

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2017 REGULAR SESSION**

**MEASURE**

2017 BR NUMBER **1709**

**HOUSE** BILL NUMBER **516**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to auctions.**

**SPONSOR** **Representative Meade**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: \_\_\_\_\_

FUND(S) IMPACT:  GENERAL     ROAD     FEDERAL     RESTRICTED AGENCY \_\_\_\_\_     OTHER

**FISCAL SUMMARY**

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
<b>REVENUES</b>		(Indeterminable)	(Indeterminable)
<b>EXPENDITURES</b>			
<b>NET EFFECT</b>		(Indeterminable)	(Indeterminable)

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** The purpose of this bill is to exempt from sales and use tax gross receipts from a charity auction by a nonprofit, civic, governmental or other nonprofit organization if the proceeds from the auction are designated for a specific charitable purpose. The exemption would be effective July 1, 2017 and would sunset June 30, 2021.

The bill also requires proceeds of real property auctions conducted through collaboration to be placed into the escrow account of the real estate broker, removes students from the list of exemptions for which an auctioneer license is required, requires the Governor to establish the compensation of the members of the Board of Auctioneers, removes the board's authority to waive the attainment of a high school diploma for an apprentice licensed before 1985, establishes the conditions upon which the board may suspend or revoke an auctioneer license, requires licensees to submit to a criminal background check at the board's request, prescribes the conditions under which a licensee can appeal the revocation or suspension of a license, allows auctioneers at reserve auctions and without-reserve auctions to establish reasonable, minimum bid increments once an opening bid has been offered, and amends KRS 330.192 to conform.

**PROVISIONS/MECHANICS:** Amends KRS 139.496 to exempt gross receipts from a charity auction July 1, 2017 to July 1, 2021, by a nonprofit civic, governmental, or other nonprofit

organization if the proceeds from the auction are designated for a specific charitable purpose; amends KRS 330.020 to include "escrow account" in the definitions; amend KRS 330.032 to require proceeds of real property auctions conducted through collaboration to be placed into the escrow account of the real estate broker; amends KRS 330.040 to remove students from exemptions under KRS 330.030; amends KRS 330.050 to require the Governor to establish the compensation of the members of the Board of Auctioneers; amends KRS 330.060 to remove the board's authority to waive the attainment of a high school diploma for an apprentice licensed before 1985; amends KRS 330.110 to establish the conditions upon which the board may suspend or revoke a license; requires licensees to submit to a criminal background check at the board's request; amend KRS 330.130 to prescribe the conditions under which a licensee can appeal the revocation or suspension of a license; allows auctioneers at reserve auctions and without-reserve auctions to establish reasonable, minimum bid increments once an opening bid has been offered; and amends KRS 330.192 to conform.

**FISCAL EXPLANATION:** If this bill is enacted, there will be no fiscal impact in FY 2016-2017 as the exemption is not effective until July 1, 2017. There will be a negative, but indeterminable, fiscal impact to the general fund in FY 2017-2018 and each fiscal year thereafter based on the number of charity auctions that may qualify and the total amount of sales resulting from those charity auctions.

**DATA SOURCE(S):** LRC Staff

**PREPARER:** Charlotte Quarles **NOTE NUMBER:** 109 **REVIEW:** JRS **DATE:** 2/22/2017