

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected		2. Date 02/04/2025	
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) SPS 120 to 126			
4. Subject Online auctions			
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		6. Chapter 20, Stats. Appropriations Affected s.20.165(1)(g)	
7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget			
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)			
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0			
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
11. Policy Problem Addressed by the Rule The Department reviewed chapter SPS 120 to update the definition of "auction" in light of the increasing popularity of online auctions. Additionally, the Department conducted a comprehensive review of chapters SPS 120 to 126 to review necessary updates and remove obsolete or unnecessary references.			
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The proposed rule will be posted on the Department of Safety and Professional Services' website for 14 days in order to solicit comments from businesses, representative associations, local governmental units, and individuals that may be affected by the rule.			
13. Identify the Local Governmental Units that Participated in the Development of this EIA. None.			
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) DSPS estimates a total of \$2,335.00 in one-time staffing costs to implement the rule. The estimated need for 0.1 limited term employee (LTE) is for rule drafting, legal review, training, increase in call and emails volumes, updating application and website. The estimated costs may not be absorbed in the currently appropriated budget.			
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule This proposed rule will update chs. SPS 120 to 126 to reflect current standards of practice. The policy alternative is to leave the chapters unchanged, which would fail to address stakeholder questions and allow confusion to persist as practitioners have attempted to apply outdated rules to modern-day auctions and technology.			
16. Long Range Implications of Implementing the Rule The long range implications of implementing this rule are improved clarity in the practice of auctioneers.			
17. Compare With Approaches Being Used by Federal Government			

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None.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois:

Illinois requires any person who will conduct an auction or provide auction services to obtain a license as an auctioneer. The Auction License Act establishes definitions, licensing requirements, and general provisions of matters pertaining to auctions and auctioneers. In this Act, "auction" is defined as "the sale or lease of property, real or personal, by means of exchanges between an auctioneer and prospective purchasers or lessees, which consists of a series of invitations for offers made by the auctioneer and offers by prospective purchasers or lessees for the purpose of obtaining an acceptable offer for the sale or lease of the property, including the sale or lease of property via mail, telecommunications, or the Internet". Additionally, Illinois has a definition for "internet listing service" as a "a website on the Internet, or other interactive computer service, that is designed to allow or advertise as a means of allowing users to offer personal property or services for sale or lease to a prospective buyer or lessee through an online bid submission process using that website or interactive computer service and that does not examine, set the price, prepare the description of the personal property or service to be offered, or in any way utilize the services of a natural person as an auctioneer." [225 ILCS 407/5-10]

Iowa:

Iowa does not require auctioneers to be licensed statewide. However, some municipalities and counties may require permits. Iowa does not define nor regulate online auctions.

Michigan:

As of June 2014, Michigan does not require auctioneer licenses. Michigan does not define nor regulate online auctions.

Minnesota:

Minnesota Statutes authorizes each county to issue an auctioneer license. The requirements are specified in chapter 330 of the Minnesota Compiled Statutes. The Minnesota Department of Revenue under chapter 8130 defines "auction" as "is a method of selling tangible personal property in a public forum through open and competitive bidding conducted by an auctioneer licensed under Minnesota Statutes, chapter 330." [MCL 8130.5800 Subpart 8]. Minnesota does not define nor regulate online auctions.

19. Contact Name

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20. Contact Phone Number

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- ☐ Less Stringent Compliance or Reporting Requirements
☐ Less Stringent Schedules or Deadlines for Compliance or Reporting
☐ Consolidation or Simplification of Reporting Requirements
☐ Establishment of performance standards in lieu of Design or Operational Standards
☐ Exemption of Small Businesses from some or all requirements
☐ Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

☐ Yes ☐ No
