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FISCAL IMPACT REPORT

SPONSOR Woods ORIGINAL DATE 1/25/19
 LAST UPDATED 2/11/19 HB _____

SHORT TITLE Real Estate Auctioneer Licensure and Fees SB 120/aSCORC

ANALYST Chabot

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of SCORC Amendment

The Senate Corporations and Transportation Committee Amendment to SB 120 changes the title to include an agreement between the auctioneer and qualifying broker and the specifics of what will be in the agreement are specified on the change to page 8 of the bill: requires a transaction-specific written agreement including a description of the parties, the real estate and any additional information identifying the specific transaction: terms of compensation; effective date and termination date; and a statement that the auctioneer will cooperate fully with the qualifying broker, conduct all contact with other parties in association with the qualifying broker and conduct all marketing and solicitations in the name of the qualifying broker.

Synopsis of Original Bill

Senate Bill 120 amends the Real Estate License Law to add a new definition of “auctioneer” as a person who auctions or offers to auction real property. It amends the act to state the auctioneer working under the control of a qualifying broker does not need to be licensed as a real estate broker and can only receive a fee and not a commission.

FISCAL IMPLICATIONS

This bill has no fiscal impact.

SIGNIFICANT ISSUES

This bill is the result of an Attorney General’s Opinion on May 24, 2016 concluding real estate auctioneers needed to licensed real estate brokers. Senate Bill 120 provides auctioneers need not be licensed real estate brokers if they are working under a licensed real estate broker and receive only a fee for service and not a commission.

GAC/al/sb/gb