

COMPLIANCE REPORT: AUCTIONEERS ADVISORY BOARD

October 9, 2015

SIGNIFICANT CHANGES TO THE AUCTIONEERS LAW

House Bill 2481, passed during the 84th Texas Legislature, made significant changes to Chapter 1802, Texas Occupations Code (Auctioneers Law). These changes were effective beginning on September 1, 2015.

HB 2481 changed the Auctioneer Program so that it looks much like it did just prior to June 14, 2013.

Some of the most significant changes to the Law include:

- reinstating the Associate Auctioneer Program as a path to gain auction experience that can be used in lieu of taking an examination to become a licensed auctioneer,
- removing reference to regulating auctions over the Internet,
- clarifying that an auctioneer license is only needed to conduct live bid auctions,
- renaming the Auctioneer Education Advisory Board to the Auctioneer Advisory Board to reflect the wider range of advice provided by the Board to TDLR and the Texas Commission of Licensing and Regulation, and
- clarifying that an auctioneer can be employed for the sale of motor vehicles at auction by a person licensed under Chapter 2301 or 2302; or a sale of motor vehicles at auction by a person who holds a wholesale motor vehicle auction general distinguishing number or an independent motor vehicle general distinguishing number issued by the Texas Department of Motor Vehicles.

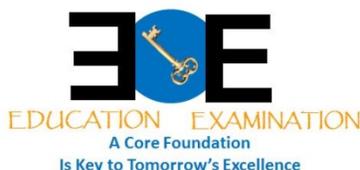
TDLR ACTIONS

The Executive Director and Deputy Executive Director have appointed a “program implementation team” of select TDLR employees to manage the changes made by HB 2481. The implementation team is headed by Della Lindquist, Deputy General Counsel. Team members represent each of TDLR’s divisions. Roger Thormahlen represented the Compliance Division on the team.



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- Every six years a Request for Proposal to be TDLR's exam provider is published. This process began in February and after the review of submissions the Commission approved and awarded PSI the examination services contract on July 29, 2015. This contract will take effect September 1, 2015. As a result of the competitive bidding process, TDLR and PSI have lowered the examination fees which will result in a total savings of \$250,000 a year for candidates. The fee structure for each license type/exam is available through the Candidate Information Bulletin (CIB).
- The Education and Examination Division has begun utilizing Zeacom for emails. Zeacom allows us to track what has been completed and the time it has taken to answer emails. Currently, E&E receives more than 1,000 emails a month. The goal is to be able to report work staff has accomplished. As we continue to grow as a model agency our workload and performance numbers will increase. The use of Zeacom is a step to utilizing the effectiveness of innovation.
- Marco Rodriguez is the new Team Leader for the newly created School Inspections/Site Visits section within the Education and Examination Division. Having an extensive background and the ability to command both English and Spanish, Marco will without a doubt help E&E establish uniform procedures to inspect Education School Providers and their courses.
- Cari Hodges is the new Team Leader for Driver Education and Safety Section within the Education and Examination Division. Cari comes to us from The Texas Department of Public Safety (DPS). She has more than 8 years' experience with the laws, rules and procedures for the Driver Training program. Cari without a doubt will be able to lead the new Driver Education and Safety team into thinking outside the box and incorporate new ideas to improve the service we provide for the citizens of Texas.

Examination Statistics

FY 2013

	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Pass	7	7	10	24	10	5	5	20	9	13	7	29	1	27	25	53	126
Fail	3	1	5	9	4	5	3	12	3	3	2	8	2	3	8	13	42
Subtotal	10	8	15	33	14	10	8	32	12	16	9	37	3	30	33	66	168
Rate%	70.0	87.5	66.7	72.7	71.4	50.0	62.5	62.5	75.0	81.3	77.8	78.4	33.3	90.0	75.8	80.3	75.0
No Show	1	0	0	1	0	0	1	1	0	0	0	0	0	4	1	5	7
Total	11	8	15	34	14	10	9	33	12	16	9	37	3	34	34	71	175

FY 2014

	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Pass	32	22	20	74	12	7	4	23	23	12	2	37	10	24	16	50	184
Fail	9	8	8	25	5	3	3	11	12	8	4	24	2	7	9	18	78
Subtotal	41	30	28	99	17	10	7	34	35	20	6	61	12	31	25	68	262
Rate%	78.0	73.3	71.4	74.7	70.6	70.0	57.1	67.6	65.7	60.0	33.3	60.7	83.3	77.4	64.0	73.5	70.2
No Show	2	2	1	5	0	0	1	1	2	0	0	2	1	0	0	1	9
Total	43	32	29	104	17	10	8	35	37	20	6	63	13	31	25	69	271

FY 2015

Pass	8	14	11	33	9	2	6	17	22	10	8	40	4	15	6	25	115
Fail	2	5	6	13	2	4	8	14	9	8	4	21	5	11	6	22	70
Subtotal	10	19	17	46	11	6	14	31	31	18	12	61	9	26	12	47	185
Rate	80.0	73.7	64.7	71.7	81.8	33.3	42.9	54.8	71.0	55.6	66.7	65.6	44.4	57.7	50.0	53.2	62.2
No Show	0	0	0	0	0	0	1	1	0	1	0	1	1	1	3	5	7
Total	10	19	17	46	11	6	15	32	31	19	12	62	10	27	15	52	192

Continuing Education Statistics

- In November 2013, the Texas Commission of Licensing and Regulation approved a reduction in the application fees for Continuing Education Providers. The initial and renewal application fees were reduced from **\$250 to \$200**. The fee reductions were effective March 1, 2014 for initial applications and April 1, 2014 for renewals.
- The Commission also changed CE provider registrations so that they are no longer required to register for each occupation. One provider registration covers all TDLR programs.

FY 2013

Auctioneer	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Provider registrations issued	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	1
Course approvals issued	1	4	0	5	1	0	2	3	2	2	6	10	8	2	3	13	31
Provider renewals	0	1	2	3	0	0	0	0	2	1	2	5	2	1	0	3	11
Total number of providers	15	15	15	15	15	15	15	15	16	16	16	16	16	16	16	16	16
Total number of courses	30	30	29	29	30	29	35	35	30	31	31	31	37	39	35	35	35

FY 2014

Auctioneer	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Provider registrations issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Course approvals issued	3	4	0	7	1	0	3	4	2	0	1	3	11	0	0	0	14
Provider renewals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total number of providers***	16	0	0	16	0	0	0	0	397	403	404	404	398	0	0	0	398
Total number of courses	37	36	36	36	36	36	35	35	35	32	27	27	32	0	0	0	32

FY 2015

Auctioneer	SEP	OCT	NOV	Q1	DEC	JAN	FEB	Q2	MAR	APR	MAY	Q3	JUN	JUL	AUG	Q4	TOT
Course Approval Issues	5	0	8	13	0	0	2	2	12	3	0	15	0	1	7	8	38
Total Courses (Month End)	30	28	36	36	35	36	36	36	47	45	45	45	34	34	40	40	40
Total Providers (Month End)	393	386	393	393	388	381	382	382	388	388	389	389	390	395	396	396	396

AUCTIONEER ADVISORY BOARD

Enforcement Division Staff Report October 9, 2015

- On September 15, 2014, an agreed order was entered against Gene Vogt, d/b/a Vogt Galleries, assessing a penalty of \$2,250 for failing to maintain required information in record, conducting an auction with an expired license, failing to remit payment to customer within 15 banking days.
- On October 21, 2014, a default order was entered against Daniel W. Gill d/b/a Big Eagle Auctions assessing an administrative penalty of \$20,000 for conducting an auction and failing to account for or remit within 15 banking days of the auction money in the auctioneer's possession belonging to the seller in three separate cases.
- On May 27, a default order was entered against Mostafa Azizi assessing a penalty of \$2,000 for conducting an auction without a license.
- On August 18, an agreed order was entered against Paul Nussbaum assessing a penalty of \$1,875 for conducting an auction for an auction company not owned by a licensed auctioneer and non-compliant advertising.
- On September 24, a default order was entered against Doug Turnau assessing a penalty of \$3,000 for failing to remit payment to customer within 15 banking days.

Key Statistics – Fiscal Year 2015

Shown below are key statistics for the Auctioneer program and for all TDLR programs combined for Fiscal Year 2015.

<u>Statistic</u>	<u>AUC</u>	<u>TDLR</u>
• Number of cases opened:	71	10,511
• Number of cases resolved:	71	13,155
• Number of Agreed Orders:	5	2,270
• Total amount of penalties assessed:	\$29,125	\$4,525,675
• Total amount of penalties collected:	\$45,625	\$2,362,706

**AUCTIONEER LICENSING STATISTICS
ADVISORY BOARD MEETING
OCTOBER 9, 2015**

AUCTIONEER

	TOTAL FY 2012	TOTAL FY 2013	TOTAL FY 2014	TOTAL FY 2015
New Licenses Issued	159	158	193	143
Renewed Licenses Issued	1,916	1,919	1,773	1,981
Online Renewals	1,842	1,877	1,726	1,945
% Renewed Online	96%	97%	97%	98%
Total Population	2,340	2,360	2,407	2,426

ASSOCIATE AUCTIONEER

	TOTAL FY 2012	TOTAL FY 2013	TOTAL FY 2014	TOTAL FY 2015
New Licenses Issued	66	46	N/A	N/A
Renewed Licenses Issued	94	87	N/A	N/A
Online Renewals	90	85	N/A	N/A
% Renewed Online	95%	97%	N/A	N/A
Total Population	190	206	N/A	N/A

Note: HB 3038 went into effect on June 14, 2013 and eliminated the Associate Auctioneer license.