Sixty-eighth Legislative Assembly of North Dakota

## **HOUSE BILL NO. 1191**

Introduced by

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Representatives Louser, Kasper, Motschenbacher, Ostlie, D. Ruby Senators Larsen, Paulson, Vedaa

1	A BILL for an Act to create and enact a new chapter to title 43 of the North Dakota Century
2	Code, relating to regulation of auctioneers and clerks; to amend and reenact subsection 2 of
3	section 12-60-24 and sections 49-07-01.1, 51-05.1-01, 51-05.1-01.2, 51-05.1-04.1, and
4	51-05.1-05 of the North Dakota Century Code, relating to criminal history record checks of
5	licenses, the registration of auctioneers, and cross-references; to repeal chapter
6	<del>51-05.1</del> sections 51-05.1-01.1, 51-05.1-02, 51-05.1-02.1, and 51-05.1-03 of the North Dakota
7	Century Code, relating to auctioneers' and clerks' licenses; to provide a penalty; to provide an
8	appropriation; and to provide for applicationand to provide an effective date.

## 9 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

- SECTION 1. AMENDMENT. Subsection 2 of section 12-60-24 of the North Dakota Century
  Code is amended and reenacted as follows:
  - 2. The bureau of criminal investigation shall provide to each agency, official, or entity listed in this subsection who has requested a statewide and nationwide criminal history record check, the response of the federal bureau of investigation and any statewide criminal history record information that may lawfully be made available under this chapter:
    - a. The governing body of a city or a county, by ordinance or resolution, for a final applicant for a specified occupation with the city or county.
    - b. The agriculture commissioner for each applicant for a license to grow or process hemp under section 4.1-18.1-02.
    - c. The education standards and practices board for initial, re-entry, and reciprocal teacher licenses under sections 15.1-13-14 and 15.1-13-20 and school guidance and counseling services under section 15.1-13-23.

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- 1 The North Dakota board of medicine for licenses or disciplinary investigations 2 under section 43-17-07.1, except that criminal history record checks need not be 3 made unless required by the board. 4 The private investigative and security board for licenses or registrations under e. 5 section 43-30-06. 6 The department of health and human services for foster care licenses, approvals, 7 and identified relatives under chapter 50-11, appointments of legal guardians 8 under chapter 50-11.3, and petitions for adoptions under chapter 50-12, except 9 that the criminal history record investigation must be conducted in accordance 10 with those chapters. A criminal history record investigation completed under 11 chapter 50-11, 50-11.3, or 50-12 may be used to satisfy the requirements of a 12 criminal history record investigation under either of the other two chapters. 13 The department of health and human services for criminal history record checks g. 14 authorized under section 50-06-01.9. 15 h. The chief information officer of the information technology department for certain 16 individuals under section 54-59-20. 17 A public peace officer training school that has been approved by the peace officer 18 standards and training board for enrollees in the school. The school may only 19 disclose the criminal history record information as authorized by law. The school 20 shall pay the costs for securing the fingerprints, any criminal history record 21 information made available under this chapter, and for the nationwide criminal 22 history record check. This subdivision does not apply to the highway patrol law 23 enforcement training center and enrollees who have a limited license under 24 section 12-63-09. 25 The North Dakota public employees retirement board for individuals first j. 26 employed by the public employees retirement board after July 31, 2005, who
  - k. The executive director of the retirement and investment office for individuals first employed by the retirement and investment office after July 31, 2005, who have

have unescorted physical access to the office or any security-sensitive area of

the office as designated by the executive director.

1 unescorted physical access to the office or any security-sensitive area of the 2 office as designated by the executive director. 3 Ι. The Bank of North Dakota for a final applicant for a specified occupation with the 4 Bank as designated by the president. 5 Job service North Dakota for all employees, final applicants for employment with m. 6 job service, and contractors with access to federal tax information. 7 The department of health and human services for a final applicant for a job n. 8 opening or a current employee with the department as designated by the state 9 health officer; an individual being investigated by the department; or, when 10 requested by the department, an applicant for registration as a designated 11 caregiver or a compassion center agent under chapter 19-24.1. 12 The state board of nursing for applicants, licensees, registrants, or disciplinary Ο. 13 investigations under chapter 43-12.1, except that criminal history record checks 14 need not be made unless required by the board. 15 The state board of pharmacy for applicants or disciplinary investigations under p. 16 chapter 43-15 and registrations, or revocation or suspension of registrations, 17 under chapter 19-03.1, except that criminal history record checks need not be 18 made unless required by the board. 19 The state real estate commission for applicants, licensees, or investigations q. 20 under chapter 43-23, except that criminal history record checks need not be 21 made unless required by the commission. 22 The North Dakota board of social work examiners for applicants for initial 23 licensure or licensees under chapter 43-41, except that criminal history record 24 checks for licensees need not be made unless required by the board. 25 All agencies, departments, bureaus, boards, commissions, or institutions of the 26 state, including the North Dakota university system, for all employees or final 27 applicants for employment as a security guard or to otherwise provide security. 28 The office of management and budget for each individual who has access to t. 29 personal information as designated by the director. 30 The department of corrections and rehabilitation for all agents and employees u. 31 and a final applicant for employment designated by the director and for each

1 agent, employee, or a final applicant for employment of a privately operated 2 entity providing contract correctional services for the department who exercises 3 direct authority over juveniles, inmates, probationers, or parolees. 4 A city, county, or combination of cities or counties that operates a correctional V. 5 facility subject to chapter 12-44.1, for each agent and employee and a final 6 applicant for employment of the correctional facility who has direct contact with or 7 exercises direct authority over any juvenile or inmate of the correctional facility, 8 and for each agent, employee, or a final applicant for employment of a privately 9 operated entity providing contract correctional services for the correctional facility 10 who exercises direct authority over juveniles, inmates, probationers, or parolees. 11 W. The North Dakota university system for a final applicant for or employee in a 12 specified position in the university system or a university system institution or for 13 each student applying for or admitted to a specified program of study, as 14 designated by the chancellor. 15 The board of a school district, for employees designated by the board, Χ. 16 provided the board is responsible for paying the costs associated with 17 obtaining a criminal history record check; 18 (2) The board of a multidistrict special education unit, for employees designated 19 by the board, provided the board is responsible for paying the costs 20 associated with obtaining a criminal history record check; 21 (3) The board of an area career and technology center, for employees 22 designated by the board, provided the board is responsible for paying the 23 costs associated with obtaining a criminal history record check; 24 (4) The board of a regional education association, for employees designated by 25 the board, provided the board is responsible for paying the costs associated 26 with obtaining a criminal history record check; and 27 (5) The superintendent of public instruction in the case of a nonpublic school or 28 a state school with a superintendent appointed by or reporting to the 29 superintendent of public instruction, for employees designated by the 30 nonpublic or state school, provided the nonpublic or state school is

ı			responsible for paying the costs associated with obtaining a criminal history
2			record check.
3	y.	(1)	The board of a school district, for a final applicant seeking employment with
4			the district or otherwise providing services to the district, if that individual
5			has unsupervised contact with students, provided the board is responsible
6			for paying the costs associated with obtaining a criminal history record
7			check;
8		(2)	The board of a multidistrict special education unit, for a final applicant
9			seeking employment with the unit or otherwise providing services to the unit,
10			if that individual has unsupervised contact with students, provided the board
11			is responsible for paying the costs associated with obtaining a criminal
12			history record check;
13		(3)	The board of an area career and technology center, for a final applicant
14			seeking employment with the center or otherwise providing services to the
15			center, if that individual has unsupervised contact with students, provided
16			the board is responsible for paying the costs associated with obtaining a
17			criminal history record check;
18		(4)	The board of a regional education association, for a final applicant seeking
19			employment with the association or otherwise providing services to the
20			association if that individual has unsupervised contact with students,
21			provided the board is responsible for paying the costs associated with
22			obtaining a criminal history record check; and
23		(5)	The superintendent of public instruction in the case of a nonpublic school or
24			a state school with a superintendent appointed by or reporting to the
25			superintendent of public instruction, for a final applicant seeking
26			employment with the school or otherwise providing services to the school, if
27			that individual has unsupervised contact with students, provided the board is
28			responsible for paying the costs associated with obtaining a criminal history
29			record check.
30		(6)	For purposes of this subdivision, "unsupervised contact" with students
31			means being in proximity to one or more students, on school grounds or at

1		school functions, outside the presence of an individual who has been
2		subject to a criminal history record check.
3	Z.	The racing commission for applicants for licenses under chapter 53-06.2, except
4		that criminal history record checks need not be made unless required by the
5		commission.
6	aa.	A district court for a petition to change a name under chapter 32-28.
7	bb.	The state board of pharmacy for a wholesale drug distributor seeking licensure
8		under chapter 43-15.3.
9	CC.	The board of dental examiners for investigations of applicants or dentists under
10		section 43-28-11.2, except that criminal history record checks need not be made
11		unless required by the board.
12	dd.	The department of financial institutions for each applicant for a specified
13		occupation with the department as specified by the commissioner and principal
14		owners and managing officers of applicants for a license from the department of
15		financial institutions.
16	ee.	The office of tax commissioner for all employees, final applicants for employment
17		with the tax commissioner, and contractors with access to federal tax information.
18	ff.	The state board of examiners for nursing home administrators for applicants for
19		licensure or licensees under chapter 43-34, except that criminal history record
20		checks for licensees need not be made unless required by the board.
21	gg.	The marriage and family therapy licensure board for applicants, licensees, or
22		investigations under chapter 43-53, except that criminal history record checks
23		need not be made unless required by the board.
24	hh.	The state board of chiropractic examiners for applicants, licensees, certificates,
25		or investigations under chapter 43-06, except that criminal history record checks
26		need not be made unless required by the board.
27	ii.	Workforce safety and insurance for a final applicant for a specified occupation
28		with workforce safety and insurance as designated by the director, or for
29		contractors who may have access to confidential information as designated by
30		the director.

1 The board of counselor examiners for applicants for licensure or licensees under ij. 2 chapter 43-47, except that criminal history record checks for licensees need not 3 be made unless required by the board. 4 kk. The state board of respiratory care for applicants, licensees, or investigations 5 under chapter 43-42, except that criminal history record checks need not be 6 made unless required by the board. 7 The North Dakota real estate appraiser qualifications and ethics board for 11. 8 applicants for permits or registration or permittees, registrants, owners, or 9 controlling persons under chapters 43-23.3 and 43-23.5, except that criminal 10 history record checks for permittees, registrants, owners, or controlling persons 11 need not be made unless required by the board. 12 The insurance department for criminal history record checks authorized under mm. 13 chapters 26.1-26 and 26.1-26.8. 14 The office of the adjutant general for employees and volunteers working with the nn. 15 recruiting and retention, sexual assault, and youth programs. 16 00. The parks and recreation department for volunteers and final applicants for 17 employment, as determined by the director of the parks and recreation 18 department. 19 The North Dakota medical imaging and radiation therapy board of examiners for pp. 20 licensure and licensees under chapter 43-62, except that criminal history record 21 checks for licensees need not be made unless required by the board. 22 The game and fish department for volunteers and final applicants for qq. 23 employment, as determined by the director of the game and fish department. 24 rr. The North Dakota board of massage for applicants, licensees, or investigations 25 under chapter 43-25. 26 The North Dakota board of physical therapy for physical therapist and physical SS. 27 therapist assistant applicants and for licensees under investigation, except that 28 criminal history record checks need not be made unless required by the board. 29 The department of commerce for volunteers and employees providing services tt. 30 through eligible organizations, as determined by the commissioner of commerce.

1	uu.	The state court administrator for a guardian ad litem who provides direct services
2		to youth.
3	VV.	The department of environmental quality for a final applicant for a job opening or
4		a current employee with the department; an individual being investigated by the
5		department; or, when requested by the department, an applicant for a radioactive
6		materials license under chapter 23.1-03 or a solid waste permit under chapter
7		23.1-08.
8	WW.	The housing finance agency for criminal history record checks authorized under
9		section 54-17-07.13.
10	XX.	The office of state treasurer for each individual who has access to federal tax
11		information.
12	уу.	The public service commission for initial applicant licenses under chapter
13		51-05.1, except that criminal history record checks need not be made unless-
14		required by the public service commission.
15	<del>ZZ.</del>	The department of health and human services for a criminal history record check
16		for a children's advocacy center as authorized under section 50-25.1-11.1.
17	<del>aaa.</del> zz.	The state historical society for volunteers and final applicants for employment,
18		except that criminal history record checks need not be made unless requested by
19		the society.
20	bbb.aaa	The department of transportation for volunteers and final applicants for
21		employment, as determined by the director of the department of transportation.
22	ecc.bbb	The commission on legal counsel for indigents for a volunteer or final
23		applicant for employment, as determined by the director of the commission on
24		legal counsel for indigents.
25	ddd.ccc	The board of dietetic practice for applications for licensure or renewal
26		under chapter 43-44, except that criminal history record checks need not be
27		made unless required by the board.
28	eee.dd	d. The secretary of state for employees with access to personally identifying
29		information of residents or businesses of the state or with access to elections
30		systems that are critical infrastructure under section 44-04-24

1	##.eee. The department of health and human services for applicants for initial licensure
2	for emergency medical services personnel, such as emergency medical
3	technicians, advanced emergency medical technicians, and paramedics, as
4	required by subdivision d of subsection 3 of section 23-27.1-03.
5	SECTION 2. A new chapter to title 43 of the North Dakota Century Code is created and
6	enacted as follows:
7	— <u>Definitions.</u>
8	As used in this chapter:
9	1. "Auctioneer" means an individual who, for compensation or valuable consideration,
10	sells or offers for sale either real or personal property at public auction as a whole or
11	<del>partial vocation.</del>
12	2. "Board" means the state board of auctioneering.
13	3. "Clerk" means an individual who, for compensation or valuable consideration, is
14	employed either directly or indirectly by an owner while the sale is in progress to
15	record each item offered for sale, its selling price, and the buyer's name or number; to
16	collect all proceeds of the sale; to pay all expenses connected with the sale; to
17	prepare a full closing statement of all receipts and disbursements; and to make
18	settlement thereon to parties properly entitled to settlement within a reasonable length
19	<u>of time.</u>
20	4. "Internet auction" means the selling or offering for sale real or personal property at
21	public auction exclusively via the internet.
22	Exemptions.
23	— This chapter does not apply to:
24	1. Sale of an estate by an executor or an administrator.
25	2. Sale by a sheriff or other person under court order.
26	3. Sale by a public official acting in an official capacity.
27	4. Sale of purebred or registered livestock.
28	5. Sale conducted or employed by a person conducting an internet auction.
29	6 A single act or isolated transaction in the selling of property at auction for another

1	Board members - Appointment.
2	1. The board consists of five members appointed by the governor for a term of three
3	years. The terms of office of the members must be arranged so no more than two
4	terms expire on the thirty-first day of December of each year. Each member shall
5	qualify by taking the oath of required civil officers and shall hold office until a
6	successor is appointed and qualified. A vacancy on the board must be filled by
7	appointment by the governor for the unexpired term.
8	2. The governor may remove a board member for good cause after giving that member a
9	written statement of the reason for removal.
10	3. Each member of the board must be a licensed auctioneer or clerk who has had at
11	least three years of practical experience in the occupation.
12	Officers - Powers - Rulemaking.
13	The members of the board annually shall elect a president and a secretary from the
14	members of the board. The president and secretary may administer oaths. The board may
15	adopt rules necessary to implement this chapter.
16	— <u>Compensation.</u>
17	Each member of the board is entitled to receive per diem compensation for each day during
18	which the member is engaged in the performance of official duties as determined by the board
19	and mileage as provided under section 54-06-09. The compensation and expenses of all
20	members of the board must be paid from license fees and other sources of income of the board.
21	— <u>Powers and duties.</u>
22	1. The board shall administer and enforce this chapter. The board shall adopt rules
23	necessary to:
24	a. Establish auctioneering and clerking standards, practices, and measures
25	necessary to protect the consignor and bidder;
26	<u>b.</u> <u>Establish standards for licensure; and</u>
27	<u>c.</u> <u>Set fees for licensure which may include:</u>
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29	(2) A license fee;
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31	(4) A late fee;

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1	(5) Administrative fees; and
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3	2. The board shall produce an annual list of the names and level of licensure of all
4	individuals licensed by the board and make the list available upon request.
5	3. The board may employ staff and provide for staff compensation.
6	Refusal, suspension, or revocation of license.
7	1. The board may investigate the activities of a licensee or any person that acts in such
8	capacity within the state and may refuse, suspend, or revoke licensure for:
9	a. Conviction of an offense the board determines to be of such a nature as to render
10	the licensee unfit to auctioneer or clerk;
11	<u>b.</u> <u>Violation of standards or practices that render the licensee unfit to practice as an</u>
12	auctioneer or clerk; or
13	<u>c.</u> <u>Fraud or misrepresentation in obtaining a license.</u>
14	2. A license may not be revoked or suspended except after an opportunity for hearing.
15	3. An appeal from the board's decision may be taken in accordance with chapter 28-32.
16	Enforcement - Penalty.
17	Any person violating this chapter is guilty of a class B misdemeanor.
18	SECTION 2. AMENDMENT. Section 49-07-01.1 of the North Dakota Century Code is
19	amended and reenacted as follows:
20	49-07-01.1. Violation of statute, commission order, or commission rule - Assessment
21	of civil penalty.
22	Any person who violates any statute, commission order, or commission rule which applies
23	to matters within the authority of the commission under chapters 8-08, 8-09, 8-10, and 24-09,
24	<del>32-25, and 51-05.1,</del> titles 60 and 64, and title 49 except for chapters 49-22, 49-22.1, and 49-23,
25	in addition to any other penalty provided, is subject to a civil penalty of not to exceed five
26	thousand dollars. A violation occurring under chapter 49-23, in addition to any other penalty, is
27	subject to a civil penalty not to exceed twenty-five thousand dollars. The commission shall
28	develop policies for the assessment of penalties under chapter 49-23 which will take into
29	consideration the severity of damages and the conduct of the offender. The civil penalty may be
30	compromised by the commission. The amount of the penalty when finally determined or agreed
31	upon in compromise, if not paid, may be recovered in a civil action in the courts of this state.

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1	SECTION 3. AMENDMENT. Section 51-05.1-01 of the North Dakota Century Code is
2	amended and reenacted as follows:
3	51-05.1-01. Auctioneering or clerking without a license prohibited Registration.
4	NoA person may not conduct a sale as an auctioneer or clerk unless licensed by the public
5	service commissionregistered with the secretary of state.
6	SECTION 4. AMENDMENT. Section 51-05.1-01.2 of the North Dakota Century Code is
7	amended and reenacted as follows:
8	51-05.1-01.2. Exemptions.
9	A license Registration under this chapter is not required for the following:
10	1. Sale of an estate by an executor or an administrator.
11	2. Sale by a sheriff or other person under court order.
12	3. Sale by a public official acting in an official capacity.
13	4. Sale of purebred or registered livestock.
14	A bond is not required for a federally insured financial institution to clerk a sale. Persons exempt
15	from licensing or bonding under this section shall comply with all other provisions of this
16	<del>chapter.</del>
17	SECTION 5. AMENDMENT. Section 51-05.1-04.1 of the North Dakota Century Code is
18	amended and reenacted as follows:
19	51-05.1-04.1. Written contracts.
20	An auctioneer may not sell the property of another at auction without a prior written contract
21	with the seller which sets forth the terms and conditions upon which the auctioneer will sell the
22	property. A similar contract governing the activities of the auction clerk is required between the
23	auction clerk and the seller. The licensee mustauctioneer and clerk shall retain a copy of each
24	contract for at least two years after the auction. This section does not apply to consignment
25	sales when the value of the seller's property is less than five hundred dollars or to livestock
26	markets. The contract must contain:
27	1. The licensee's auctioneer's or clerk's name, trade or business name, state license
28	number, business address, and business telephone number.
29	2. A general description of the property to be sold at auction, any restrictions, and a
30	statement identifying whether or not the licensee auctioneer or clerk is authorized to
31	purchase at the auction.

- 3. A description of the services to be provided and the consideration for the services. The description must state which party is responsible for advertising and other expenses.
- 4. The date or dates when the items will be sold at auction.
- 5. A disclosure of the amount of bond that the licensee has on file with the commission and the commission's address and telephone number.

**SECTION 6. AMENDMENT.** Section 51-05.1-05 of the North Dakota Century Code is amended and reenacted as follows:

51-05.1-05. Handling of funds by clerk of auction sale.

Every clerk of an auction sale, at all times, shall maintain in the clerk's name or firm name, a separate trust account designated as such in a federally insured bank or other federally insured depository in this state in which the clerk immediately shall deposit all funds not the clerk's own, including funds in which the clerk may have some future interest or claim. A federally insured depository located outside the state but licensed as a clerk in this state is not required to deposit funds in a depository in this state if auction sale funds are deposited in a separate trust account designated as such in the licensee's in the clerk's depository. A clerk may not commingle the clerk's personal funds or other funds in a trust account except that a clerk may deposit and keep a sum of one thousand dollars in suchthe account from the clerk's personal funds, which sum must be specifically identified and deposited to cover service charges related to the trust account. In conjunction with suchthe account, the clerk shall maintain at the clerk's usual place of business books, records, and other documents so that the adequacy of suchthe account may be determined at any time. Trust accounts and other records must be open to inspection by the public service commission and its duly authorized agents at all times during regular business hours at the clerk's usual place of business.

**SECTION 7. REPEAL.** Chapter 51-05.1 Sections 51-05.1-01.1, 51-05.1-02, 51-05.1-02.1, and 51-05.1-03 of the North Dakota Century Code is are repealed.

**SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing a grant to the state board of auctioneering for assisting with costs associated with establishing the board, for the biennium beginning July 1, 2023, and ending June 30, 2025.

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SECTION 6. APPLICATION. The terms of the initial members of the board of autioneering may be for less than three years to establish staggered terms with the term of no more than two members expiring in any year.

**SECTION 8. EFFECTIVE DATE.** This Act becomes effective on January 1, 2024.