

MINUTES OF THE STATE AUCTIONEERS COMMISSION
OHIO DEPARTMENT OF AGRICULTURE Seminar Room B
8995 E. MAIN STREET, REYNOLDSBURG, OH 43068
April 10, 2015

PRESENT:

Chairman Doug Walton
Commissioner Rich Kruse
Commissioner Bart Sheridan
Commissioner Sherri Orr

David Miran, Senior Staff Counsel
Hannah Smith-Carr, Senior Staff Counsel
Donna Brinker Potter, Auctioneer Program Manager

Members of the Public:

Peter Gehres, OAA
Ken Bonnigson, OAA

Kathy Baber, OAA

Meeting called to order at 9:28 with a moment of silence for Commissioner Cain and his family on the loss of his daughter. All members of the commission are present except Commissioners Cain and Kruse. Chairman Walton asked the commission to review the minutes from the last meeting. Commissioner Kruse moved to accept the minutes as presented. Commissioner Orr seconded. No further discussion noted. The motion to approve minutes was passed by an affirmative vote of all members present.

The first item on the agenda was the Five Year Rule Review. David Miran introduced Hannah Smith-Carr, ODA's new Senior Staff Counsel. He advised that she would also be working on auction related matters. Atty. Miran stated that the new verbal exam score will be effective April 17, 2015. There will be a public hearing on May 12 at 9:00 and 9:30am for the five year rule review.

The next item on the agenda was reserve auctions. Chairman Walton asked for the best way to handle reserve auctions particularly in a machinery auction situation. Donna Potter stated that the auctioneer must disclose to the audience that a seller reserves the right to bid. She further stated that you cannot knock an item down as sold to a house number when the item did not actually sell. She stated that many auctioneers will use this method rather than to announce that the item failed to meet the reserve or to declare it as a "no sale" and it is not correct as it gives a false impression to the crowd that the item sold when in fact it did not.

The next item on the agenda is the triennial auction school renewal. Donna Potter asked if the commission wished to conduct the review at the November 2015 meeting or the January 2016 meeting. The commission approved the review for the November meeting. Donna Potter stated that she would send letters in August notifying the schools.

The next item on the agenda is a letter from Mike Brandly. Mr. Brandly sent a letter to the commission advising that he would like to be added to the agenda for the August meeting to give a report on the findings of his continuing education study. Per the commission request, Ms. Potter will place Mr. Brandly on the agenda for the August 21, 2015 meeting.

Enforcement update was given by Donna Potter. Ms. Potter gave a summary of an auction school investigation conducted by the department where an auction school failed to notify the commission of the hiring of three instructors prior to advertising them as new instructors. The investigation showed that they had not yet taught any classes. The school stated that they used them in the advertisement to gauge interest in them as instructors. Ms. Potter noted that following the investigation, the school did submit a fax stated that the three instructors had been added, but the school failed to provide documentation of their qualifications and they did not provide background checks. The commission elected to send the school a letter of instruction advising them of the requirement rather than formal disciplinary action and to ask for the

evidence of the qualifications and background checks. Ms. Potter advised she would draft a letter for the Chairman's signature. The next item in the enforcement update is the bid calling contest language. Donna Potter stated at the last commission meeting she advised the commission regarding a problem with the language in R.C. 4707.02(B) regarding bid calling contests. She stated that the department met with representatives of the OAA and they worked on language that she believes that the OAA and the department both support. She provided a copy of the draft language to correct the problems. She stated that she understood that Representative Hill would be introducing the language into the budget bill. However, she noted that the language would not be in effect in time for an upcoming scheduled bid calling contest during the Midwest Round Up scheduled for August. Kathy Baber of the OAA stated that they were in support of the language and they were working with Rep. Hill. She further stated that the Midwest Round Up is a Michigan event not an OAA event and that the ball is in their court on how to proceed. Commissioner Kruse arrived at the meeting. His presence is being noted for the record. Donna Potter also advised that there is a pending recovery fund payout in the amount of \$1,400.00. She reported to the commission of the fund balances: Recovery Fund--\$1,233,751.91; Education fund--\$245,637.61; and the operating budget--\$280,096.89. The final item on the enforcement update was the renewal season was underway with 382 licensees having renewed out of 1656 total renewing this year. She reminded the commission that they would still be using the old standard for the scoring of the verbal exam.

Chairman Walton asked for new business. Donna Potter stated that the commissioners would find letters sent to them by an anonymous complainant regarding an online auction. Ms. Potter stated based on the information received there was not a violation of the auction law as it was an exempt sale. Commissioner Kruse stated that HB 586 would be reintroduced in this legislative session. He felt positive that it would be passed. Chairman Walton asked for any other business before the commission. Peter Gehres of the OAA asked the commission to schedule an additional meeting to be held in early July to consider additional funding requests from the NAA/OAA. They hope to bring the Accredited Auctioneer of Real Estate (AARE) to Ohio and have it be free to all licensees. He felt that it would be well attended and it would be of considerable savings to the licensees. He stated that it generally costs about \$600 per person plus travel. Chairman Walton asked if the budget passed and if the chair calls a meeting would that provide them enough time for planning. Mr. Gehres said it would if the meeting occurred within the first two weeks of July. Commissioner Sheridan moved that the commission set a date for July 7, 2015 at 9:30 to discuss the educational fund request from the OAA/NAA if it is timely submitted and if the budget is passed. Motion seconded by Commissioner Orr. Motion carried by an affirmative vote of all members present. Chairman Walton asked for any other business; no further business was brought before the commission. Commissioner Kruse moved to adjourn the meeting. Commissioner Sheridan seconded. No further discussion noted. Meeting adjourned at 10:45am by an affirmative vote of all members present.

Approved Chairman