



KENTUCKY AUCTION NEWSLETTER

Official Publication of the Kentucky Board of Auctioneers

September 2002 No. 30

CONGRATULATIONS



James Randall Bush, CAI of Elizabethtown was reappointed by Governor Paul Patton for a term expiring 06/30/2005. As a Board Member of the Kentucky Board of

Auctioneers since 1996, he has shown his professionalism and knowledge of auctioneering. Randy Bush has been Board Chairman since December 1999. He is the Auction Director/Manager for Hodges Auction Company, Inc. He is a four-time State Champion Auctioneer and a three-time finalist in International competition. Chairman Bush is a member of the National Auctioneers Association and a member and former director of the Kentucky Auctioneers Association. He has been inducted into the Kentucky Auctioneers Association's Hall of Fame.

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MARKETING FOOD PRODUCTS

The following is a 5/20/02 letter from Anita Travis, Services Supervisor, Food Safety Branch, Cabinet for Health Services, 275 E. Main St., HS2E-C, Frankfort, KY 40621

Recently questions have been raised regarding the sale of food and over-the-counter medications at area auction houses. The Food Safety Branch, Dept. of Public Health offers the following guidance to assist you in complying with the current regulations regarding the sale of such items.

Kentucky's Food Establishment Act and State Retail Food Code states that no person shall operate a retail food establishment and or retail market without having obtained a permit to operate from the Cabinet. Therefore all food items with the exception of prepackaged, snack-type foods shall be sold from a permitted and inspected facility. The law also requires that all food found in such establishments shall be obtained from sources that comply with all applicable federal and state laws relating to food and food labeling.

Typically food and over-the-counter medications enter the retail market through wholesale distributors which, operate under the regulatory authority of the Food Drug and Cosmetic Act. This ensures that the source of the product is sound and that products are handled in a manner that protects them from contamination during storage.

Apparently, some of the items being sold at auction houses are being obtained from outside these normal channels. Area inspectors have periodically found food and medications, which are out-of-date, mishandled, misbranded or distressed in some manner. Products are apparently being obtained from out of business operations and/or salvage dealers where products are sold indiscriminantly and unsorted with first and second quality products mixed together.

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Kentucky's Food and Cosmetic Salvage Regulation defines a "salvage processor" as one who reconditions, labels, relabels, repackages, **recoups, sorts, cleans, culls or by other means salvages,** sells, offers for sale or distributes for human or animal consumption any salvaged food, beverage, including beer, wine, and distilled spirits, vitamins, food supplements dentifrices, cosmetics, single-service food containers or utensils, containers and packaging materials used for foods and cosmetics, soda straws, paper napkins, or any other product of similar nature that has become distressed. The law further defines any person who engages in the business of distributing, peddling, storing or otherwise trafficking in any distressed salvageable or salvaged merchandise as a "salvage distributor".

Therefore, persons engaged in the sale of food items and who engage in any of the activities noted above, shall be required to obtain be permitted as either a salvage processor or a salvage distributor in addition to, or in place of, the retail permit requirement. Therefore, any person or entity, such as an auction barn desiring to sell food products and over-the-counter medication, must first meet the permit requirements of a retail market and/or salvage processor or distributor depending on where and how their product is obtained. These entities shall make application through their local health department for a permit to operate. The source and handling of such products will determine their permit classification. Further any person who engages in "salvage processing" shall be required to meet the minimum plumbing requirements for such an operation so as to allow for the cleanup, sorting, relabeling or otherwise reconditioning of product. Those requirements include a three-compartment sink, a hand lavatory and a utility sink.

Products found to be from an unapproved source or in the possession of an unpermitted establishment may be subject to detainment and or quarantine under the provisions of the Food Drug and Cosmetic Act until such time that the source and condition of the product can be determined. Therefore it is imperative that operators engaged in the sale of food and medication items meet all applicable permit requirements.

For more information regarding the permit requirements for retail and or salvage operations, persons should contact their local health department environmental office or Food Safety Branch in Frankfort at (502) 564-7181.

2003 KBA CALENDAR

Meeting dates are subject to change.

Seminars are 9:00 am through 12:00 noon AND 1:00 pm through 4:00 pm LOCAL TIME. Seminar details will be available at a later date.

JANUARY:

- 1 NEW YEARS DAY, OFFICE CLOSED
- 11-17 NAA CONFERENCE, NEW ORLEANS LA
- 13 NALLOA MEETING, NEW ORLEANS LA
- 20 MARTIN LUTHER KING DAY, OFFICE CLOSED
- 29 BOARD MEETING

FEBRUARY:

- 26 BOARD MEETING
- 27 EXAMINATION, UL SHELBY CAMPUS

MARCH:

- 4 SEMINAR, MOREHEAD, RAMADA INN
- 11 SEMINAR, ELIZABETHTOWN, PRITCHARD COMMUNITY CENTER
- 26 BOARD MEETING

APRIL:

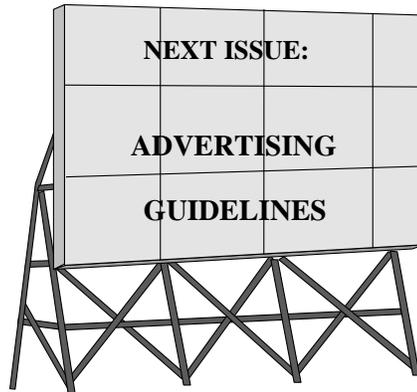
- 1 SEMINAR, GILBERTSVILLE, KY DAM VILLAGE SRP
- 8 SEMINAR, PRESTONSBURG, JENNY WILEY SRP
- 12-15 KAA CONVENTION, BOARD MEETING
- 18 GOOD FRIDAY, OFFICE CLOSED AT 12:00 NOON

MAY:

- 6 SEMINAR, BOWLING GREEN, CARROLL KNICELY CONFERENCE CENTER
- 14 BOARD MEETING
- 15 EXAMINATION, UL SHELBY CAMPUS
- 20 SEMINAR, FRANKFORT, FARNHAM DUDGEON CIVIC CENTER
- 26 MEMORIAL DAY, OFFICE CLOSED

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<i>Calendar, Continued from Page 2</i>		AUGUST:	
JUNE:		20	BOARD MEETING
3	SEMINAR, SOMERSET, CENTER FOR RURAL DEVELOPMENT	21	EXAMINATION, UL SHELBY CAMPUS
30	LAST DAY TO EARN CE CREDITS TO REPORT FOR 2003 RENEWAL. 2003 RENEWALS MUST BE RECEIVED IN BOARD OFFICE.	SEPTEMBER:	
JULY:		1	LABOR DAY, OFFICE CLOSED
4	INDEPENDENCE DAY, OFFICE CLOSED	24	BOARD MEETING
6-12	NAA CONFERENCE, SAN ANTONIO TX	OCTOBER:	
10	NALLOA MEETING, SAN ANTONIO TX	22	BOARD MEETING
23	BOARD MEETING	NOVEMBER:	
		19	BOARD MEETING
		20	EXAM, UL SHELBY CAMPUS
		27-28	THANKSGIVING DAY, OFFICE CLOSED



LICENSE RENEWAL UPDATE

The renewal forms were mailed to all licensees' homes in May. Late renewal forms were mailed on August 7th. Notifications to all Principal Auctioneers, with apprentices who had not renewed, were mailed on August 30, 2002. The following chart is current as of 9/17/02.

	TOTAL COUNT	P	A	AHO	L	T	NP	NA	RP	RA
ACTIVE	2,380	1,258	572	83	15	5	107	3	336	1
ESCROW	111	47	47	5	0	0	8	1	3	0
TOTAL LICENSED	2,491	1,305	619	88	15	5	115	4	339	1

INDIVIDUALS WHO DID NOT RENEW

The following individuals have not renewed and their licenses are canceled. They cannot perform any auction duties as described in KRS Chapter 330 until they have renewed or reapplied. Instructions for reinstatement are as follows:

(1) A name without an asterisk (*) has reported the required continuing education.

- A person whose license started with A, P, NA, NP, AHO, L, or T may reactivate his/her license by December 31, 2002 by submitting the late renewal form and fee.
- A person whose license started with RA or RP may reactivate his/her license by December 31, 2002 by submitting the late renewal form and fee with a letter of good standing/certificate of licensure from the home state.

(2) A name with an asterisk (*) has not reported the required continuing education hours earned from July 1, 2001 through June 30, 2002.

- If continuing education has been earned from July 1, 2001 through June 30, 2002 remit proof of CE and follow the instructions of (1).
- A person whose license started with A, P, NA, NP, AHO, L, or T must take and pass the examination and reapply for licensure. (If a canceled Principal is applying for the examination, a letter to the Board requesting waiver of the apprenticeship and apprentice exam must be included with the application. Depending on the length of time canceled, the Board may or may not grant this request. This exam application must go before the Board, thereby making the filing deadline earlier than the 20 days.)
- A person whose license started with RA or RP must submit an initial reciprocal application and all attachments.



Larry D. Adkins RP7244
*Harry A. Anderson RP7010
*Daryl K. Ball RP7075
*Darren G. Barrett A170
*Thomas M. Bellamy NA102
Ed H. Bowling A747
*Sonja L. Bratcher A266
Jerry Allen Bruce RP860
John M. Burkholder A261
Robert F. Cage NP6098
William B. Carey A59
Edward C. Case RP7271
Debra A. Caudill AHO5102
Omer L. Chesser P2210
*Wilma Jean Clark A909
*Harry D. Cobb P1353
William D. Cook P470
*Christopher R. Davis A228

Damon C. Todd Akridge P449
Sterling H. Ayers RP7178
C. Neal Ballard A342
*Sandra F. Bays AHO5013
William M. Blakeman, Jr. AHO5054
*Paul Brandenburger RP7231
Marvin E. Brown T3000
*James R. Bullington, Jr. A163
Doyle G. Burton P1054
Duane D. Campbell RP7307
*Darrell A. Carman RP7362
*Hoover Case NP6046
*John Chamberlain RP7401
*Billy J. Childs RP7092
*Charles Clements, Jr. P7143
James D. Coburn RP903
*William E. Davenport RP7245
*Kevin R. Davis A361

Phillip L. Alexander A99
S. Keith Baldwin RP913
Terry E. Barnes NP6033
Paul C. Behr NP6060
Harris A. Bolling A187
*Geoffrey L. Brandreth A896
William Harris Brown A858
*Gerald P. Burke, Jr. 1438
*Jerry Alan Byers AHO5099
Bradley W. Carbis P962
Richard B. Carter P397
*Alfred S. Caskey AHO5119
Jim J. Chatman AHO814
*Joseph A. Choate P1683
*D. Greg Clifton RP7021
*Judith B. Cook AHO5146
*Aimee A. Davis A110
*Stanford G. Davis RP842

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Charles J. Deery RP944
*David L. Diederich A28
Edward H. Durnil A753
*Kurt T. Earlywine RP7126
*Herbert W. Erwin RP7098
Everett Everage, Jr. AHO5079
*William J. Fannin, Jr. RP7250
Stanley Fizer P2299
Marla K. Ford A964
Raymond Fultz, Jr. AHO936
*Joel D. Gonia A217
James T. Gover P2221
*Walter F. Greenwell P1758
Robert F. Grooms P382
*Keith B. Gunter RP7155
*Rufus F. Hansford, Jr. A284
Franklin Dewight Harris A149
*John Blakey Helm A855
Tina M. Hill A638
Johnnie M. Isaacs P1426
*Cathy J. Jacobi A312
Gerald R. Jones A105
*Curtis W. Justice, Jr. A613
*Azam M Khan RP7196
*Kent L. Kleiman RP7205
*Joyce P. Land A828
*Daniel G. Legaspi A175
Marty S. Lile A922
Darold J. Longhofer NP6071
*Andy Lucas P1271
*Charles E. McAtee NP2168
*Barry K. McKinley, Jr. A229
*James H. Mills A451
Charles R. Moore P1144
*Ronald D. Motes RP7183
*Steve A. Nelson AHO5151
*Charles D. Over, Jr. RP854
Rex K. Patterson P2071
*Sherri L. Perry A550
Larry D. Pierson P353
Michael S. Purnell P1062
Tobie A. Rawlins AHO5023
*Sheila G. Reid AHO5116 *
*Jerry E. Rogers RP7330
*Brenda L. Sapp P2094
*Joshua R. Seagraves A412
*Randell D. Sexton P1256
*Allen R. Delagrange RP7234
Samuel E. Downs NP6117
*William D. Dyer A417
Bobby W. Egbert A602
*John Estes RP7083
Everett Everage, Jr. A121
*William G. Fields P1215
*Brenda L. Fleisner RP7201
Dana C. Franklin NP6094
James C. Gambill A789
*Joel D. Gonia AHO256
*James D. Graham P1141
David R. Griffin T3007
*Donald A. Grubbs A275
*Andrea C. Hampton A771
Joseph L. Hare P526
William C. Hatfield A107
*William E. Herrick A581
Ovie J. Hollon A369
Jason E. Issac A761
Donald R. Jewell, II A707
Ricky A. Jones P2038
*Christopher L. Kendall RA96
Larry C. Kimmel A623
Dean V. Kruse RP7274
*James O. Landis RP7097
*Jeffrey N. Levein A599
*Christopher A. Link A179
Doug Lowry P1441
William A. Mann P1049
Charles W. McBride RP6174
Michael B. McNew A822
Clement L. Mitchell P1607
*James E. Morris A683
Jason D. Neal A937
James E. Nugent P476
*Sherrill Padgett AHO5101
Arthur S. Pelfrey P1970
*Melvin A. Peters NP6053
*James O. Plybon RP7393
Curtis D. Ransdell P1192
Henry C. Reece NA568
Jason Reynolds RP7212
Glenda M. Rose AHO5040
Bobby B. Sasser RP7200
Charles W. Sentman RP7222
*Christopher Shaun NP821
*William David Dice RP853
Gregory T. Durham RP7258
*Brent A. Earlywine RP7295
*John W. Elam NP803
Everett Everage, Jr. AHO5147
*David H. Fairchild AHO5003
William T. Firestone RP987
Floyd M. Fletcher RP7045
*Dennis K. Franklin RP7074
Landon G. Goins T3015
Vickie D. Goodwin A791
Ben A. Graves A831
Roger C. Grimes T3016
Bart B. Guenther AHO797
Paul D. Hancock NP6079
*Ronald P. Harper RP7028
*David K. Hayes A772
*Dana James Hicks A847
Phillip M. Hudson 787
*Billy Neal Jackson RP843
Suzanne Johnson AHO975
*Klayton Juillerat A86
*Mark A. Kendrick A365
*Danny C. King A8
Robyn M. Lamkin A402
*Cyndi L. Larson AHO5096
*Cliff Lewis RP7001
Albert Little, Jr. P1962*
Leslie Kenny Loy HO6171
*George W. Martin RP7007
V. Esther McDonald A436
*Mark W. Metzger RP7342
Therman E. Montgomery P1780
*Robert D. Morris A665
*Quain L. Neal AHO5038
Daniel D. Oesch P2045
Dan Palmer RP6154
Tracey A. Pender-Link AHO6156
*Mike W. Phelps A897
*Senate Ray Purcell AHO5090
Christopher R. Rasmus RP952
*Wanda S. Reeves A118
Elizabeth M. Riley P409
*Bart T. Rowland A719
*Lynn D. Schroeder NP6015
Melvin K. Settles P478
*Michael E. Shaw P2065

*Anthony Ray Sherrell A852
 Jane Squires T3017
 George M. Stamps A6142
 F. Kim Stone RP7221
 Bill D. Tackett L4006
 *Joan C. Teeters A658
 Eddie L. Turner A654
 Earl F. Vinson A677
 *Joseph M. Ward NP6080
 *Francine A. Wayman A100
 *Steven E. Wilson P146
 Mark R. Wombles A793
 *Brian A. Yager A311

*Charles L. Siler P2235
 *Donald L. Stacy A531
 *Dale E. Stanley RP7382
 *Thaddeus J. Stupi A641
 Christopher Taliaferro RP932
 Logan R. Towery P1461
 Eddie L. Turner AHO5016 *
 Wanda C. Waldrige A659
 *Daniel R. Waters RP882
 *R. Bruce White A823
 John C. Wolff, Jr. A264
 Charles E. Woodard RP6155
 *Akbar Zarghouni RP7199

*Scott D. Smith A722
 Ronald S. Stacy P1793
 Vola K. Stewart P1744
 W. Scott Swenson RP6163
 David A. Teeman RP7127
 Eddie L. Turner AHO5044
 James J. Tyler RP7113
 Dutch Walters A669
 *James M. Watson P1058
 Mark F. Wilson RP6169
 *Linda G. Wombles A240
 M. Todd Woodruff RP6017

SEMINAR QUOTES

- 1) The difference between a mediocre auctioneer and a really good auctioneer is that last bid.
- 2) DISCLOSURE DISCLOSURE DISCLOSURE
- 3) Absolute Auction or Auction with Reserve is the seller's decision.
- 4) Using a Buyer's Premium is the seller's decision.
- 5) Better Phrases: -----would like to suggest-----an agreement versus a contract-----
 -----a good investment versus a good buy-----have an opportunity versus have a deal----
 -----cozy versus small-----expansive versus large-----make or have a request versus tell----
 ---"sell" implies absolute auction, use "offer"-----seller is "retaining" not "employing" an auctioneer--
- 6) An auctioneer may not call bids for an unlicensed auction house operator.
- 7) The Board does not have sample contracts; please contact your personal attorney.

DOING BUSINESS IN KENTUCKY

Kentucky Sales Tax Revenue Cabinet (502) 564-5170	Corporations in Kentucky Secretary of State (502) 564-2848
Motor Vehicles County Clerk or Revenue Cabinet, Motor Vehicle Usage Tax Section (502) 564-4455	Alcohol ATF (800) 688-9889 and KY Dept of Alcoholic Beverage Control (502) 564-4850
Firearms ATF (800) 688-9889 and Kentucky State Police (502) 227-8700	Food Products Cabinet for Health Services, Food Safety Branch (502) 564-7181
Mobile/Manufactured Homes KY Dept of Housing, Buildings and Construction Division of Fire Prevention, (502) 573-0365	Nursery Stock State Entomologist (859) 257-5838

ESCROW ACCOUNTS

An escrow account is a bank account used to hold other people's money. It is not to be used as an auctioneer's expense or operating account. For example: A check to the Kentucky Board of Auctioneers for license renewal fee is an inappropriate use of an escrow account.

DEPT OF FISH & WILDLIFE

KRS 150.180 Buying, Selling, or Transporting Protected Wildlife, Mussels and Fishes, Raw Fur, or Processed Wildlife.

(1) Except as otherwise provided for in this chapter, no person, for himself or as the agent or employee of another shall buy, or sell, or attempt to buy, or sell, barter, exchange, or trade, or have in possession for the purpose of selling, bartering, or trading any protected wildlife or part thereof, raw fur or processed wildlife, no matter where or when caught or killed, whether caught or killed in this state or in any other state or other country.

This is an excerpt from the Dept of Fish and Wildlife's law. For more information, please see their website <http://www.kdfwr.state.ky.us>

or call 1-800-858-1549.

Got that
"caught in
the
middle"
feeling?



NURSERY STOCK

According to KRS Chapter 249, any auctioneer who sells any nursery stock must have a Class B Nursery Dealer License. This specific license is for businesses whose primary business is not the sale or planting of nursery stock. Legislature stated that administration of this law shall be carried out by the state entomologist. If you would like more information on the nursery laws, you can go to the website <http://www.uky.edu/Agriculture/NurseryInspection/toc.htm> or call Joseph Collins / Carl Harper, Nursery Inspectors at (859)257-5838.

MOBILE/MANUFACTURED HOMES

The following is a response from Mr. Harry Rucker, Manufactured Housing Chief (Public Protection and Regulation - Housing, Buildings and Construction - Division of Fire Prevention, 502-573-0365).

According to state law you can sell or offer for sale only two (2) mobile/manufactured homes in a twelve-month period. This includes homes being sold at auction. Auctioneers selling multiple homes at auction can apply at this office for a temporary license which covers them for the auction (license is good for fifteen (15) days in case the weather doesn't cooperate). The current law does not take into consideration whether a home is on land or not. Any auctioneer who is selling multiple homes at different auctions would be better off financially to get a Manufactured home broker's license, which is good for a year.

KY SALES AND USE TAX

The Kentucky Revenue Cabinet is working on a project that will bring Internet filing of Sales and Use Tax Returns to the Commonwealth. The proposed Internet application will allow taxpayers to better control their tax accounts. They will be able to view returns that were previously filed online. They will be able to see if they have any outstanding bills owed to KRC. The system application is due to be available to the taxpayers in November 2002.

Teclines



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To ensure the Board's email system security, email with an auction-related term in the subject line.

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