

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2305 - HB 2633

February 20, 2020

SUMMARY OF BILL: Prohibits a person from owning and operating an auction house, auction gallery, or any other type of auction operating at a fixed site without obtaining a gallery license through the Tennessee Auctioneer Commission (TAC). Establishes prerequisite requirements to obtain a gallery license. Establishes that no new gallery licenses will be issued after July 1, 2020. Establishes that a person who held a valid gallery license prior to July 1, 2019 is authorized to continue operating auctions at a fixed site pursuant to restrictions of the proposed legislation.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Public Chapter 471 of 2019 deleted the licensure requirement for gallery license holders under the TAC.
- The proposed legislation requires a person to obtain a gallery license to own and operate an auction house, auction gallery, or any other type of auction operating at a fixed site.
- A person that held a valid gallery license prior to the deletion of the gallery license requirement on July 1, 2019 is authorized to continue operation of auctions at a fixed site pursuant to the restrictions of the proposed legislation.
- The proposed legislation establishes prerequisite requirements to obtain a new gallery license, but does not require renewal or a fee payment for persons that previously held the license.
- As no new gallery licenses will be issued after July 1, 2020, the TAC will not receive any additional revenue for license or examination fees from new applicants.
- Any person who began operating an auction house, auction gallery, or other type of auction between July 1, 2019 and present day would be required to obtain a gallery license before July 1, 2020; however, this number is estimated to be minimal.
- The proposed legislation establishes that a gallery license is not required if the auction house, auction barn, or auction gallery is owned and operated by a licensed auctioneer.
- The proposed legislation could result an increase in auctioneer licenses if a new owner of an auction house wishes to operate auctions in a gallery and is not already licensed; however, this number is estimated to be minimal.
- No significant change in revenue or expenditures to the TAC.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- The proposed legislation authorizes holders of a gallery license prior to July 1, 2019 to continue operation of auctions at a fixed site.
- No new gallery licenses will be issued after July 1, 2020.
- Any person who began operating an auction house, auction gallery, or other type of auction between July 1, 2019 and present day would be required to obtain a gallery license before July 1, 2020; however, this number is estimated to be minimal.
- The proposed legislation establishes that a gallery license is not required if the auction house, auction barn, or auction gallery is owned and operated by a licensed auctioneer.
- Any person desiring to own and operate an auction house, auction gallery, or any other type of auction operating at a fixed site after July 1, 2020, that did not hold a gallery license prior to July 1, 2019, will be prohibited from operation unless the owner is a licensed auctioneer.
- The proposed legislation could result in an increase in auctioneer licenses if a new owner of an auction house wishes to operate auctions in a gallery and is not already licensed; however, this number is estimated to be minimal.
- Impact to jobs and commerce in Tennessee is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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