

REPEAL REGISTRATION OF AUCTIONEERS

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Senate Bills 476 & 477

Sponsor: Sen. Dave Hildenbrand

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Complete to 5-13-14

A SUMMARY OF SENATE BILLS 476 & 477 AS PASSED BY THE SENATE 10-17-13

Senate Bill 476 and Senate Bill 477 would repeal registration requirements for auctioneers and eliminate associated fees.

The House has previously passed two similar bills, House Bill 4681, which would repeal Article 29, like SB 476) and 4682 (which repeals associated fees, like SB 477). The House also has passed two related bills, House Bill 4683, which amends the Liquor Control Code to eliminate a provision exempting wine auction licensees from compliance with Article 29; and House Bill 4684, which would remove references to registered auctioneers in Part 821 (Snowmobiles) of the Natural Resources and Environmental Protection Act.

Senate Bill 476 would repeal Article 29 of the Occupational Code (MCL 339.2919), which established the Board of Auctioneers and requires individuals to register with the Department of Licensing and Regulatory Affairs before using the title "registered auctioneer." It also makes removes a related reference to auctioneers from the code.

Senate Bill 477 would repeal Section 28 of the State License Fee Act (MCL 338.2228), which sets the processing, examination, and annual registration fees for individuals registered or seeking registration as an auctioneer under Article 29 of the Occupational Code.

For a summary of the four House bills, see the House Fiscal Agency summary dated 5-29-13 at:

<http://www.legislature.mi.gov/documents/2013-2014/billanalysis/House/pdf/2013-HLA-4681-D2137004.pdf>

FISCAL IMPACT:

SBs 476 and 477 would have a nominal positive fiscal impact on the Corporations, Securities, and Commercial Licensing Bureau (CSCLB) within the Department of Licensing and Regulatory Affairs (LARA) to the extent that fee revenue generated by registered auctioneers are insufficient to cover direct expenditures for the auctioneer registration program.

As of FY 2013, there were fifty-five (55) individuals and firms registered by the CSCLB as auctioneers. Statutory fees collected from registered auctioneers generated a total of \$11,490 in revenue (fees include \$50 for application and examination and \$400 for registration) over the most recent biennial renewal cycle. Over the most recent renewal cycle, the CSCLB spent \$18,461 in *total* expenditures to administer the registration program pursuant to 2007 PA 77.

Auctioneer Registration							
Fiscal Year	Revenue	Expenditures				TOTAL	Net Rev-TotExp
		Licensing	Enforcement	Adjudication	Info Tech		
2012	\$7,440	\$1,097	\$2,639	\$8,738	\$296	\$12,770	(\$5,330)
2013	\$4,050	\$1,095	\$4,305	\$0	\$291	\$5,691	(\$1,641)
Total	\$11,490	\$2,192	\$6,944	\$8,738	\$587	\$18,461	(\$6,971)
Average	\$5,745	\$1,096	\$3,472	\$4,369	\$294	\$9,231	(\$3,486)
Avg per Lic	\$104	\$20	\$63	\$79	\$5	\$168	(\$63)

As evidence by the table above, total expenditures exceed the fee revenue collected from registered auctioneers (by \$6,971 over the most recent renewal cycle). By eliminating the auctioneer registration program, SBs 476 and 477 would be expected to eliminate future expenditures for the program, engendering an annual savings equivalent to the difference between expenditures and fee revenue. However, some portion of the information technology costs are relatively fixed and, if the auctioneer registration requirements of 2007 PA 77 are eliminated by SBs 476 and 477, would likely be reallocated amongst other occupational regulatory programs under the CSCLB.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.