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To whom it may concern:

House Bill 4681

It distressed me to see House Bill 4681 abolishing registration for auctioneers being presented to be considered to become law.

Auctioneers in the state of Michigan have been working toward obtaining licensing for over fifty years. We currently have a voluntary registration law, Article 29 of Public Act 299 of 1980. We have been working on amending it since it was first introduced. We began with 2010 Senate Bill 1413, then tried again with 2011 House Bill 4766. Today we are working diligently on House Bill 4503. The lack of numbers registered in the occupation is due to the fact we have not been able to correct some errors in the existing law.

People mistakenly think of auctioneers as the "good old boy" on the back of the farm wagon selling rusty tools and canning jars. There are so many laws which affect this occupation. Many of us believe auctioneers need education and accountability and are willing to be held to that standard. A barber must be licensed and a bad haircut will grow back in a month. An auctioneer could sell all of your loved one's estate in an unethical fashion, squandering the money and yet not be held accountable? That just seems wrong!

1 UNIFORM COMMERCIAL CODE: This law informs us of the need to notify any secured party at least ten days before we conduct a sale of commercial assets which could be under lien or engage in the bulk transfer of inventory which may have a security interest. It also teaches us the difference between 'absolute' and 'with reserve'. An unregistered auctioneer in St. Joseph, Michigan in 2010 actually advised a single mom, in financial distress, she should sell her home through him "absolute" when she owed the bank \$350,000 and her ex had a lien of \$20,000 against it. This tragedy left her broke, with a portion of her home sold off and owing thousands in attorney fees defending herself against lawsuits.

2 FEDERAL FIREARMS LAWS: We must be knowledgeable in the laws governing the conveyance of long guns at auction. In 2010, a non-registered auctioneer in Copemish, Michigan was arrested by Federal Marshalls for not conducting his sales in accordance with the law. When the officers served his wife a summons in Florida, she had a fatal heart attack.

3. STATE FIREARMS LAWS: The paperwork and requirements to sell hand guns is quite complicated. Non-compliance can lead to major fines, prison terms and hand guns getting into the wrong hands.

4. SALES TAX LAWS: A consignment auction is subject to sales tax. There are many other instances in which an auctioneer is required to collect sales tax. In the early 1990's an auction firm in Marshall ended up having to pay over \$300,000 of non-collected sales tax out of their own pockets. The principals of the firm mortgaged their homes to comply. An auctioneer on the outskirts of Battle Creek had a sale too large to fit on the sellers' property and used the neighbors' property. The State Department of Treasury charged the auctioneer almost \$8,000 in sales tax.

5. AUTOMOTIVE SALES: In some instances a Class D Vehicle Broker License is required. In other instances, the auctioneer can, with the use of the auction company's sales tax license, collect and report the sales tax to the state. Knowing when each is appropriate requires considerable knowledge.

6. PUBLIC SAFETY: There are special rules which apply to the sale of toys manufactured before the advent of the Consumer Product Safety Improvement Act of 2008. Cribs must have a certain slat width in order to be sold. The sale of Jarts has been illegal for many years. Mattresses have special rules also

7. FARM AND GARDEN PRODUCTS: Much care must be exercised in the sorting of products around the barn and garage. There are many substances which, by law, we may not sell. Some substances may be sold if the seal is unbroken. Knowing the laws requires considerable study.

8 REAL ESTATE: Like most of the other states which require continuing education, when our rules are promulgated to accompany the code, a Registered Auctioneer will be able to take courses related to their area of interest. As a real estate educator, I spend at least five hours a week studying the ever changing world of real estate law.

Gwyn Besner

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