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DESCRIPTION

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Operator's Signature

*Y. Theresa J. Lee*

Date

10-16-03

2003 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2114

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Yubereca J. Ace  
Operator's Signature

10-16-03  
Date

2003 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2114

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1-15-03

Tape Number	Side A	Side B	Meter #
1	xxxx		3330
Committee Clerk Signature <i>Lisa VanBerkom</i>			

Minutes: Chairman Mutch opened the hearing on SB 2114. All Senators present. SB 2114 relates to auctioneer and auction clerk license fees.

**Testimony in support of SB 2114**

John Mielke, Executive Secretary of the Public Service Commission, introduced the bill.

See attached testimony. He feels there should be a 3% increase because it takes staff time to process the renewals.

Senator Klein questions how many auctioneers there are in the state.

John states that there are appx. 385 auctioneers and 245 clerks.

John states that there should be a \$25 late fee for auctioneers submitting their renewal because it is disruptive to his work to process them late.

**Testimony in opposition of SB 2114**

Rep. Arlo Schmidt of district #7 testified in opposition. No written testimony, wanted only to be on record in opposition. He was in opposition because he feels that there is no reason or need for

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*Yheresa d. Lee*  
Operator's Signature

*10-16-03*  
Date

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number 2114

Hearing Date 1-15-03

the fee increase and many auctioneers in this state pay the annual fee and never even have an

auction. Raising the fees would detour people from renewing their license.

Testimony on meter no.5166.

Cliff Orr of the Auctioneer's Assoc. also spoke in opposition. See attached testimony.

Bob Pentfield, a ND auctioneer also wanted to go on record in opposition to SB 2114.

No further questions. Hearing closed. No action.

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Operator's Signature

10-16-03  
Date

# 2003 SENATE STANDING COMMITTEE MINUTES

## BILL/RESOLUTION NO. 2114

Senate Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date 1-21-03

Tape Number	Side A	Side B	Meter #
1	XXXX		4280
Committee Clerk Signature <i>Lisa VanBurkum</i>			

Minutes: Chairman Mutch opens the discussion on SB 2114. All Senators present. SB 2114 is relating auctioneer and actioneer clerk fees.

Senator Nething explains that the only reason the PSC wants to raise the licensing fees is because they haven't done it in a while. He adds that if the auctioneers and clerks are not receiving additional services, they should not pay additional fees. He suggests that the intern prepare an amendment to strike the section of the bill that proposes the fee increase. (meter 4455)

Senator Espegard states that he doesn't see any reason to raise the fee.

Senator Klein said that he visited with Rep. Arlo Schmidt and he said they would be willing to pay a little more, but not \$60.

Senator Heitkamp states that the PSC didn't answer the question of why there was reason to raise the price if there was no added expenses. It was discussed at length and the committee decided that they would adopt the amendment and DO PASS as amended.

Hearing was closed.

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*10-16-03*  
Date

Page 2

Senate Industry, Business and Labor Committee

Bill/Resolution Number 2114

Hearing Date 1-21-03

Senator Heitkamp moved to amend the bill. Senator Nething seconded.

Roll Call Vote: 6 Yes. 0 No. 1 Absent.

Senator Heitkamp moved a DO PASS AS AMENDED.

Senator Nething seconded.

Roll Call Vote: 6 Yes. 0 No. 1 Absent.

Carrier: Senator Heitkamp

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Operator's Signature

*Yvonne A. Lee*

Date

10-16-03

**FISCAL NOTE**  
Requested by Legislative Council  
01/23/2003

Amendment to: SB 2114

**1A. State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

**1B. County, city, and school district fiscal effect:** Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**2. Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

The original version of this bill would have increased auctioneer and auction clerk license fees from the current level of \$35 per year to \$60 per year. The first engrossed version of the bill leaves annual license fees at their current level.

**3. State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

**A. Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

The fee increases originally proposed by this bill would have increased general fund revenues by approximately \$29,000 per biennium. Approximately \$18,000 of this amount would have come from auctioneer licenses and \$11,000 would have come from auction clerk licenses.

Since the first engrossed version of this bill leaves license fees at their current level, the net revenue change from current levels is zero.

**B. Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

None.

**C. Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

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Operator's Signature

Date

None.

Name:	Jon Mielke	Agency:	Public Service Commission
Phone Number:	328-4082	Date Prepared:	01/23/2003

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Yvonne J. Lee  
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10-16-03  
Date



**FISCAL NOTE**  
Requested by Legislative Council  
01/03/2003

Bill/Resolution No.: SB 2114

**1A. State fiscal effect:** Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$29,000	\$0	\$20,000	\$0
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Appropriations	\$0	\$0	\$0	\$0	\$0	\$0

**1B. County, city, and school district fiscal effect:** Identify the fiscal effect on the appropriate political subdivision.

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**2. Narrative:** Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.

If passed, this bill would increase auctioneer and auction clerk license fees from the current level of \$35 per year to \$60 per year. These fees were last increased in 1987. This increase equals approximately 3% per year since the last increase.

**3. State fiscal effect detail:** For information shown under state fiscal effect in 1A, please:

**A. Revenues:** Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

The fee increases proposed in this bill would increase general fund revenues by approximately \$29,000 per biennium. Approximately \$18,000 of this amount would come from auctioneer licenses and \$11,000 would come from auction clerk licenses. In 2002, there were 385 licensed auctioneers in North Dakota and 246 licensed auction clerks.

**B. Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

None.

**C. Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

None.

Name:	Jon Mielke	Agency:	Public Service Commission
Phone Number:	328-4082	Date Prepared:	01/07/2003

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Operator's Signature

Date

38131.0101  
Title.0200

Adopted by the Industry, Business and Labor  
Committee

January 21, 2003

*JS*  
1-21-03

PROPOSED AMENDMENTS TO SENATE BILL NO. 2114

Page 1, line 11, remove the overstrike over "~~thirty five~~" and remove "sixty"

Renumber accordingly

Page No. 1

38131.0101

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*Yherosa d. Lee*  
Operator's Signature

*10-16-03*  
Date

Roll Call Vote #:

## 2003 SENATE STANDING COMMITTEE ROLL CALL VOTES

Senate IBL 2/14 Committee

☐ Check here for Conference Committee**Legislative Council Amendment Number**

Action Taken: Motion to Amend-remove fee increase

Motion Made By Hettkamp Seconded By Nothing

[illegible]

Total (Yes) 6 No 0

Absent |

Floor Assignment \_\_\_\_\_

**If the vote is on an amendment, briefly indicate intent:**

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Operator's Signature Y. Perera, J. Rao

10-16-03  
date

Date:  
Roll Call Vote #:

## 2003 SENATE STANDING COMMITTEE ROLL CALL VOTES

**BILL/RESOLUTION NO.**

Senate IBL 2/4 Committee

☐ Check here for Conference Committee

**Legislative Council Amendment Number**

### Action Taken

Action Taken DO PASS AS Amended

**Motion Made By**

Motion Made By Hittkamp Seconded By Nothing

[illegible]

Total (Yes) 10 No 0

**Absent**

## Floor Assignment

**If the vote is on an amendment, briefly indicate intent:**

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Date \_\_\_\_\_

REPORT OF STANDING COMMITTEE (410)  
January 22, 2003 8:17 a.m.

Module No: SR-12-0883  
Carrier: Heltkamp  
Insert LC: 38131.0101 Title: .0200

REPORT OF STANDING COMMITTEE  
SB 2114: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends  
AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS  
(6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2114 was placed on the Sixth  
order on the calendar.

Page 1, line 11, remove the overstrike over "thirty five" and remove "sixty"

Renumber accordingly

*DM*  
Lisa VanBerkom, Clerk

(2) DESK, (3) COMM

Page No. 1

SR-12-0883

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*Yubereca d. Lee*  
Operator's signature

*10-16-03*  
Date

2003 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2114

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Chandra S. Lee  
Operator's Signature

11-16-03  
Date

2003 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2114

House Industry, Business and Labor Committee

☐ Conference Committee

Hearing Date March 3, 2003

Tape Number	Side A	Side B	Meter #
2	X		5044-end
2		X	321-1426
Committee Clerk Signature <i>Elizabeth R. Finner</i>			

Minutes: **Chair Keiser:** Opened hearing on SB 2114.

**Jon Mielke (Exec. Secretary of Public Service Commission):** Supports with written testimony.

**Rep. Froseth:** Is the bonding sufficient? Mielke said that initially he thought not, but he can not remember where anyone has paid out. Froseth then asked what the bond covers.

**Rep. Boe:** Replied that the bond covers the merchandise. If a check doesn't clear, the clerk is responsible.

**Rep. Ekstrom:** Have you talked to the auctioneers? Mielke said that they are not opposed to increasing the bonds, but oppose increasing the fees.

**Rep. Klein:** How did we get into registering auctioneers? Mielke said that about half of the states register. Some even register at the county level.

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*Yubereza A. Doe*  
Operator's Signature

*10-16-03*  
Date

Page 2  
House Industry, Business and Labor Committee  
Bill/Resolution Number 2114  
Hearing Date March 3, 2003

**Rep. Keiser:** What does the bond cover? Mielke said that if there is a complaint, they have to have a hearing. Then they mediate between the buyers and the sellers. The clerk is responsible for a bad transaction.

**Rep. Boe:** Explained that a bond covers the auctioneer if they misrepresent the items. If you lose your bond, you lose your license to be an auctioneer.

**Rep. Kasper:** Concerned with the size of the bond because he had an experience with getting counterfeit items at a sale.

**Rep. Boe:** You rarely need a certified check for auctions. Most auctioneers know people in the small towns.

**Rep. Nottestad:** Added that most times, the bank will be called for large pieces of equipment.

**Rep. Keiser:** Does the current law require the \$5,000 and \$10,000 bond? Mielke said that yes it does. This would put that amount into the contract.

**Rep. Klein:** What are the license fees in states around us? Mielke said that he is not sure. (written testimony later provided). Klein wanted to know if the fees cover the costs of the PSC. Mielke was not sure because this is handled by another division and he is not familiar with individual lines on the budget. Rep. Klein asked how many auctioneers we have. ND has 385 auctioneers and 246 clerks.

**Chair Keiser:** Closed hearing on SB 2114

Rep. Thorpe moved DP on SB 2114. 2nd by Rep. Nottestad

**Vote:** 13 Yes 0 No 1 Absent and not voting

**Carrier:** Nottestad

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*Y. Theresa J. Lee*  
Operator's Signature

*10-16-03*  
Date



38131.0201  
Title.

Prepared by the Legislative Council staff for  
Representative Severson  
March 3, 2003

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2114

Page 1, line 11, overstrike "thirty-five" and insert immediately thereafter "one hundred"

Page 1, line 14, overstrike "twenty-five" and insert immediately thereafter "fifty"

Page 1, line 17, overstrike "five" and insert immediately thereafter "twenty" and overstrike "ten"  
and insert immediately thereafter "thirty"

Renumber accordingly

Severson's  
practical  
julce  
3/4/03

Date: 3/03/03  
Roll Call Vote #: }

2003 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 2114

House INDUSTRY BUSINESS & LABOR Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken DP

Motion Made By Thorpe Seconded By Nottestad

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	✓		Boe	✓	
Vice-Chair Severson	✓		Ekstrom	✓	
Dosch	✓		Thorpe	✓	
Froseth	✓		Zaiser	Absent	
Johnson	✓				
Kasper	✓				
Klein	✓				
Nottestad	✓				
Ruby	✓				
Tieman	✓				

Total (Yes) 13 No 0

Absent 1

Floor Assignment Nottestad

If the vote is on an amendment, briefly indicate intent:

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Yubereca d. Ace  
Operator's Signature

10-16-03  
Date

**REPORT OF STANDING COMMITTEE (410)**  
March 4, 2003 10:34 a.m.

Module No: HR-38-3822  
Carrier: Nottestad  
Insert LC: . Title: .

**REPORT OF STANDING COMMITTEE**  
**SB 2114: Industry, Business and Labor Committee (Rep. Kelser, Chairman) recommends**  
**DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2114 was placed  
on the Fourteenth order on the calendar.

(2) DESK, (3) COMM

Page No. 1

HR-38-3822

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Operator's Signature

10-16-03  
Date

2003 TESTIMONY

SB 2114

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Yuhonae J. Lee  
Operator's Signature

10-16-03  
Date

## S.B. 2114

**Presented by:** Jon Mielke, Executive Secretary  
Public Service Commission

**Before:** Senate Industry, Business, & Labor Committee  
Duane Mutch, Chairman

**Date:** January 15, 2003

### TESTIMONY

Mr. Chairman and committee members, my name is Jon Mielke. I am the Public Service Commission's executive secretary. I also serve as the director of the Commission's Licensing Division. This bill was introduced at the request of the Commission and the agency's oversight of the auction industry.

The first revision being proposed at lines six and seven will make it easier for licensees to submit their annual renewal applications. The law's current wording makes it necessary to have renewal applications notarized. This creates problems for licensees and we believe that it is unnecessary. This bill would revise the law to make it necessary to have only the licensee's initial application notarized.

On line 11 of the bill, the Commission is recommending that the Legislature consider increasing annual license fees from \$35 to \$60 per year. These fees were last increased in 1987. The increase will make it possible for fee increases to cover more of the direct costs associated with providing related services. This

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Operator's Signature

10-16-03  
Date

Increase is equal to about 3% per year since the fees were last adjusted.

On line 13 of the bill, the Commission is suggesting that the law be revised to require that application renewals be received by January 31<sup>st</sup> rather than submitted by that date in order to avoid a late filing penalty. We encounter a variety of problems with the "received" language. Some applications come in without the necessary bond or fee, some get faxed in, some are not signed, etc. It will just be far cleaner if we can require that complete applications must be received by a date certain.

The last change proposed by this bill is on lines 20 and 21. State law currently requires that there must be a written contract between the licensee and the seller. We believe that this contract should contain language concerning the size of the licensee's bond. Auctioneer bonds are only \$5,000 and clerk bonds are only \$10,000. This provision will help avoid any misperceptions or false senses of security on the part of the seller.

Thank you, Mr. Chairman. That concludes our testimony. I would be happy to respond to any questions that you or your committee might have.

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Cherise L. Lee  
Operator's Signature

10-16-03  
Date

Cliff Orr

January 15, 2003

RE: SENATE BILL 2114

In regards to Senate Bill 2114 which pertains to increasing auctioneers and clerks fees from \$35.00 to \$60.00 per year. This is an increase of 58% on license fees.

There are currently 381 auctioneers as of 11-8-'02 that are licensed in North Dakota. Many of these licenses are issued to auctioneers and clerks who are not active in the auction profession. Current applicants generate approximately \$21,945.00 with the auctioneer and clerk licenses of another 246 clerks for a total licenses issued of 627 x \$35.00 = \$21,945.00 for the Public Service Commission.

The auctioneers and clerks are regulated by the Public Service Commission and other than the licensing process for auctioneers and clerks, I believe the Public Service Commission spends little time dealing with the issues pertaining to auctioneers. This is why I believe the increase in fees is questionable. This 58% increase would generate over \$15,000.00 in additional fees collected by the Public Service Commission.

The other parts of Senate Bill 2114 changes of wording, etc., we have no problem with those issues and would be in support of the changes.

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10-16-03  
Date

SB 2114  
Info requested at  
3/3 Hearing  
Provided by PSC

# Auctioneer License Law Summary (1998)

State	Auctioneer License Fees	Auctioneer Bond	Exam fee
Alabama	\$45 Apprentice \$80 Principal	\$10,000 for both	\$100
Arkansas	\$50	\$2,000	\$50
Connecticut	\$50	Required in certain cases	
Delaware	\$75 Resident \$225 non-resident	\$2,500 resident \$5,000 non-resident	
District of Columbia	\$222 (Temp license 7 days-\$50)		
Florida	\$305 apprentice \$305 principal \$355 auction business expire 11-30 of odd years	\$100 into recovery fund	\$300
Georgia	\$100 apprentice \$150 principal \$150 auction firm	\$150 into recovery fund	
Hawaii	\$100 for each taxation district	\$3,000	
Idaho	\$20/year or \$5/month		
Indiana	\$35	Unspecified assessment fee into recovery fund	\$35
Kansas-only for items not sold at retail	\$25/per day for each day auction is conducted	3 times cost to vendor of items offered	
Kentucky	\$50	\$30 initially \$10 at renewal into recovery fund	\$75 apprentice \$100 principal
Louisiana	\$150	\$10,000	\$300
Maine	\$100 resident \$200 non-resident	\$10,000	\$75
Maryland	\$125	\$5,000	
Massachusetts	\$100	\$10,000	
Minnesota	\$20 (issued by county)	\$1,000 - \$3,000	
Mississippi	\$200 resident (biannually) \$450 non-resident (biannually)	\$10,000	\$100
Missouri	\$10 - 1 month \$20 - 3 months \$30 - 6 months \$50 - 12 months Issued by county		
Montana	Regulated by town and cities	\$5,000	
New Hampshire	\$100 resident \$150 non resident	\$10,000	\$10

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Date

10-16-03



New Mexico (jewelry only)	\$25/day	\$5,000	
North Carolina	\$50 apprentice \$100 principal \$100 auction firm	\$50 into recovery fund	\$25
North Dakota	\$35	Auctioneer - \$5,000 Auction Clerk - \$10,000	
Ohio	\$100	\$10,000	\$15 apprentice \$25 auctioneer
Pennsylvania	\$30 apprentice (biennial) \$50 auctioneer (biennial)	\$5,000	\$87
Rhode Island	\$10 filing fee \$600/3 years - resident \$900/3 years - non-resident \$60/3 years - apprentice	\$10,000	
South Carolina	\$150	\$50 to recovery fund	\$25
Tennessee	\$100/2 years - apprentice \$150/2 years - principal \$100/2 years - firm \$50/2 years - branch	\$50 to recovery fund	\$137.50
Texas	\$50 - apprentice \$100 - principal	\$100 to recovery fund	\$50
Vermont	\$50 application \$20 initial license fee \$50 biennial renewal		
Virginia	\$170 - principal \$195 - firm	\$10,000	\$140 plus \$170 application fee after passing exam
Washington	\$110 - principal \$250 - firm	Up to \$25,000 determined by gross sales	
West Virginia	\$50 - apprentice \$50 - principal	\$5,000 - apprentice \$10,000 - principal	\$50
Wisconsin	\$39 - initial \$41 - biennial renewal		\$101

States that require a license when selling real estate only are:

Alaska	New York
Arizona	New York
California	Oklahoma
Colorado	Oregon
Nebraska	South Dakota
Nevada	Utah
New Jersey	Wyoming

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## S.B. 2114

**Presented by:** Jon Mielke, Executive Secretary  
Public Service Commission

**Before:** House Industry, Business & Labor  
George Kelser, Chairman

**Date:** March 3, 2003

### TESTIMONY

Mr. Chairman and committee members, my name is Jon Mielke. I am the Public Service Commission's executive secretary. I also serve as the director of the Commission's Licensing Division. This bill was introduced at the request of the Commission.

The first revision being proposed at lines six and seven will make it easier for licensees to submit their annual renewal applications. The law's current wording makes it necessary to have renewal applications notarized. This creates problems for licensees and we believe that it is unnecessary. This bill would revise the law to make it necessary to have only the licensee's initial application notarized.

On line 13 of the bill, the Commission is suggesting that the law be revised to require that application renewals be received by January 31<sup>st</sup> rather than submitted by that date in order to avoid a late filing penalty. We encounter a variety of problems with the "submitted" language. Some applications come in without the

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10-16-03  
Date

necessary bond or fee, some get faxed in, some are not signed, etc. It will just be far cleaner if we can require that complete applications must be received by a date certain.

The last change proposed by this bill is on lines 20 and 21. State law currently requires that there must be a written contract between the licensee and the seller. We believe that this contract should contain language concerning the size of the licensee's bond. Auctioneer bonds are only \$5,000 and clerk bonds are only \$10,000. This provision will help avoid any misperceptions or false senses of security on the part of the seller.

We would also like to point out that the original version of this bill recommended that annual license fees for auctioneers and auction clerks be increased by \$25 per year. These fees are currently \$35 per year and were last increased in 1987. The increase would have made it possible for fee revenues to cover more of the direct costs associated with providing related services. This increase would have equaled about 3% per year since the fees were last adjusted and would have generated an additional \$29,000 in biennial revenue for the General Fund. The House amended this proposed fee increase out of the bill.

Thank you, Mr. Chairman. That concludes our testimony. I would be happy to respond to any questions that you or your committee might have.

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10-16-03  
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