

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2089

2005 SENATE POLITICAL SUBDIVISIONS

SB 2089

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2089

Senate Political Subdivisions Committee

Conference Committee

Hearing Date January 7, 2005

Tape Number	Side A	Side B	Meter #
1	X		0-603
Committee Clerk Signature <i>Shirley Borg</i>			

Minutes:

Vice Chairman Hacker call the committee to order. Roll call was taken with 5 members present and 1 member absent.

Vice Chairman Hacker opened the hearing on SB 2089 relating to revocation of auctioneer and clerk licenses.

Susan Richter, Director, Licensing Division, spoke in favor of SB 2089. (See attachment 1A)

Vice Chairman Hacker asked for questions.

Senator Triplett ask how long the process would take the way the licensing division is doing it currently.

Susan Richter answered that it depended on a number of things but about two months to get through the process. If a hearing is requested it would be longer.

Senator Fairfield asked what happens if the license is revoked. How long would the process be to reinstate license.

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Senate Political Subdivisions Committee
Bill/Resolution Number SB 2089
Hearing Date January 7, 2005

Susan Richter answered it depended on the reason the licenses was revoked. If there was just a misunderstanding someone could come in the next day and obtain a license from the commission.

Susan Richter passed out a letter of support for SB 2089 from the Auctioneer Association as they were unable to make it to the hearing to testify (See attachment B).

No further testimony.

Vice Chairman Hacker closed the hearing on SB 2089

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2089

Senate Political Subdivisions Committee

Conference Committee

Hearing Date January 13, 2005 (Action)

Tape Number	Side A	Side B	Meter #
1	X		1821- 2023
Committee Clerk Signature <i>Shirley Borg</i>			

Minutes:

Senator Cook opened discussion on SB 2089.

Senator Hacker stated the bill was simple and had to do with revocation of auctioneer and clerk license.

Senator Hacker moved a DO PASS of SB 2089.

Senator Gary Lee seconded the motion.

Roll call vote: Yes 6 No 0 Absent 0

Carrier: **Senator Gary Lee**

Date: 1-13-05
Roll Call Vote #: 1

2005 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2089

Senate Political Subdivisions Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Senator Hacker Seconded By Senator Gary Lee

Senators	Yes	No	Senators	Yes	No
Senator Dwight Cook, Chairman	✓				
Senator Nicholas P. Hacker, VC	✓				
Senator Dick Dever	✓				
Senator Gary A. Lee	✓				
Senator April Fairfield	✓				
Senator Constance Triplett	✓				

Total Yes 6 No 0

Absent 0

Floor Assignment Senator Gary A. Lee

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

SC Report
Done
1-13-05

REPORT OF STANDING COMMITTEE (410)
January 13, 2005 1:10 p.m.

Module No: SR-08-0417
Carrier: G. Lee
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2089: Political Subdivisions Committee (Sen. Cook, Chairman) recommends DO PASS (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2089 was placed on the Eleventh order on the calendar.

2005 HOUSE GOVERNMENT AND VETERANS AFFAIRS

SB 2089

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2089

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/24/05

Tape Number	Side A	Side B	Meter #
3	x		3.5-8.5
Committee Clerk Signature <i>Duke R. Zuni</i>			

Minutes: SB 2089 Relating to revocation of auctioneer and clerk licenses.

Chairman Haas: The meeting will come to order. We will open the hearing on SB 2089, I will ask the clerk to take roll. Good afternoon Susan. Welcome, you may begin.

Susan Richter-Director, Licensing Division-Public Service Commission-For-Testimony

Attached

Rep. Klemin: Notice of cancellation, what if someone is trying to find another bond company, rather than revoking the license, why don't you just suspend it, can't you accomplish the same thing without actually canceling it.

Susan: The way it works is they have this 60 day period to get another bond in this place, so they would have that time to continue to work, but at that 60th day when there is no bond coverage available, I would like to revoke his license, because there is no coverage for the people that are hiring him, so if we were to do a cancellation or an suspension notice before we did a revocation,

then you have the period of time where there are not suppose to be operating, that license really hasn't been stopped.

Rep. Klemin: If the licenses is suspended, wouldn't that have the same affect? At least that way you could find some place that would bond.

Chairman Haas: Rep. Klemin, are you saying suspension immediately upon notification of cancellation of the bond?

Rep. Klemin: Well on the effective date of the cancellation, suspend it, but you are going to cancel it automatically.

Susan: No, we are going to revoke it, after the sixty day period has gone by.

Rep. Klemin: What if he is still trying to find the bond. If he gets his license revoked, what does he have to go through to get his license reinstated.

Susan: He finds a bond, all he would have to do would then fill out an application form and return that application back to the commission, he is going to have to pay the license fee, but he would be able to get the license back. It is a 35.00 dollar fee.

Chairman Haas: Is that annual fee.

Susan: Yes it is Mr. Chairman.

Chairman Haas: So they would have to pay that annually anyway. Am I understanding this correct. If you receive notification of a cancellation of a bond, or the person is no longer bonded with a particular company, do you give them sixty days to continue to work and find a new bond?

Susan: That is correct.

Chairman Haas: Before the revocation?

Susan: That is correct. What we do, when we get the cancellation notice in our office we will send a letter to that individual saying, we received the cancellation notice from your bonding company and we need to have a bond in place by this time, because at this date, your bond is going to run out with the state of North Dakota and please provide a bond to our office by this time or we have been adding languages on the bottom of our letters saying, sign indicating that you no longer wish to maintain your license and return this letter to our office. They really do have ample notice to obtain a bond if they interested. The reason we want this bill is because right now we don't have the authority to do anything, except to bring a complaint process against them, it can take months at a time and in the meantime they have a license that continues to be an accept without having a corresponding clause. At a certain time when that bond runs out and he or she is providing a service, they have the license to do so, they just don't have any bond coverage.

Chairman Haas: Are there any further questions for Susan? Thank you very much Susan. Is there any additional testimony in favor of SB 2089? Is there any opposition testimony on SB 2089? If not the hearing will be closed on SB 2089.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2089

House Government and Veterans Affairs Committee

Conference Committee

Hearing Date 2/24/05

Tape Number	Side A	Side B	Meter #
3		x	3.2-5.4
Committee Clerk Signature			

Minutes: SB 2089 Relating to revocation of auctioneer and clerk licenses.

Chairman Haas: Lets look at SB 2089. First bill we heard this afternoon. With a slight change about the revocation of a license for auctioneer, clerk, in relationship to the bonding. What are your wishes? I discussed both of these bills with Rep. Schmidt and explained them to him and asked him if he thought that either of these were a problem and he said no, that neither of one of them were a problem. I think if they would've been, I think we would've had the auctioneers hear saying that we think this is unnecessary. What are your wishes? Rep. Potter.

Rep. Potter: I move a DO PASS on SB 2089.

Chairman Haas: Rep. Potter moves a DO PASS on SB 2089, is there a second, seconded by Rep. Grande, is there any further discussion? If not we will have the clerk take the roll.

VOTE: YES 12 NO 0 ABSENT 2 DO PASS ON SB 2089

REP. POTTER WILL CARRY THE BILL.

Date: 2/24/05
 Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2089

House House Government and Veterans Affairs Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Rep. Potter Seconded By Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman C.B. Haas	✓		Rep. Bill Amerman	✓	
Bette B. Grande - Vice Chairman	✓		Rep. Kari Conrad	✓	
Rep. Randy Boehning	✓		Rep. Louise Potter	✓	
Rep. Glen Froseth	✓		Rep. Sally M. Sandvig	✓	
Rep. Pat Galvin	✓				
Rep. Stacey Horter	✓				
Rep. Jim Kasper	✓				
Rep. Lawrence R. Klemin	✓				
Rep. Lisa Meier	AB				
Rep. Margaret Sitte	AB				

Total (Yes) 12 No 0

Absent 2

Floor Assignment Rep. Potter

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

REPORT OF STANDING COMMITTEE (410)
February 24, 2005 4:13 p.m.

Module No: HR-34-3631
Carrier: Potter
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2089: Government and Veterans Affairs Committee (Rep. Haas, Chairman)
recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2089
was placed on the Fourteenth order on the calendar.

2005 TESTIMONY

SB 2089

S.B. 2089

Presented by: Susan Richter
Director, Licensing Division
Public Service Commission

Before: Political Subdivisions Committee
Honorable Dwight Cook, Chairman

Date: 7 January 2005

TESTIMONY

Chairman and committee members, my name is Susan Richter. I am the director of the Licensing Division of the Public Service Commission. The Licensing Division administers the Commission's jurisdiction over auctioneers and auction clerks in North Dakota. The Commission asked me to appear here today to testify for Senate Bill 2089.

When an auctioneer or clerk loses bond coverage, Senate Bill 2089 provides that the Commission would have authority to automatically revoke the affected license at the end of the required sixty-day bond cancellation period unless the Commission receives a replacement bond or reinstatement notice.

Auctioneer and clerk bonds may not be canceled on less than sixty day's written notice to the Commission. Currently, the law prohibits the Commission from suspending or revoking an auctioneer or clerk license without a hearing, or notice of opportunity for hearing. If an auctioneer or clerk loses a bond, the only way the Commission can revoke the affected license is to initiate a complaint proceeding.

It is quite common for licensees to change bond companies for various reasons. When changing bond companies, it is common for the Commission to receive a cancellation notice prior to receiving the replacement bond. While we could bring a complaint immediately upon receiving a cancellation notice we don't think this is the appropriate solution because the licensee may experience negative publicity that is not warranted.

Recently the Commission received a cancellation notice for an auction clerk who was unable to obtain a replacement bond. Because of the time it took to complete the complaint process and ultimately revoke the affected license, there was a period during which consumers could have been at risk, had the licensee not voluntarily ceased providing clerking services. We were fortunate that the licensee honored our request to cease clerking services, since we didn't have the authority to prohibit him from providing these services until the complaint process was completed.

The proposed bill would provide an immediate revocation of the affected license at the expiration of the sixty-day period, followed by notice and hearing. If the law is changed to provide for the automatic revocation at the expiration of a surety bond, consumers will not be at risk due to a licensee operating without the required bond filing.

This completes my testimony. I will be happy to answer any questions you may have.

Richter, Susan K.

From: troyorr@daktel.com
To: Wednesday, January 05, 2005 3:50 PM
Richter, Susan K.
Subject: House Bill Draft #7

Dear Susan Richter,
In regards to Bill Draft #7 51-05.1-01.1 ND Century Code as president of the North Dakota Auctioneers Association I would like to offer our position as in favor of the amendment. In the public interest we feel that an auction company should not conduct an auction with out a bond in place. There for we see the need to have the ability to revoke that license immediately with out the delays of a hearing.

Respectfully Submitted,
Troy Orr
President
North Dakota Auctioneers Association

S.B. 2089

Presented by: Susan Richter
Director, Licensing Division
Public Service Commission

Before: Government & Veterans Affairs Committee
Honorable C.B. Haas, Chairman

Date: 24 February 2005

TESTIMONY

Mr. Chairman and committee members, my name is Susan Richter. I am the Director of the Licensing Division of the Public Service Commission. The Licensing Division administers the Commission's jurisdiction over auctioneers and auction clerks in North Dakota. The Commission asked me to appear here today to testify in support of Senate Bill 2089 introduced at our request.

When an auctioneer or clerk loses bond coverage, Senate Bill 2089 provides that the Commission would have authority to automatically revoke the affected license at the end of the required sixty-day bond cancellation period unless the Commission receives a replacement bond or reinstatement notice.

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This completes my testimony. I will be happy to answer any questions you may have.