



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 603 (as reported without amendment)
Senate Bill 604 (Substitute S-1 as reported)
Sponsor: Senator Ron Jelinek
Committee: Economic Development, Small Business and Regulatory Reform

CONTENT

Senate Bill 603 would add Article 28 to the Occupational Code to do the following:

- Establish registration requirements for auctioneers and related responsibilities of the Department of Labor and Economic Growth (DLEG).
- Create a Board of Auctioneers and require the Board and DLEG to develop an examination for registration applicants.
- Require written contracts between registered auctioneers and their clients.
- Require a registered auctioneer to deposit all funds related to the conduct of an auction in a custodial account separate from the registrant's own funds.
- Specify that registrants who committed certain acts would be subject to penalties and sanctions under the Code.
- Require registered auctioneers to maintain written records of auction sales and on employees for at least three years.

Senate Bill 604 (S-1) would amend the State License Fee Act to establish a \$50 application fee, a \$50 examination fee, and a \$200 annual registration fee for auctioneers.

The two bills are tie-barred together.

MCL 339.303a et al. (S.B. 603)
Proposed MCL 338.2228 (S.B. 604)

Legislative Analyst: J.P. Finet

FISCAL IMPACT

These bills would require the Department of Labor and Economic Growth to set up a registration program for auctioneers and auction companies, including administering examinations and enforcement for noncompliance. The bills would create a new Board of Auctioneers and set registration standards for the profession. Senate Bill 604 (S-1) also would create a fee structure to offset the costs to the Department for performing these new responsibilities. According to the Department, the cost of regulating the estimated 800 applicants/registrants in the first year would be approximately \$169,000, and the revenue that would be generated for the same number under the proposed fee schedule is approximately \$205,000 for that year.

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