register for these training events

by calling (877) 361-7325 or by contacting customerservice@realauction.com.

Each class, taught by the RealAuction.com team, introduces the concept of online tax deed sales, and reviews the use of the software.



Partners With







#### **RealAuction Online Sheriff's Sale Training**

Victoria County Sheriff T. Michael O'Connor and Victoria County Tax Assessor-Collector Rena Scherer, are proud to offer RealTaxDeed, a web-based service that moves the sale of the Victoria County tax deed property online.

This service is located at https://victoria.texas.sheriffsaleauctions.com
The first auction will be held on February 4, 2019.

Please check the website for property listings.

#### **Bidder Training**

Wednesday, January 16, 2019 10:00 a.m. and 2:00 p.m.

#### Victoria County Courthouse Annex Building

Victoria Emergency Management (VEM) Classroom 215 N. Bridge St., Basement Level Victoria, TX 77901

Training event attendance is by registration only.

#### Register for these training events

by calling (877) 361-7325 or by contacting customerservice@realauction.com.

Each class, taught by the RealAuction.com team, introduces the concept of online tax deed sales, and reviews the use of the software.



Partners With



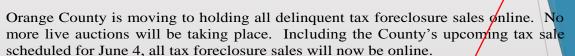


#### PRESS RELEASE

**TO: Orange County Press** 

From: Linebarger Goggan Blair & Sampson Law Firm

Re: Delinquent tax foreclosure sales



we are very excited to offer potential bidders this convenient and efficient new method of bidding on property at our tax sales" explained Karen Fisher, Orange County Tax Assessor Collector. According to Ms. Fisher bidders can go online, register and bid on these properties from their home computer, laptop or any hand held device that can access the internet. "The great thing is, people can access this information 24 hours a day at their leisure and the site has numerous research tools to help bidders investigate the property they are interested in." Additionally, Ms. Fisher says that moving to the online format will save time, money and allow more people to get involved in the process. The service is being provided at no charge to Orange County by the Linebarger Law Firm who provide delinquent tax collection services to the County. The online auction site can be accessed at: https://orange.texas.sheriffsaleauctions.com

The actual online tax sale auction will still take place on the first Tuesday of the month however listings for the upcoming June 4 sale are already on the website and available for viewing and research. Ms. Fisher encourages interested individuals to check out the website and see what properties are available. "Interested bidders can currently go on the site, see what is available, do their research and even put a 'proxy' bid on the property right now. It really is a great tool and we are excited about bringing this innovative opportunity to Orange County."

If bidders have questions regarding the use of the online auction site they should direct those to: <a href="mailto:customerservice@realauction.com">customerservice@realauction.com</a> or to speak with a customer service assistant call (877) 361-7325. As always, payment of local property taxes can be made to the Orange County Tax Office in Orange at 123 S. 6th Street or in Vidor at 155 Wilson, online at <a href="http://www.co.orange.tx.us">http://www.co.orange.tx.us</a> or by mail at P.O. Box 1568, Orange 77631-1568.

Use Realauction contact info.

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involvemen









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Walton County

Foreclosures & Tax Deed Sales http://walton.realforeclose.com

OHIO

Select any entry to go to the

Franklin County

Foreclosure Sales
http://franklin.sheriffsaleauction.ohio.gov

**TEXAS** 

Select any entry to go to the

Orange County

Foreclosure Sales http://orange.texas.sheriffsaleauctions.com **Victoria County** 

Foreclosure Sales http://victoria.texas.sheriffsaleauctions.com



#### The Orange Site:

https://orange.texas.sheriffsaleauctions.com/

#### The Victoria Site:

https://victoria.texas.sheriffsaleauctions.com/

#### The Cameron Site:

https://cameron.texas.sheriffsaleauctions.com/

#### The Nueces Site:

https://nueces.texas.sheriffsaleauctions.com/

#### **Counties Coming Soon (In Implementation):**

- Galveston County
- San Patricio County
- Atascosa County



# **Payment Methods**



This will be one of the most important processes we put in place during implementation. Bidders will need to tender a payment **before** the sale (deposit) as well as post-sale if they are the high bidder.

- Realauction does not hold or act as a pass through for any of the funds. They provide information as to how to make payments only.
- All tax sale monies will need to be transmitted into a County account.
- Creating a new, specific account that is limited to online tax sales may be necessary. It provides for security and ease of accountability.



# The Three Methods of Payment

- There are 3 options when it comes to types of payments in the online auction format: ACH; Wire Transfer and In Person/Counter.
- You may choose to utilize any combination of these three either before or after the sale.
- The Realauction client website will provide details on the specific payment options you elect to put in place.
- It is vital that the person/office receiving the payments communicate in a timely manner with the person/office monitoring and updating bidder accounts.



- **ACH** electronic payments that are created when the bidder gives authorization to debit directly from their checking or saving account.
- Requires the use of an ACH processing vendor. If the client has one they may use it. Realauction also has a vendor they use and our client can apply with that vendor to provide ACH services. Any ACH fees the vendor may assess will be paid by Realauction.
- ACH transmitted funds take 4-5 days to settle. This will impact your ability to timely credit accounts pre-sale and receive funds post sale.



#### Select a deposit method.

#### **ACH**

#### Deposit by ACH

The Automated Clearing House (ACH) network is a payment system that allows consumers to make payments without the use of paper checks.

Funds must be drawn from a US financial institution. Please verify with your financial institution that ACH debits are permitted for your account.

PLEASE NOTE: Deposits made via ACH will be applied to your "Funds Available" balance in four (4) business days.

Next



#### Maximum deposit \$500,000.00 per transaction.

ACH Infor	mation			
Deposit Amount				
Name as Shown on Check				
ABA Routing Number				
Re-enter ABA Number				
Account Number				
Re-enter Account Number				
Account Type	<ul><li>Checking</li></ul>	○ Savings		
Account Use	$\bigcirc  Business$	OPersonal	l	
				1001
		Mau	22, 2019	19-2/1250
PAYTO THE ORDER OF Victoria C	DOLLARS			
FOR Real4Close	!3456789°	_	UPaste	5510113
				Next



<u>Wire Transfer</u> - a method of electronic funds transfer from one person or entity to another.

- Allows bidders to wire transfer funds directly from their bank to El Paso County's designated account.
- Realauction client website provides the wire transfer details to the bidder who presents that info to their bank and initiates the transfer.
- Bidder is liable for any wire transfer fees charged by their bank.
- Wire transfer funds generally take 24 hours to settle.



#### Select a deposit method.

#### **Counter Deposit**

#### Wire Transfer

#### Pay by Wire

Wire Transfers are the fastest means of transferring money from one account to another. Please consult with your bank for any applicable fees for initiating a transfer. All funds must be drawn from a US Financial Institution. No foreign currency will be accepted.

Upon selection of this payment method the wiring instructions for the Orange County Tax Office account will be displayed. Print this page and take it to your bank to initiate the transaction.

#### Wire Payment Deadlines:

All funds must be received within 24 hours from the sale.

Note: Enough time should be allowed for final payments to be received and processed by the posted deadlines. Please keep a copy of your receipt.

Next



"Confirm Wire Transfer" to continue.

Amount To Transfer (US Dollars Only\*): \$1,000.00

Reference Line (bidder number): 5105

Confirm Wire Transfer

Cancel



#### In Person / Counter

- Allows for individuals to personally deliver funds to the designated office (District Clerk).
- Requires the designation of specific places of delivery, specific type of funds accepted and bidder must present specific information.
- Bidder must have already registered on the Realauction website so that they have a bidder number.
- When delivering funds in person, the bidder **must have their bidder number** so that their payment can be properly credited to their bid account.



#### Select a deposit method.

#### **Counter Deposit**

Wire Transfer

#### **Counter Deposit**

Acceptable forms of counter deposits are cashier's check and money order.

Upon selection of this deposit method, the physical address of the Orange County Tax Office will be printed on the payment.

You will need to deliver your funds along with the payment transmittal to Orange County Tax Office.

#### Pre sale Deposits

All deposits are due by 4:45 PM CT, day before auction. Balances will be updated same day.

Note: If making a final payment on a winning bid, please go to "Make Payment".

Next



int, and submit the completed form along with your deposit.

Payments

Make checks payable to: Orange County Tax Office

Address: 123 S. 6th Street, City, Orange, TX 77603

Amount (US Dollars Only\*): \$\_\_\_\_\_

Reference Line (Bidder Number): 5105

Deposits must be delivered to the Orange County 's office 4:45 PM The day before the sale.



<sup>\*</sup> The Orange County only accepts the U.S. dollar as a valid form of currency.

Once you have your payment processes in place and the text of your web site in final form you can move to the training phase.

- Live training sessions can be scheduled to help train County Admins as well as bidders. Realauction also offers free ongoing webinars for those purposes as well.



#### **Pre-Sale docs**

- Linebarger preparation of pre-sale documents remains much the same as it is currently.
- Additional verbiage about the online forum for inclusion in the notice of sale will be inserted.
- The notice of sale must still be published as Linebarger currently publish it and will be automatically transmitted Realauction.
- Minimum bid will include the online fee (generally \$300 per tract).



#### Holding the Sale

- Bidders are permitted to make "proxy" bids prior to the auction. The bidder enters a maximum amount they wish to bid on a tract and the computer automatically bids on their behalf until they are either the high bidder or they reach their max; or,
- Bidder can manually bid at the time of the auction.
- Once the auction ends Realauction sends winning bidders an email and calls them to let them know they have won and that they need to pay their balance.
- Bidders can only bid if they have a deposit on file.



# One of the Post-Sale reports that are available

#### **Auction Results Report**



	Sale Date 🔷	Case ID	Parcel	Bidder	Winning Bid	Deposit	Auction Balance			
2	05/08/2019	A067216T	000194-00050	Struck Off	\$0.00	\$0.00	\$0.00			
2	05/08/2019	A067216T	000194-00050	Struck Off	\$0.00	\$0.00	\$0.00			
1	05/07/2019	A061433-T	013845-00078	Struck Off	\$0.00	\$0.00	\$0.00			
1	05/03/2019	A067255-T	000205-00010	<u>5011</u>	\$800.00	\$40.00	\$760.00			
2	05/03/2019	A067216T	000194-00050	<u>5011</u>	<u>\$700.00</u>	\$35.00	\$665.00			
2	05/03/2019	A065123-T	000027-02230	<u>5011</u>	\$600.00	\$30.00	\$570.00			
2	05/03/2019	A061433-T	013845-00078	<u>5011</u>	\$600.00	\$30.00	\$570.00			
2	05/02/2019	A067255-T	000205-00010	Struck Off	\$0.00	\$0.00	\$0.00			



#### **Post-Sale docs**

- Once the sale concludes and all of the sale proceeds have been deposited into El Paso County's account Linebarger will follow the same wrap up procedures as we do now.
- Sale proceeds will be dispersed as normal. Linebarger will send dispersement sheet post sale.



# **FAQs**



- 1. What role does the Sheriff play and will Sheriff's fees/commissions still apply? The Sheriff does and still play essentially the same role they currently play except there is no public auction. They still have to execute the Notice and Deed. Sheriff's fees/commissions still apply.
- 2. Who will place the sale advertisement and where will it be placed? While the verbiage of the Notice will change slightly, Linebarger will still follow normal procedures when posting the Notice of Sale for publication.



# FAQ - Cont.

3. What will the bidder fees be and who will hold and collect those? Bidders, by registering, agree to pay the standard \$300 bidder fee. It is added during the opening bid calculations and collected as part of the post sale payment. Realauction sends an invoice post sale to the designated office responsible for insuring payment. The fee is collected only on those properties that are actually sold but it remains attached to those that don't sell.

