
Detailed Fiscal Analysis

Background

Currently, there are no exemptions in the Auctioneers Law (Chapter 4707. of the Revised Code) for charity or benefit auctions. Like all other auctions, tax-exempt organizations and schools sponsoring auctions must (1) obtain auction firm licenses if they are responsible for collecting consignments, advertising, handling the funds, managing the auction or otherwise providing auction services and (2) have a licensed auctioneer conduct the auctions. If a licensed auctioneer provides the auction services, there is no need to obtain an auction firm license. Auction firm licenses carry an annual fee of \$100. Except for those auctioneers participating in charity or benefit auctions, the bill also prohibits individuals from advertising themselves as an auctioneer if they do not have the requisite licenses.

This bill (1) exempts certain tax-exempt organizations (charitable, religious, or civic) and public, chartered nonpublic and community schools that sell at auction items donated to them from license and contract requirements for such an auction, (2) requires those organizations and schools to maintain records of the auction for two years, and (3) precludes claims against the Auction Recovery Fund for any loss associated with those types of auctions.

State fiscal effects

Specifically, the bill would exempt the organizations and schools from having to obtain an auction firm license, although a licensed auctioneer would still be required to conduct the auction. According to Department of Agriculture data for FY 2007, there were four nonprofit organizations that have obtained an auction firm license out of 57 active licenses during that period. There were no schools obtaining an auction firm license, as most schools simply have a licensed auctioneer perform auction services. Thus, as a result of the exemption, there would most likely be a negligible loss in revenue to the Auctioneers Fund (Fund 5B8).

Local fiscal effects

The bill requires public schools, chartered nonpublic schools, or community schools to keep records (including settlement sheets, written contracts, and copies of any advertising listing auction items) of an auction for at least two years from the date of the auction. As a result, there may be some negligible record-keeping costs for schools sponsoring such charity auctions, if such records are not already kept. The bill also makes a small modification to Internet auctions held by counties or townships. That change has no apparent fiscal effect.

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