

# IT'S THE LAW

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## Auction Firm License Requirements

The profession continues to experience problems with licensed auctioneers calling bids for unlicensed auction firms. To ensure that all licensed auctioneers are aware of the Law, the following information is being reprinted to prevent possible future violations.

N.C.G.S. 85B-1(6) states, ““Auction Firm” means a sole proprietorship of which the owner is not a licensed auctioneer, or any partnership, association, or corporation, not otherwise exempt from this Chapter, that sells either directly or through agents, real or personal property at auction, or that arranges, sponsors, manages, conducts or advertises auctions, or that in the regular course of business uses or allows the use of its facilities for auctions. This definition applies whether or not an owner or officer of the business acts as an auctioneer.”

It is important to understand that the Board’s interpretation of the above is any partnership, association, or corporation, not otherwise exempt from this Chapter..., must apply for and obtain an auction firm license to sell ...either directly or through agents, real or personal property at auction, or to arrange, sponsor, manage, conduct or advertise auctions, or that in the regular course of business uses or allows the use of its facilities for auctions.

Corporations who have a sole owner are not exempt from this definition. A corporation is a separate entity from the individual who has ownership, thus the need for an auction firm license.

Complaints and investigations persist

concerning licensed auctioneers and apprentice auctioneers who have called bids for unlicensed auction firms. Violations of N.C.G.S. 85B-4(a) and 21 NCAC 4B .0404(a)(5) continue to lead all other violations that have come before the Board in the past three years. N.C.G.S. 85B-4 (a), provides that, “no person who is not exempt under G.S. 85B-2, shall sell, or offer to sell, goods or real estate at auction in this State or perform any act for which an auction firm license is required unless the person holds a currently valid license issued under this Chapter,” and 21 NCAC 4B .0404(a)(5), provides that, “auctioneering at an unlicensed auction firm sale.”

Some of the unlicensed auction firms have “duped” licensed auctioneers into making “easy” money, when in the end the licensed auctioneer is ultimately responsible administratively. The unlicensed auction firms can be charged criminally or the Board can seek injunctive relief to restrain any violation or anticipated violation of the Auctioneer Law.

If someone contacts you and says that they will handle everything and that all you have to do is show up and call bids, be suspicious! Get details about the auction and about the company. If at that point you are not sure whether they need a license or not, contact the N.C. Auctioneer Licensing Board office. We will advise you if the company needs a firm license and if there are impending violations.

If the offer sounds too good to be true, it probably is. Taking the time to find out the facts surrounding an auction can mean the difference between disciplinary action or not.