



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

To: County Board of Supervisors
From: Phil Bryant, State Auditor
Date: January 29, 1997 (originally issued)
Subject: County Use of Auctioneers - Surety Bond

OSA Circular No. 10 issued January 29, 1997, states official regulations for county use of auctioneers. Bonding requirements outlined in OSA Circular No. 10 state, "The auctioneer shall post a cash or surety bond sufficient to safeguard the county (amount to be determined by the board of supervisors) when one or both of the following conditions are present:

- (1) The auctioneer collects money at the sale
- (2) The auctioneer takes possession of the property to be sold

At the discretion of the board of supervisors the auctioneer may provide an irrevocable letter of credit in place of a cash or surety bond. The issuing bank shall guarantee it will not withdraw or cancel the letter before a specified expiration date."

Some confusion has arisen concerning the type and form of the surety bond issued in the event the bond option is taken. In order to eliminate further confusion the Office of the State Auditor has prescribed the enclosed **Public Entity Auction Bond** to be used in all instances in which a surety bond is issued. The auctioneer may obtain this bond for a period of one year in an amount he deems sufficient to provide surety for auctions he/she may perform. In the event the board of supervisors determines the amount of the bond is not sufficient, the auctioneer must provide additional surety or security as determined sufficient by the board of supervisors.

The prescribed **Public Entity Auction Bond** form is an addendum to OSA Circular No. 10 and should be attached to OSA Circular No. 10 for future reference.



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

OSA Circular No. 10

**MISSISSIPPI STATE AUDITOR'S OFFICE
OFFICIAL REGULATIONS
COUNTY USE OF AUCTIONEERS**

The following regulations are promulgated by the State Auditor's Office and are effective on and after January 29, 1997. They shall be followed when a Mississippi county board of supervisors contracts for the services of an auctioneer.

EDUCATION

The auctioneer shall demonstrate that he has successfully completed a training course for auctioneers sponsored by a recognized auctioneering school, or

The auctioneer shall demonstrate that he has completed by a minimum of one (1) year's experience as an auctioneer in bid calling, for a fee, commission or expectation of receiving the same, by the means of or process of an auction or sale at auction, of goods, merchandise, or personal property.

LICENSING

Any auctioneer whose business is domiciled in a state which license auctioneers shall hold a current license from that state and meet all of the requirements related thereto.

Any auctioneer whose business is domiciled in the State of Mississippi shall hold a current local privilege license.

BONDING

The auctioneer shall post a cash or surety bond sufficient to safeguard the county (amount to be determined by the board of supervisors) when one or both of the following conditions are present:

- (1) The auctioneer collects money at the sale.
- (2) The auctioneer takes possession of the property to be sold.

At the discretion of the board of supervisors the auctioneer may provide an irrevocable letter of credit in place of a cash or surety bond. The issuing bank shall guarantee it will not withdraw or cancel the letter before a specified expiration date.

OTHER

The auctioneer nor any member of his firm shall be allowed to purchase any property which is to be sold.

The selection of an auctioneer shall be recorded in the minutes of the board of supervisors.

Information shall be maintained on file in the county to document the board of supervisor's compliance with these regulations for each contract or auctioneering services.

BOND NO. _____

PUBLIC ENTITY
AUCTION BOND

KNOW ALL MEN BY THESE PRESENTS, That _____
of _____, MS, as principal, and _____
_____ of _____ as Surety, a
corporation licensed to do business in the State of Mississippi in the sum of _____
(\$ _____) lawful money of the United States of America, to be paid to the State of Mississippi,
for the use and benefit of any county, municipality, district or agency of said State contracting
with said principal auctioneer, to which payment well and truly be made, we hereby, bind
ourselves, jointly and severally, our successors, and assigns, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS THAT _____
shall perform and observe the provision and conditions on its part to be performed and observed
and contained in all auction proposals for a period of one (1) year dated the ___ day of _____,
20___, and shall truly and faithfully conduct the Public Auctions sales as directed; and shall at the
conclusion of each sale, render a just and true account of monies and property as shall have come
into its possession, control, or charge as such auctioneer and shall pay over and deliver to the
Obligee, all such sums of money in its hands, or chargeable to it, and due and deliverable to the
said Obligee; and shall indemnify and save harmless said Obligee from any loss occasioned by
any act or omission to act of the said incident to the said sales.

This bond may, at any time, be canceled by either the Surety or Obligee upon written
notice served on the other or sent by registered mail and stating the effective date of such
cancellation, which in case of cancellation by the Surety, shall not be less than thirty (30) days
from such service.

Sealed, signed and dated this ___ day of _____, 20___.
