



HOUSE BILL No. 4067

January 11, 1995, Introduced by Reps. Jamian, Bullard, Crissman, Bush, Horton and Dalman and referred to the Committee on Commerce.

A bill to amend sections 2, 3, 4, 5, and 6 of Act No. 224 of the Public Acts of 1955, entitled

"An act to regulate sales at public auction; to provide for the issuing of licenses; and to prescribe penalties for violations of the provisions of this act,"

being sections 446.52, 446.53, 446.54, 446.55, and 446.56 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 2, 3, 4, 5, and 6 of Act No. 224 of the
2 Public Acts of 1955, being sections 446.52, 446.53, 446.54,
3 446.55, and 446.56 of the Michigan Compiled Laws, are amended to
4 read as follows:

5 Sec. 2. ~~Any~~ A person, firm, or corporation desiring
6 ~~such~~ A license UNDER THIS ACT shall, at least 10 days prior to
7 ~~such~~ THE proposed auction sale, file AN APPLICATION with the
8 CITY, VILLAGE, OR township clerk of the CITY, VILLAGE, OR

1 township ~~wherein it is~~ WHERE THE proposed ~~to hold such~~
2 auction sale IS TO BE HELD. ~~, an application in writing duly~~
3 ~~verified by the person, firm or corporation proposing to sell,~~
4 ~~dispose of or offer for sale any new merchandise at public auc-~~
5 ~~tion, which~~ THE application shall ~~state the following facts-~~
6 INCLUDE THE FOLLOWING INFORMATION:

7 (A) ~~(1)~~ The name, residence, and ~~postoffice~~ address of
8 the person, firm, or corporation making the application. ~~, and~~
9 ~~if~~ IF THE APPLICANT IS a firm or corporation, the name and
10 address of the members of the firm or officers of the
11 corporation. ~~, as the case may be,~~

12 (B) ~~(2)~~ The name ~~, residence~~ and ~~postoffice~~ address of
13 the auctioneer who will conduct ~~such~~ THE auction sale. ~~,~~

14 (C) ~~(3)~~ A detailed inventory and description of all ~~such~~
15 new merchandise to be offered for sale at ~~such~~ THE auction and
16 a valuation ~~thereof,~~ OF THE MERCHANDISE.

17 (D) ~~(4)~~ A statement ~~as to~~ whether ~~or not the~~ A sale at
18 THE public auction ~~shall be~~ IS with or without reservation.

19 Sec. 3. (1) At the time of filing ~~said~~ THE application,
20 ~~and as a part thereof,~~ the applicant shall ~~file and~~ deposit
21 with the CITY, VILLAGE, OR township clerk a bond ~~, with sureties~~
22 ~~to be approved by the township board,~~ in the ~~penal~~ sum of 2
23 times the value of the merchandise proposed to be offered for
24 sale at ~~such~~ THE auction as shown by the inventory filed, run-
25 ning to the state of Michigan and for the use and benefit of any
26 purchaser of any merchandise at ~~such~~ THE auction who might have
27 a cause for action of any nature arising from or out of ~~such~~

1 THE auction sale against the auctioneer or applicant. ~~the~~ THE
2 bond ~~to be further conditioned on~~ SHALL ALSO COVER the payment
3 by the applicant of all taxes ~~that may be payable by, or due~~
4 ~~from, the applicant to the state of Michigan, or any department~~
5 ~~or subdivision thereof, the payment of any~~ AND fines that may be
6 assessed ~~by any court~~ against the applicant or auctioneer for
7 violation of ~~the provisions of~~ this act. ~~and the satisfac-~~
8 ~~tion of all causes of action commenced within 1 year from date of~~
9 ~~such auction sale and arising therefrom: Provided, however, That~~
10 ~~the~~ THE aggregate liability of the surety for all ~~said~~ taxes,
11 fines, and causes of action shall in no event exceed the sum of
12 ~~such~~ THE bond.

13 (2) In ~~such~~ THE bond the applicant and the surety shall
14 appoint the CITY, VILLAGE, OR township clerk of the CITY, VIL-
15 LAGE, OR township in which ~~such~~ THE bond is filed ~~AS~~ the
16 agent of the applicant and the surety for the service of
17 process. In the event of ~~such~~ service, the agent on whom
18 ~~such~~ service is made shall, within 5 days after the service,
19 mail by ordinary mail a true copy of the process served upon him
20 OR HER to each party for whom he OR SHE is served, addressed to
21 the last known address of ~~such~~ THE party. Failure to ~~so~~ mail
22 ~~said~~ THE copy OF SERVICE shall not ~~however,~~ affect the
23 court's jurisdiction.

24 (3) ~~Such~~ THE bond shall contain the consent of the appli-
25 cant and surety that the circuit court of the county ~~or the jus-~~
26 ~~tice court of the township wherein~~ IN WHICH the application and
27 bond is filed shall have jurisdiction of all actions ~~within the~~

1 ~~jurisdiction of the respective courts~~ against the applicant or
2 surety, or both, arising out of ~~said~~ THE sale.

3 (4) The state of Michigan, ~~or any~~ A subdivision thereof,
4 or ~~any~~ A person having a cause of action against the applicant
5 arising out of the sale of ~~such~~ new merchandise ~~,~~ may join
6 the applicant and the surety on ~~such~~ THE bond in the same
7 action. ~~,~~ ~~or may in such action sue either such applicant or the~~
8 ~~surety alone.~~

9 Sec. 4. At the time of filing ~~said~~ THE application and
10 bond, the applicant shall pay to the CITY, VILLAGE, OR township
11 clerk a license fee in the sum of ~~-\$25.00-~~ \$100.00 for each day
12 it is supposed to hold ~~such~~ THE auction sale as shown by the
13 application for ~~such~~ THE license.

14 Sec. 5. Upon the filing of ~~such~~ THE application and
15 after the applicant has fully complied with ~~all the provisions~~
16 ~~of~~ this act, ~~the township board, by~~ the CITY, VILLAGE, OR
17 township clerk ~~,~~ shall issue to the applicant a license autho-
18 rizing the holding of ~~such~~ THE auction sale as proposed in
19 ~~said~~ THE application. ~~Such~~ THE license ~~shall~~ IS not ~~be~~
20 transferable ~~,~~ and shall be valid only in the CITY, VILLAGE, OR
21 township where issued. ~~,~~ ~~and shall not be valid in any village~~
22 ~~which has enacted an ordinance providing for the licensing of~~
23 ~~sales by auction.~~

24 Sec. 6. Within 10 days after the last day of ~~said~~ THE
25 auction, the applicant shall file in duplicate with the CITY,
26 VILLAGE, OR township ~~board~~ CLERK a listing of all merchandise
27 sold at ~~such~~ THE auction and the prices received, ~~therefor,~~

1 together with a detailed inventory of all merchandise unsold at
2 the close of ~~such~~ THE auction sale. The CITY, VILLAGE, OR
3 township clerk shall ~~7 immediately after receiving such listing~~
4 ~~of sales,~~ forward a copy ~~thereof~~ OF THE LISTS to the depart-
5 ment of ~~revenue~~ TREASURY.