



WEST VIRGINIA SECRETARY OF STATE

MAC WARNER

ADMINISTRATIVE LAW DIVISION

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**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE AND FILING WITH THE LEGISLATIVE RULE-
MAKING REVIEW COMMITTEE**

AGENCY: Agriculture TITLE-SERIES: 61-11B
RULE TYPE: Legislative Amendment to Existing Rule: Yes Repeal of existing rule: No
RULE NAME: 61-11B Auctioneers

PRIMARY CONTACT

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CITE STATUTORY AUTHORITY: §19-2C-5

EXPLANATION OF THE STATUTORY AUTHORITY FOR THE LEGISLATIVE RULE, INCLUDING A DETAILED SUMMARY OF THE EFFECT OF EACH PROVISION OF THE LEGISLATIVE RULE WITH CITATION TO THE SPECIFIC STATUTORY PROVISION WHICH EMPOWERS THE AGENCY TO ENACT SUCH RULE PROVISION:

§19-2C-5 give the Commissioner the authority to regulate rules as he/she sees fit to carry out the intent and the administration and enforcement.

DATE eFiled FOR NOTICE OF HEARING OR PUBLIC COMMENT PERIOD: 6/26/2017

DATE OF PUBLIC HEARING(S) OR PUBLIC COMMENT PERIOD ENDED: 7/26/2017

COMMENTS RECEIVED: Yes

(IF YES, PLEASE UPLOAD IN THE COMMENTS RECEIVED FIELD COMMENTS RECEIVED AND RESPONSES TO COMMENTS)

PUBLIC HEARING: No

(IF YES, PLEASE UPLOAD IN THE PUBLIC HEARING FIELD PERSONS WHO APPEARED AT THE HEARING(S) AND TRANSCRIPTS)

RELEVANT FEDERAL STATUTES OR REGULATIONS: No

WHAT OTHER NOTICE, INCLUDING ADVERTISING, DID YOU GIVE OF THE HEARING?

N/A

SUMMARY OF THE CONTENT OF THE LEGISLATIVE RULE, AND A DETAILED DESCRIPTION OF THE RULE'S PURPOSE AND ALL PROPOSED CHANGES TO THE RULE:

The proposed amendment reflects wording in the law with the addition of the flexibility to allow Commissioner to require a higher bond for licensed auctioneers if necessary.

STATEMENT OF CIRCUMSTANCES WHICH REQUIRE THE RULE:

Auctioneers are currently required to have on file a \$10,000 bond. Historically when WVDA has gone against an auctioneers bond to help recoup monies due to his/her client (Auctioneer has refused to pay), most often monies due are in excess of the bond amount. Thus, this change would allow bond amount flexibility at the Commissioner's discretion.

SUMMARIZE IN A CLEAR AND CONCISE MANNER THE OVERALL ECONOMIC IMPACT OF THE PROPOSED LEGISLATIVE RULE:

A. ECONOMIC IMPACT ON REVENUES OF STATE GOVERNMENT:

Auctioneers are currently required to have on file a \$10,000 bond. Historically when WVDA has gone against an auctioneers bond to help recoup monies due to his/her client (Auctioneer has refused to pay), most often monies due are in excess of the bond amount. Thus, this change would allow bond amount flexibility at the Commissioner's discretion.

B. ECONOMIC IMPACT OF THE LEGISLATIVE RULE ON THE STATE OR ITS RESIDENTS:

No financial impact to state revenue or expenditures from this amendment.

C. FISCAL NOTE DETAIL:

Effect of Proposal	Fiscal Year		
	2017 Increase/Decrease (use "-")	2018 Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
1. Estimated Total Cost	0	0	0
Personal Services			
Current Expenses			
Repairs and Alterations			
Assets			
Other			
2. Estimated Total Revenues	0	0	0

D. EXPLANATION OF ABOVE ESTIMATES (INCLUDING LONG-RANGE EFFECT):

No financial impact to state revenue or expenditures from this update.

BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENTS ARE TRUE AND CORRECT.

TITLE 61
LEGISLATIVE RULE
STATE DEPARTMENT OF AGRICULTURE

SERIES 11B
AUCTIONEERS

§61-11B-1. General.

1.1. Scope. -- This legislative rule establishes general procedures for the licensing of auctioneers.

1.2. Authority. -- W. Va. Code §19-2C-5.

1.3. Filing Date. -- ~~April 14, 2015~~

1.4. Effective Date. -- ~~June 1, 2015~~

1.5. Sunset Date: This rule shall terminate and have no further force or effect upon the expiration of 5 years from its effective date.

§61-11B-2. Declaration Of Policy.

2.1. This rule is for the purpose of implementing W. Va. Code §19-2C-1 et seq. pertaining to the licensing of auctioneers.

§61-11B-3. Application.

3.1. The Commissioner shall, within thirty (30) days after receipt of an application, notify the applicant of his or her eligibility to be examined. The thirty (30)-day period for action by the Commissioner shall not commence until all necessary information has been submitted by the applicant.

3.2. The application shall contain sufficient information to allow the Commissioner to determine the applicant's eligibility for an auctioneer or apprentice auctioneer license and shall include a statement by two (2) individuals testifying to the applicant's character.

3.3. An applicant for an apprentice license or auctioneer license shall be at least 18 years of age.

3.4. An applicant for an auctioneer or apprentice auctioneer license shall present a photo I.D. before participating in examinations.

§61-11B-4. Bond Requirements.

4.1 The amount of bond required is no less than five thousand dollars (\$5,000) for an apprentice auctioneer and no less than ten thousand dollars (\$10,000) for an auctioneer, up to one hundred thousand (\$100,000) at the Commissioner's discretion. Corporate surety bonds shall be on forms

provided by the Commissioner.

4.2. All corporate surety bonds shall be executed by a company authorized to do business in the State of West Virginia as determined by the Secretary of State.

4.3. An apprentice auctioneer applicant is not required to have a bond in place prior to testing; however, they shall submit a properly executed bond to West Virginia Department of Agriculture before the Department will issue the license.

§61-11B-5. License.

5.1. The license numbers issued under W. Va. Code §19-2C-1 et seq. are permanent, subject to annual renewal.

5.2. All licenses issued under W. Va. Code §19-2C-1 et seq. expire on December 31 of each year, unless revoked or suspended.

5.3. The Department shall consider licenses issued at the successful completion of the examination held in October as licensure for the upcoming calendar year and shall not collect an additional fee for that year.

§61-11B-6. License Renewal.

6.1. An applicant shall submit all materials required by the Commissioner to the Department of Agriculture before the Commissioner may renew a license. Requests which do not contain all necessary information may result in delays in the issuance of the license.

6.2. An auctioneer shall provide the Commissioner with proof of completion of at least six (6) hours of continuing education within the previous year. An auctioneer shall complete six (6) hours of continuing education each subsequent year in order to qualify for license renewal. The Commissioner or his or her designee must approve all continuing education programs as to subject matter before credit will be granted. Requests for approval shall include: the name of course, the course provider, the date of instruction, an outline of the course, the instructor or sponsor and his or her qualifications for teaching the class, the instructor or sponsor's address and the number of hours of instruction. Curricula should be approved in advance, and in the case of group instruction, the instructor or course provider shall provide a certified list of those persons completing the course. Continuing education may include, but is not limited to, seminars, correspondence courses, certified home study and formal course work offered through vocational programs, extension programs, colleges and universities, or certified auction schools.

6.3. An auctioneer shall complete six (6) hours of continuing education each calendar year in order to qualify to renew his or her license for the next year.

6.3.1. Only classes taught by course providers approved by the Commissioner or his or her designee qualify for credit.

6.3.2. At least three (3) hours of the required six (6) hours of class shall be from core subjects. Core subjects are:

- 6.3.2.a. West Virginia statutes and rules governing auctioneering;
- 6.3.2.b. Federal statutes and rules governing auctioneering;
- 6.3.2.c. Auctioneering ethics;
- 6.3.2.d. Escrow, trust and custodial accounts;
- 6.3.2.e. Advertising;
- 6.3.2.f. Contracts; and
- 6.3.2.g. Other subjects approved by the Commissioner.

6.3.3. At least three (3) hours of the required six (6) hours of class may be from elective subjects. Elective subjects are:

- 6.3.3.a. Real estate law;
- 6.3.3.b. Auction management;
- 6.3.3.c. Bid calling;
- 6.3.3.d. Public speaking;
- 6.3.3.e. Business law; and
- 6.3.3.f. Other subjects approved by the Commissioner.

6.4. An auctioneer who has not conducted any auctions in the previous twelve (12) months is exempt from the continuing education provisions for renewal of license for the following year. The auctioneer shall submit a notarized statement in a form prescribed by the Commissioner with the request for exemption. When an auctioneer resumes conducting auctions, he or she shall ~~then~~ comply with the provisions of this section and provide proof of continuing education to the Commissioner.

6.5. An apprentice auctioneer shall complete three (3) hours of continuing education set forth in section 6.3 each calendar year in order to qualify to renew his or her license for the next year.

§61-11B-7. Receipts.

7.1. Each auctioneer shall provide a buyer or purchaser with a receipt that includes:

- 7.1.1. The date of the sale;
- 7.1.2. A description of the item or lot;

7.1.3. The price paid for the item or lot purchased; and

7.1.4. The name, license number and permanent address of the auctioneer. This information shall be provided to each buyer or purchaser only once.

7.2. The auctioneer shall retain a copy of issued receipts for his or her records for a minimum of three (3) years.

§61-11B-8. Examination of Applicants.

8.1. The written examination shall test the applicant's knowledge of the West Virginia Auctioneer Law, W. Va. Code §19-2C-1 et seq., rules promulgated under the law and other fundamentals of the auctioneering profession.

8.2. The oral examination shall test the auctioneer's competency in conducting an auction, and his or her knowledge of all applicable laws, state and federal.

§61-11B-9. Accredited Auctioneering Schools.

9.1. The Commissioner shall annually issue a list of accredited auctioneering schools.

9.2. Any school wishing to be included on the list of accredited auctioneering schools shall submit to the Commissioner a complete curriculum, a course schedule, a list of the instructors, credentials of the instructors, the location of the school, the cost and any other information considered necessary by the Commissioner for a decision on the qualifications of the school to be accredited in West Virginia.

§61-11B-10. Suspension, Revocation, Expiration or Termination of Supervising Auctioneer's License.

10.1. The suspension, revocation, expiration or termination of a supervising auctioneer's license shall automatically suspend the license of any apprentice auctioneer sponsored or employed by the suspended auctioneer. However, an apprentice auctioneer may retain an apprentice licenses by transferring to the sponsorship of another licensed auctioneer: Provided, that the request for the transfer is made in writing and according to the procedures outlined in W. Va. Code §19-2C-6, and approved by the Commissioner or his or her designee.

§61-11B-11. Reciprocity.

11.1. Any out-of-state resident who holds a valid auctioneer's license in a reciprocal state may be granted a West Virginia license. Provided, that the resident state in which he or she is licensed provides similar recognition to a licensee of this State, and that the licensing requirements of the resident state are at least equal to those of the State of West Virginia. The Commissioner shall annually issue a list of states with whom reciprocity has been formally approved.

§61-11B-12. Waiver of Apprenticeship.

12.1. The Commissioner may, with the concurrence of the Auctioneer Board of Review, grant a wavier of the apprenticeship requirements. For an applicant to be granted a wavier, he or she shall petition the Commissioner for a waiver and provide certified documentation as to the qualifications of the candidate to be an auctioneer without serving an apprenticeship. This documentation shall include

formal training in the profession, exceptional practical training such as verification of conducting charity or other types of auctions which are exempt from the licensing requirements, and any other information to assist the Commissioner in making a ruling. The Commissioner may grant a waiver only under exceptional circumstances, after receiving concurrence from the Auctioneer Board of Review, and shall not consider them a routine matter. Under no circumstances shall the Commissioner grant a waiver if it is determined that experience in the profession has been gained as a result of auctioneering which was not in compliance with the laws and rules of the State of West Virginia or the State where the experience was gained.

12.2. To be a sponsoring auctioneer of an apprentice, the auctioneer must have held an auctioneer's license for at least two (2) consecutive years and can sponsor no more than two (2) apprentice auctioneers at any time.

§61-11B-13. Advertising.

13.1. Any circular or other printed material advertising a sale shall contain the name and license number of the auctioneer conducting the sale, the name and license number of any apprentice auctioneer assisting with the sale, and the date, place and exact time of the auction.

§61-11B-14. Contracts.

14.1. All contracts between an auctioneer and a seller shall meet, at a minimum, the following guidelines:

14.1.1. The contract shall be executed in duplicate;

14.1.2. The original contract shall be retained by the auctioneer for a period of three (3) years;

14.1.3. One copy of the contract shall be furnished to each person entering into the contract; and

14.1.4. The contract shall specifically state the amount of time to settle the account with the consignors, which is within fourteen (14) calendar days of the sale unless otherwise stated in the contract.

14.2. An apprentice auctioneer may not contract directly with a client.

§61-11B-15. Board of Review.

15.1. The Board of Review shall meet at the call of the Commissioner or his or her designee to review the findings of an investigation resulting from a verified complaint received by the Department or an investigation initiated by the Department's own actions.

15.2. The Board of Review shall review these findings, all of the material related to the investigation, and any other material considered by the Board to be appropriate. The Board of review shall make a recommendation, in writing, to the Commissioner as to the course of action for the Commissioner on the complaint. Board decisions shall be majority decisions of those members present. A quorum of two (2) members is required for Board action.

15.3. When considered appropriate by the Commissioner, or his or her designee, the Board may meet via telephone conference call, but shall only provide a recommendation after receiving and reviewing hard copies of the material pertinent to the complaint.

15.4. A member of the staff of the Department, appointed by the Commissioner, shall serve as staff for the Board and shall be responsible for the presentation of each complaint. The staff member shall not participate in the discussions beyond the reasonable explanation of the facts of the complaint.

§61-11B-16. Licensing and Fees.

16.1. Any person who wishes to conduct an auction as an auctioneer may apply for a license on forms prescribed by the commissioner. A nonreturnable fifty dollar (\$50) application fee and fifty dollar (\$50) license fee shall accompany each application.

16.2. The approved applicant shall take an examination to become a licensed auctioneer or apprentice auctioneer at the regularly scheduled time and place designated. The examination fee is fifty dollars (\$50), in addition to any other required fees.

16.2.1. An applicant, who has previously paid the examination fee and successfully completed the apprentice auctioneer's examination, is not required to pay an additional fee for the auctioneer exam.

16.3. A license expires December 31 of each year, and must be renewed within sixty (60) days of its expiration. The fee for the annual renewal of the auctioneer or apprentice auctioneer's license is fifty dollars (\$50).

16.3.1. Renewals received more than sixty (60) days after the expiration date are subject to a late renewal fee of twenty-five dollars (\$25), in addition to the annual renewal fee.

16.3.2. Renewals received more than one hundred and twenty (120) days after the expiration date are subject to a late renewal fee of fifty dollars (\$50), in addition to the annual renewal fee.

16.3.3. Renewals received more than one hundred and eighty (180) days after the expiration date are subject to a late renewal fee of seventy-five dollars (\$75), in addition to the annual renewal fee.

16.3.4. A member of the military on active duty is exempt from renewal late fees upon submission of proof of service with the renewal application. The member shall meet all other license requirements.

16.4. If a duplicate or replacement license or license reflecting a change in information is required, the auctioneer or apprentice auctioneer shall submit with the request a fee of five dollars (\$5).

16.5. The fee for the transfer of the license of an apprentice auctioneer to a new employer auctioneer is fifteen dollars (\$15).

16.6. To obtain a nonresident auctioneer license by reciprocity, the applicant must meet the qualifications required in W.Va. Code 19-2C and submit a nonreturnable fifty dollar (\$50) application fee and fifty dollar (\$50) license fee with each application.