

Buyer's Premium is often used in auctions as a form of payment for the person or company conducting the auction. A buyer's premium is an advertised percentage of the high bid or flat fee added on to the high bid to determine the total price to be paid by the buyer.

The existence of a buyer's premium in an auction (if one is to be collected), the calculation method, and a designation as to who is to receive any collected buyer's premium are all issues that should be addressed in the auction contract.

Auctioneers are required to create and retain **consignment records** and also **sales records**.



In nearly all instances, an auctioneer is required to pay over proceeds from an auction sale within 30 days of coming into receipt of those proceeds.

At or before the time of all final settlements, the auctioneer must provide the seller or consignor with a settlement statement, which includes a description of all goods sold, the selling price of the goods sold, the net proceeds due to the seller or consignor, the name and address of the person receiving the disbursement, and the amount of the disbursement.

All settlement statements must be signed by the licensee or the licensee's agent and also by the person receiving the disbursement.



**NORTH CAROLINA AUCTIONEER
LICENSING BOARD**

108 Ber Creek Drive
Fuquay-Varina, NC 27526
info@ncalb.org
(919) 567-2844

**NORTH
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AUCTION
INFORMATION
FOR
CONSUMERS**



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This brochure has been created by the NC Auctioneer Licensing Board as a general guide for consumer information regarding auctioneering in North Carolina. It is not intended to be an exhaustive source of information, nor should it be relied upon as legal advice.

NCALB staff is eager to address any general auction questions that you may have.



Most auction sales (whether live, online, simulcast, etc.) of property that is located in North Carolina require a valid and Active Auctioneer License or Auction Firm License issued by the NC Auctioneer Licensing Board (NCALB). There are a few exceptions to the licensure requirements.

Exemption details and other specifics of North Carolina auctioneering laws and rules can be found in **NCGS 85B** and **21 NCAC 4B**.

Those laws and rules can be reviewed by visiting www.NCALB.org. You can also search for a licensee at that website by name, license number, or county.

An auctioneer has a **fiduciary duty** to the seller. This means the auctioneer is an agent for the seller and must act in the best interest of the seller while engaging legally, ethically, and in good faith with all parties.

Every North Carolina auction must be conducted according to the terms and conditions agreed upon between seller and auctioneer in a **written contract**.



There are generally two different types of auctions:

Reserve Auction: A “reserve” auction means that a price has been set between the seller and auctioneer that must be met to complete the sale. Reserves are often used to provide the seller with security that they receive a certain amount of money to meet their sale goal. Reserve amounts may or may not be disclosed to bidders.

Absolute Auction: An “absolute” auction is an auction where the property is sold to the highest bidder. There is not a minimum or reserve price that must be met to complete the auction sale. The seller may not bid personally or through an agent.

