

permissive, this fiscal note assumes the Board will not implement the continuing ed requirements within the next five years and thus no change in revenues.

Auctioneer Recovery Fund

Section 2 of the bill increases the minimum balance in the Auctioneer Recovery Fund that is used to compensate persons who have suffered monetary losses from the fraudulent acts of auctioneers. The bill increases the minimum from \$100,000 to \$200,000. In effect, this change puts into the statutes a practice that the Board has deemed prudent and sound fiscal policy for several years. In 1995, the fund balance in the Auctioneer Recovery Fund was \$220,837. In 1996, the balance dipped to \$188,977 primarily due to \$30,521 in claims paid that year. With Fund interest and a \$50 fee paid by new applicants, the Fund should return to \$200,000 in 1997. If needed, the Board has the authority to assess all auctioneers a fee to insure the Fund has a sufficient balance.

Fees

Section 3 increases the maximum fee the Board can charge for licenses and exams for deposit into the Board’s Special Revenue Fund for its operating budget. The Board has not increased the statutory maximum license fee since 1973, but did add exam and application fees in 1993. As shown in the chart below, the Board currently does not use the maximum fees allowed by statute. However, with expenditures exceeding revenues for the last two years, the Board has submitted a fee increase to the Rules Review Commission that would become effective September 1, 1998. The Board’s Executive Director feels this fee increase will provide sufficient revenue for Board operations for the next five years. The chart below shows the impact if the Board chose to raise all fees to the maximum when given the authority under HB 1166.

	<u>FY 1996-97</u>	<u>Current Fee</u>	<u>Current Revenue</u>	<u>Pending Fee Increase</u>	<u>Pending Revenue</u>	<u>HB 1166 Maximum Fee</u>	<u>HB 1166 Maximum Revenue</u>
<u>Apprentice Auctioneers</u>							
Application for License	15	\$25	\$375	\$50	\$750	\$125	\$1,875
Issuance or Renewal of License	50	\$25	\$1,250	\$50	\$2,500	\$125	\$6,250
<u>Auctioneers</u>							
Application for License	130	\$25	\$3,250	\$50	\$6,500	\$125	\$16,250
Examination	145	\$25	\$3,625	\$25	\$3,625	\$75	\$10,875
Issuance or Renewal of License	2,525	\$75	\$189,375	\$100	\$252,500	\$250	\$631,250
<u>Auction Firms</u>							
Application for License	30	\$25	\$750	\$50	\$1,500	\$125	\$3,750
Examination	10	\$25	\$250	\$25	\$250	\$75	\$750
Issuance or Renewal of License	375	\$75	\$28,125	\$100	\$37,500	\$250	\$93,750
<u>Reinstatement of License</u>	250	\$25	\$6,250	\$25	\$6,250	\$75	\$18,750
Total			\$233,250		\$311,375		\$783,500

FISCAL RESEARCH DIVISION
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