



Jonathan Mintz
Commissioner

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Re: A licensed auctioneer must perform the auction

Ms. ██████████,

I am writing in response to your inquiry whether the University of ██████████ must obtain a license in order to hold an auction event in New York City. The answer to your question is that, while the University of ██████████ need not obtain a Department of Consumer Affairs ("DCA" or "the Department") auction house license, the auctioneer the University hires to perform the auction you have described must be licensed.

According to our phone conversation and email exchange, the University of ██████████ will sponsor an auction to raise money for a scholarship at the law school. The hall and auctioneer are being paid by sponsorships and ticket sales to invited persons. You advised me that the law school has hired an auction company to perform the auction and that the auctioneer will receive compensation for his/her services. You also told me that all of the auction proceeds will be contributed to the University of ██████████ and that the university is a tax exempt and charitable organization as defined by IRC sections 501(c)(3) and 170.

Section 20-278 of the New York City Administrative Code provides, "[i]t shall be unlawful for any person to engage in the business of auctioneer without a license therefore."

The Department requires any person who sells goods at a public auction for compensation and on behalf of a profit-making entity to obtain a license. As long as the entire proceeds of the auction are donated to charity, and not for compensation or profit, the University as a charitable organization is not required to obtain an auction house license. However, since the auctioneer is being paid for his/her services, the auctioneer is required to have a DCA auctioneer license.

If you have any further questions about this matter, please feel free to contact me.

Sincerely,

██████████
Staff Counsel