

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6528
BILL NUMBER: SB 234

NOTE PREPARED: Feb 20, 2014
BILL AMENDED: Jan 30, 2014

SUBJECT: Auctioneer Licensing.

FIRST AUTHOR: Sen. Kruse
FIRST SPONSOR: Rep. Wolkins

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: GENERAL
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: (Amended) *Auction Houses & Temporary Permits*- The bill repeals the auction house license provisions. The bill provides that a person holding an unexpired auction house license may apply to convert that license to an auction company license. The bill repeals the temporary auctioneer's permit provisions.

Auctioneer Recovery Fund- The bill provides that the Auctioneer Commission (AC) may use interest earned from the funds in the Auctioneer Recovery Fund (ARF) for expenses related to the continuing education program and other expenses incurred by the AC.

Education Compliance Officer- The bill allows the Professional Licensing Agency (PLA) to hire an education officer to oversee and perform the educational duties required under the auctioneer licensing laws.

Changes & Corrections- The bill makes conforming changes. The bill makes a technical correction.

Effective Date: Upon passage; July 1, 2014.

Summary of NET State Impact: This bill is estimated to require expenditures of approximately \$50,900 in FY 2015 and \$50,800 in FY 2016. Revenue from auctioneer licenses would likely be minimally impacted.

Explanation of State Expenditures: *Auction Houses & Temporary Permits*- The Professional Licensing Agency (PLA) would need to alter their website to remove the application forms (SF 18476 and 54944) and

instructions on application for auction houses and temporary permits. It is likely these changes would be able to be accomplished within the existing resources of the PLA.

The bill would require the AC to adopt emergency rules before July 1, 2014, in order to prescribe a form to convert an auction house license to an auction company license. Currently, SF 54894 serves as the application form for an auction company license. Depending on the amount of business to come before the AC, the AC would likely be able to make any needed changes or prescribe a new form during the scheduled meetings of April 15, 2014, and/or June 17, 2014.

Auctioneer Recovery Fund- The impact of this provision on expenditures made from the ARF interest holdings would depend on future action taken by the AC. During FY 2013, the ARF earned interest income totaling \$1,456.

(Revised) *Education Officer-* The PLA employs compliance officers on staff to serve the Nursing Board. The average annual salary of these compliance officers is \$30,000. A similarly paid compliance officer for auctioneer licensing would require total expenditures (including fringe benefits and indirect costs) of \$50,900 in FY 2015 and \$50,800 in FY 2016. The additional funds and resources for a new compliance officer position may be able to be supplied via existing staff and resources currently being used in another program or with new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this provision will depend on legislative and administrative actions.

Additional Information- The following table provides information regarding auctioneer licensing as of 6/30/2013.

Table. Information on Auctioneer Licensing	
License (length of validity)	Four years
Temporary Permit (length of validity)	Not to exceed one year
Active Auction House Licenses	262
Active Auction Company Licenses	252
Temporary Permits	0
License Permit Fees	Houses/Companies: \$70, Temporary Permit: \$25
Total Auctioneer License Revenue in FY 2013	\$36,907
Total Auctioneer License Revenue in FY 2012 (First year of new cycle)	\$251,160
Auctioneer's Recovery Fund Total Assets (close of FY 2013)	\$366,279

Explanation of State Revenues: *Auction Houses & Temporary Permits-* Given that the fee for either an auction house or company is the same and that most license holders of auction houses would likely renew as auction companies in future years, auctioneer licensing revenues should not decline significantly.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Professional Licensing Agency; Auctioneer Commission.

Local Agencies Affected:

Information Sources: Professional Licensing Agency active license counts 6/30/2013, Auditor's database: Auctioneer's Recovery Fund trial balance 6/30/2013, *Indiana Handbook of Taxes, Revenues, and Appropriations FY 2013 Edition*.

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