

RÉSUMÉ DIGEST

ACT 786 (HB 679)

2024 Regular Session

Riser

With respect to auctioneers, prior law provided for the definition of "internet-based platform" as a website which is used by licensed auction houses or auctioneers to conduct auctions as defined in existing law and new law.

New law changes the definition of "internet-based platform" to mean a company that provides a forum through the internet for a person to sell the person's immovable or movable property via the submission of silent bids using a computer or other electronic device.

Existing law provides the requirements that the La. Auctioneers Licensing Board (board) shall base determination of satisfactory minimum qualifications for licensure of an entity as an auction business on certain requirements.

New law adds the requirement that certain applicants for licensure shall designate a qualifying party who shall be the legal representative for the auction business relative to the provisions of existing law and new law.

New law provides that the board may deny approval of the qualifying party for good cause, which may include the ability of the proposed principal owner or owners, principal shareholder or shareholders, or qualifying party to engage in the auction business as demonstrated by his prior auction business experience. Evidence which may be considered by the board shall be limited to any legal proceedings against the qualifying party or businesses where the qualifying party was in a position of control at the time a problem arose and the ultimate disposition of such proceedings, any financial history of bankruptcies, unpaid judgments, insolvencies, or any similar evidence.

New law provides that when the qualifying party terminates employment with the licensee, the board shall be notified in writing within 30 days of the disassociation and another qualifying party must qualify within 60 days.

New law provides that the qualifying party or parties are any individual licensed as an auctioneer pursuant to the requirements in existing law and new law and are one or more of the following:

- (1) An applicant sole proprietor or spouse of an applicant sole proprietor.
- (2) Any employee of an applicant who has been in full-time employment for one hundred twenty consecutive days immediately preceding the application. The employee may be allowed to be the qualifying party for the licensed company and related entities.
- (3) Any stockholder, officer, or director of an applicant corporation.
- (4) Any partner of an applicant partnership.
- (5) Any member or manager of an applicant limited liability company.

New law provides that if the entity intends to conduct auctions wherein vehicles will be auctioned as defined by existing law, the entity must hold a valid dealer license pursuant to existing law unless a valid dealer license is not required by the regulating agency.

Existing law provides that an applicant for licensure of an entity as an auction business shall submit certain information on an application form designated by the board.

New law adds that a copy of the auctioneer license of the qualifying party and a copy of the dealer license for those entities conducting auctions of vehicles, if such license is required, shall be included on the application form.

Existing law provides that except as otherwise provided in existing law and new law, each applicant for licensure as a resident auctioneer, apprentice auctioneer, or auction business shall deliver to and deposit with the board at the time of application either the sum of \$10,000 in cash or a surety bond in the amount of \$10,000.

New law amends existing law that each applicant for licensure as an auctioneer or apprentice auctioneer shall deliver to and deposit with the board at the time of application either the sum of \$10,000 in cash or a surety bond in the amount of \$10,000.

New law adds that each applicant for licensure as an auction business shall deliver to and deposit with the board at the time of application either the sum of \$25,000 in cash or a surety bond in the amount of \$25,000.

Prior law provided that a licensed resident auctioneer shall not be required to deposit with the board an additional cash amount or an additional surety bond upon application for licensure as an auction business.

New law repeals prior law.

Existing law provides that the board may promulgate rules to require a cash deposit or surety bond not to exceed \$10,000 as a condition of reinstatement of a license revoked, canceled, suspended, or otherwise restricted pursuant to existing law.

New law amends existing law to state that the board may promulgate rules to require a cash deposit or surety bond not to exceed an amount equal to existing law and new law as a condition of reinstatement of a license revoked, canceled, suspended, or otherwise restricted pursuant to existing law.

Existing law provides that an auction business which is owned by a nonresident auctioneer shall, prior to being licensed by the board, post a surety bond in an amount which shall be the greater of either \$10,000 or the amount of the bond required of an auction business owned by an auctioneer licensed in this state in the licensing jurisdiction of such nonresident auctioneer. Such bond shall name the board as beneficiary.

New law amends existing law to apply to a business owned by a nonresident auctioneer which received its license through reciprocity.

New law also changes the bond required in existing law from \$10,000 to \$25,000.

Effective January 1, 2025.

(Amends R.S. 37:3103(A)(8) and 3118(A)(1)(intro. para.), (B), and (D)(1)(intro. para.) and (a); Adds R.S. 37:3113(B)(3) and (4) and (D)(1)(f) and (g); Repeals R.S. 37:3118(A)(4))