

GENERAL ASSEMBLY OF NORTH CAROLINA
1993 SESSION

CHAPTER 421
HOUSE BILL 1212

AN ACT TO CHANGE CERTAIN FEES CHARGED BY AUCTIONEERS AND TO
AMEND THE REQUIREMENTS FOR DEPOSITS IN TRUST OR ESCROW
ACCOUNTS BY AUCTIONEERS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 85B-6 reads as rewritten:

"§ 85B-6. Fees; local governments not to charge fees or require licenses.

(a) The Commission shall collect and remit to the State Treasurer fees in an amount not to exceed the following: ~~fifty dollars (\$50.00) for application for apprentice auctioneer license; twenty-five dollars (\$25.00) for apprentice auctioneer license for one year; twenty-five dollars (\$25.00) for application for auctioneer license and for examination; one hundred dollars (\$100.00) for auctioneer license for one year; seventy-five dollars (\$75.00) for designation as licensed auctioneer business.~~

Item Maximum Fee

Apprentice Auctioneers:

<u>Application for license</u>	<u>\$50.00</u>
<u>Issuance or renewal of license</u>	<u>50.00</u>

Auctioneers:

<u>Application for license</u>	<u>50.00</u>
<u>Examination</u>	<u>25.00</u>
<u>Issuance or renewal of license</u>	<u>100.00</u>

Auction Firms:

<u>Application for license</u>	<u>50.00</u>
<u>Examination</u>	<u>25.00</u>
<u>Issuance or renewal of license</u>	<u>100.00</u>

Reinstatement of License 25.00.

An application fee for a license and an examination fee are nonrefundable. The amount payable by a nonresident under G.S. 85B-5 to obtain a nonresident reciprocal auctioneer license is the greater of the amount set in the above table for an examination for and the issuance of an auctioneer's license and the amount the nonresident's state would charge a resident auctioneer of this State to obtain a comparable license from that state.

A reinstatement fee is payable when a person applies for renewal of a license after the license has lapsed for failure to renew it before it expired. The reinstatement of a lapsed license is not retroactive in effect and does not limit the authority of the courts or

of the Commission to take disciplinary action against a person who engages in the auctioneer profession with a lapsed license.

(b) No local government or agency of local government may charge any fees or require any licenses for auctioneers, apprentice auctioneers, or ~~auctioneer businesses~~ auction firms in addition to those set out in this Chapter."

Sec. 2. G.S. 85B-7.1 reads as rewritten:

"§ 85B-7.1. Handling clients' funds.

(a) Each licensee shall maintain a trust or escrow account and shall deposit in the account all funds that are received for the benefit of another person. The funds person and are not disbursed to the seller on auction day. ~~The licensee shall be deposited~~ deposit funds that are not disbursed on auction day with an insured bank or savings and loan association located in North Carolina. A licensee who disburses funds on auction day shall prepare a receipt or settlement statement for the disbursed funds that contains the name and address of the person receiving the disbursement and the amount of the disbursement. The receipt or statement shall be signed by the licensee and the person receiving the disbursement.

(b) Each licensee shall maintain, for not less than five years, complete records showing the deposit, maintenance, and withdrawal of trust or escrow ~~funds.~~ funds and the disbursement of funds on auction day. Records of the disbursement of funds on auction day shall include a copy of each receipt or settlement statement issued when the funds were disbursed. The Commission or its designated agent may inspect these records periodically, without prior ~~notice~~ notice, and may also inspect these records whenever the Commission determines that they are pertinent to an investigation of any specific complaint against a licensee."

Sec. 3. G.S. 85B-4(g) reads as rewritten:

"(g) An auction firm must be licensed ~~as an auctioneer business by the Board~~ even though no owner or officer of ~~that business~~ the firm acts as an auctioneer. To be licensed an auction firm must make the contribution to the Fund as required by G.S. 85B-4.1 and must pay the proper fees as set out in G.S. 85B-6. Auction firms are covered by the provisions of G.S. 85B-8.

An auction firm license issued by the Commission is restricted to the persons named in the license and does not inure to the benefit of any other person. Where a license is issued to an auction firm, authority to transact business under the license is limited to the person or persons designated in the application and named in the license.

The designated person or persons, prior to being licensed, shall be required to take a written examination, approved by the Commission, and demonstrate to the satisfaction of the Commission a thorough understanding of the law relating to the conduct of the auction business and other matters the Commission deems appropriate. An individual who is licensed as an auctioneer and who is the designated person applying for an auction firm license is not required to take the auction firm examination. Licensed real estate brokers and real estate firms may be exempt from the auction firm examination provided they employ or associate themselves with a licensed auctioneer to handle those aspects of the transactions peculiar to the auctioneer profession. Any person or entity, on the effective date of this Chapter, duly licensed as an auction firm in good standing is

not required to take any examination in order to maintain or to renew an auction firm license provided that the license does not otherwise expire or lapse and is not suspended or revoked by the Commission."

Sec. 4. This act is effective upon ratification and applies to fees due on or after that date.

In the General Assembly read three times and ratified this the 21st day of July, 1993.

Dennis A. Wicker
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives