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**TITLE 812 INDIANA AUCTIONEER COMMISSION****Economic Impact Statement**

LSA Document #08-758

**IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses****Estimated Number of Small Businesses Subject to this Rule:**

U.S. Census Bureau North American Standard Classification System 5619901 Auctioneer, Independent (All Other Support Services): 2,797

U.S. Census Bureau North American Standard Classification System 453998 Auction House (All Other Miscellaneous Store Retailers (except Tobacco Stores)) – Auction House and Company: 438

The Indiana Auctioneer Commission has the authority to promulgate rules in accordance with [IC 4-22-2](#) to enforce and administer [IC 25-6.1](#), including establishing fees. The proposed rule implements changes in accordance with P.L.23-2003 (HEA 1176), and P.L.194-2005 (SEA 139). Pursuant to [IC 25-1-8-2](#), fees shall not be less than are required to pay all of the costs, both direct and indirect, of the operation of the auctioneer commission. In 2005, the General Assembly enacted SEA 139 (P.L.194-2005) to give the Indiana Professional Licensing Agency and the boards, commissions, and committees it serves the authority to set fees by rule that had previously been set by statute. In addition, the Commission's fees were raised in statute in 2003 from \$35 to \$70 when the licensure period for auctioneers, auction houses, and auction companies was increased from two (2) to four (4) years. There are approximately 2,797 auctioneers, 192 auction houses, and 246 auction companies.

**Estimated Average Annual Administrative Costs That Small Businesses Will Incur:**

The Commission estimates that there will be no annual reporting, administrative costs, or record keeping requirements incurred by small businesses to comply with this rule because the small businesses are already complying with these rules.

**Estimated Total Annual Economic Impact on Small Businesses:**

The Commission estimates that there will be an impact on small businesses as a result of compliance with this rule. Fees for auctioneers, auction houses, and auction companies licenses have, up until July 1, 2005, been set by statute. The change in the law allows the Commission to set their licensing fees in their rules. The Commission is keeping its licensing and examination fees the same. The agency determined that estimated annual revenue to be generated by this rulemaking action is approximately \$18,235. The estimated annual impact is based on the number of applicants for licensure that the Commission received in 2008, which included:

- 145 auctioneer applicants × \$35 examination fee = \$5,075
- 122 auctioneer applicants × \$70 application fee = \$8,540
- 39 auction house applicants × \$70 application fee = \$2,730
- 27 auction company applicants × \$70 application fee = \$1,890

The revenue generated from renewals of the Commission's licensees from March 1, 2004, through February 28, 2008, is as follows:

- 2,901 auctioneers × \$70 renewal fee = \$203,070
- 159 auction houses × \$70 renewal fee = \$11,130
- 249 auction companies × \$70 renewal fee = \$17,430

**Justification of Requirements or Costs on Small Businesses Where Rule Is Not Expressly Required by Law:**

Pursuant to [IC 25-1-8-2](#), fees shall not be less than are required to pay all of the costs, both direct and indirect, of the operation of the cosmetology board. In 2005, the General Assembly enacted SEA 139 (P.L.194-2005) to give the Indiana Professional Licensing Agency and the boards, commissions, and committees it serves the authority to set fees by rule that had previously been set by statute. This change was considered imperative in order for the boards and commissions to keep up with the rising costs of national examinations and other expenses associated with operating a licensing board. However, it should be emphasized that the proposed rule changes will not increase or decrease the number of individuals or small businesses already affected by the current regulations. In addition, the Commission's fees were raised in 2003 from \$35 to \$70 when the licensure period for auctioneers, auction houses, and auction companies was increased from two to four years.

**Supporting Data, Studies, or Analyses:**

The Commission has not relied on any studies in reaching these estimates.

**Regulatory Flexibility Analysis of Alternative Methods:**

The Indiana Auctioneer Commission has the authority to promulgate rules in accordance with [IC 4-22-2](#) to enforce and administer [IC 25-6.1](#), including establishing fees. The Commission has not analyzed alternatives to this proposed rule.

**A. Establishment of less stringent compliance or reporting requirements for small businesses.**

Because there are no reporting requirements, there was no need to establish less stringent schedules or deadlines for small business compliance.

**B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.**

Because there are no reporting requirements, there was no need to establish less stringent schedules or deadlines for small business compliance.

**C. Consolidation or simplification of compliance or reporting requirements for small businesses.**

There are no other reporting requirements imposed by the proposed rule.

**D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.**

The Commission's rules for all auctioneers, auction houses, and auction companies in Indiana no matter the size of the business.

**E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.**

This proposed rule does not impose additional reporting requirements or costs. The Commission's rules are for all auctioneers, auction houses, and auction companies no matter the size of the business.

*Posted: 02/25/2009 by Legislative Services Agency*

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