

ALABAMA STATE BOARD OF AUCTIONEERS

FREQUENTLY ASKED QUESTIONS

The following sets forth common questions and answers involving the practice of the profession of auctioneering in the State of Alabama. References to the "Act" are to the "Auctioneers License Act," and references to the "Rules" are to the "Alabama State Board of Auctioneers Rules and Regulations." It is strongly recommended that every licensee carefully study and review the Act and the Rules.

The Act and the Rules may be found from the main page of the Alabama State Board of Auctioneers' ("Board") website at <http://www.auctioneer.state.al.us>.

DISCLAIMER - The information contained in this question/answer format is intended for general reference only. In any instance where there is a discrepancy between the question/answer format and the language in the Act or the Rules, the Act or the Rules govern. This information does not constitute legal advice and is not intended to substitute for the advice and interpretation of the Act or the Board's Rules by its staff or legal counsel. Questions regarding the interpretation and application of the Act and Rules should be forwarded to the Board at 334.420.7235 or 866.873.4664.

Q. [When is an Alabama auctioneer license required?](#)

A. As defined by Ala. Code §§ 34-4-2 and 34-4-20, an auctioneer license is necessary for any person or entity who engages in bid calling for a fee, commission or any other valuable consideration at auction or with the intention or expectation of receiving the same, by the means of or process of an auction or sale at auction, offers, negotiates, or attempts to negotiate a listing contract, sale, purchase, or exchange of goods, chattels, merchandise, real or personal property or any commodity which may be lawfully kept or offered for sale by or at public auction.

Q. [What kind of auction licenses are available for individuals?](#)

A. The Board issues auctioneer and apprentice auctioneer licenses to individuals.

Q. [What are the requirements for becoming an auctioneer?](#)

A. All applicants for an auctioneer license must be at least 19 years of age, a citizen of the United States or legally present in the state of Alabama, and (1) have completed at least 85 hours of classroom instruction that meets the standards adopted by the Board; (2) have served as an apprentice for at least one year under a licensed auctioneer in Alabama; (3) have been the principal auctioneer in at least five auctions of real or personal property during this period of time; and (4) provide proof of these requirements to the Board. If the applicant has not completed a course of study at an accredited auctioneering school, he/she must serve two years as an apprentice under a licensed auctioneer and have been the principal auctioneer in at least ten auctions of real or personal property. The application for an auctioneer license is available at http://www.auctioneer.state.al.us/auctioneer.aspx?sm=a_a.

Each applicant for an apprentice auctioneer license must be at least 18 years of age and a citizen of the United States or legally present in the state of Alabama. The application for an apprentice auctioneer license is available at http://www.auctioneer.state.al.us/apprentice_app.aspx.

Non-resident, non-reciprocal applicants must prove they have been active auctioneers during the past five years immediately preceding the date of application. Proof of activity may include some or all of the following and must contain dates which will effectively verify that the applicant has been an active auctioneer for the five years immediately preceding the application: advertisements containing the applicant's name; copies of closing statements which show the date of the sale and are signed by the applicant; copies of county and or municipal auctioneer licenses; and affidavits from duly licensed Alabama auctioneers that the applicant has engaged in auctions during this time. The application for a non-resident, non-reciprocal auctioneer license is available at http://www.auctioneer.state.al.us/nonresident_app.aspx.

Each of these applicants must file an application on forms provided by the Board, pay all required fees, and take and pass a written examination.

Q. How often is the examination given?

A. The examination is given daily at various locations throughout the state by Prov, Inc., the Board's testing vendor. You may contact Prov toll-free at 866.720.7768 or online at www.provexam.com for additional information. Additional information is also provided in the Candidate Information Bulletin located on the Board's website at http://www.auctioneer.state.al.us/pdf/2014/CandidateExamBulletin11-2414.pdf?sm=a_d

Q. Does the Board maintain a list of schools which offer the required curriculum to sit for the auctioneer examination?

A. No. The Board does not maintain an approved list of schools. Rule 150-X-1-.12 details the course of study which an applicant must complete to qualify to sit for the examination based on education. A copy of the applicant's diploma must be provided as part of the apprentice application.

Q. What methods of licensure are offered for auctioneers?

A. Alabama law provides for licensure by examination and reciprocity. The state from which the auctioneer is reciprocating must have auctioneer licensing standards that are equal to or exceed the licensing standards in Alabama, and the licensure board from that state must have entered into a reciprocation agreement with the Board. The list of states that are currently accepted for reciprocity may be viewed online at http://www.auctioneer.state.al.us/PDF/2015/ReciprocalStateInfo_Feb-%202015.pdf.

Q. What are the requirements for obtaining a license by reciprocity from another state?

A. The auctioneer will need to complete the reciprocal application, obtain a certificate of good standing from the state from which the applicant is applying by reciprocity, and

pay the required fee. The reciprocal auctioneer application is located on the Board's website at http://www.auctioneer.state.al.us/reciprocal_app.aspx.

Q. What kind of auction license is available for business entities?

A. The Board issues auctioneer licenses to any legal entity, including corporations, limited liability companies and partnerships, that engages in the business of auctioneering, as defined under Ala. Code § 34-3-2(6). Authority to transact business under the auction company license shall be limited to one officer or member of the company, to be designated in the application as the principal auctioneer and named in the license. The principal auctioneer shall be responsible for the actions of all licensed and unlicensed employees, agents, and representatives of said auction company while the company is conducting an auction or providing an auction service.

The application form for an auction company license is available at http://www.auctioneer.state.al.us/pdf/forms/UpdatedAuctionCoLicAppl2016-2017.pdf?sm=a_c.

Q. What are the fees for obtaining an auctioneer license?

A. The fees related to an auctioneer license include the following:

- Request for Conviction/Criminal History Record - \$20.00
- Examination - \$100.00, paid directly to the examination vendor
- Initial licensing - \$200.00
- Annual License renewal - \$200.00

Application fees and initial licensing fees must be provided to the Board in the form of checks or money orders. Renewal fees may be submitted online by credit card through the payment portal available on the Board's website for online renewals.

Q. What are the fees for obtaining an apprentice auctioneer license?

A. The fees related to an apprentice auctioneer license include the following:

- Request for Conviction/Criminal History Record - \$20.00
- Examination - \$100.00, paid directly to the examination vendor
- Initial licensing - \$100.00
- Annual License renewal - \$100.00

Application fees and initial licensing fees must be provided to the Board in the form of checks or money orders. Renewal fees may be submitted online by credit card through the payment portal available on the Board's website for online renewals.

Q. What are the fees for obtaining a reciprocal license?

A. There is a fee of \$150.00 for processing a reciprocal license application; however, if the reciprocating state imposes licensure, renewal or application fees that

are greater than the fees imposed by the Board, the reciprocal applicant will be required to pay the higher fee.

Application fees and initial licensing fees must be provided to the Board in the form of checks or money orders. Renewal fees may be submitted online by credit card through the payment portal available on the Board's website for online renewals.

Q. What are the fees for obtaining an auction company license?

A. There is a fee of \$200.00 for processing an auction company license application. A fee of \$200.00 is also charged for each annual renewal application.

Application fees and initial licensing fees must be provided to the Board in the form of checks or money orders. Renewal fees may be submitted online by credit card through the payment portal available on the Board's website for online renewals.

Q. Are auction companies and auctioneers required to maintain an escrow account?

A. Yes. Each auctioneer or auction company responsible to account for or remit funds of others that come into its possession shall provide the name of the bank and the account number of any escrow or trustee account wherein the funds of others held by the auctioneer or auction company are maintained. Any licensed auctioneer in Alabama who works directly for an auction company or who works directly for another licensed auctioneer who maintains an active escrow account may use that escrow account and number in all applications for licensure or renewal, provided that the escrow account is used solely for the purpose of holding funds of others in relation to auctions.

Q. Who qualifies for an exemption from the requirement to obtain a company license?

A. An auction company exclusively owned and operated by an auctioneer licensed by the Board and in good standing will be exempt from the requirement for a separate auction company license; however, licensed auctioneers fitting within this exemption must still complete and file an auction company application with the Board, but shall not be required to remit the application or licensure fee.

Q. Are there any exemptions from the auctioneer license requirement?

A. Yes. Exemptions from the licensing requirement are set forth in Ala. Code §§ 34-4-3 and 34-4-27. No license is required for:

- any auctioneer who conducts an auction, without compensation for himself/herself, where all proceeds from the auction go to the benefit of any charitable organization;
- an auction conducted by the owner of the property, whether real or personal;
- sales for the estate of a decedent;
- sales of property conveyed by deed of trust, mortgage, judgment, or ordered to be sold according to the mortgage, judgment or order;
- all sales under legal process;
- any person acting as a receiver, trustee in bankruptcy, guardian, administrator, or executor;
- any person acting under order of any court;
- a trustee acting under a trust agreement, deed of trust or will;

- sales at auction conducted by or under the direction of any public authority or pursuant to any judicial order or decree.

Q. Is an auctioneer's license required in order to auction real property?

A. Yes. You need both an auctioneer license and a broker's license. Please contact the Alabama Real Estate Commission at 334.242.5544 for information on selling real estate, or visit their website at www.arec.alabama.gov.

Q. Are Alabama auctioneers required to obtain a business license from towns and municipalities in this state in order to conduct auctions within those jurisdictions?

A. No. Ala. Code § 34-4-6 provides that "No political subdivision of this state shall have the power or authority after September 5, 1973, to levy or collect any license tax from or to require the licensing in any manner of any auctioneer who has been licensed and bonded under this chapter in lieu of the license tax or license fee heretofore imposed by any political subdivision."

In other words, towns and municipalities cannot charge licensed auctioneers for business licenses to conduct auctions within their jurisdictions, much less to be licensed as auctioneers. In at least four different Opinions issued as recently as 1997, the Attorney General has consistently held that "municipalities are prohibited from levying taxes or requiring an auctioneer or auction business to purchase a business license in order to conduct business within the municipality." Municipalities are, however, allowed to license and regulate an auction that takes place in the streets or public places, pursuant to ALA. CODE § 11-51-97 (1975 as amended).

Notwithstanding this prohibition, auctioneers may still be required to pay a county license of \$25 in each county where he/she sells by auction, in accordance with Ala. Code § 34-4-27 (1975 as amended). However, no privilege license shall be required for any apprentice auctioneer when he/she is listed as the principal auctioneer.

Q. Is a bond required as a condition of licensure?

A. Yes. Each application for an auctioneer's or apprentice auctioneer's license must be accompanied by a bond in the amount of \$10,000. The bond must be a cash bond or a surety bond and, if the latter, must be executed by a surety company authorized to do business in Alabama. The bond shall be made payable to the Board in a form approved by the Board and conditioned upon the applicant conducting his or her business in accordance with the provisions and intent of the Act. No license may be issued until such a bond has been filed with the Board.

Q. Does the Board issue temporary permits or licenses for an auction?

A. No. The Act does not provide for a temporary permit or license.

Q. Can auctioneers place their licenses on inactive status?

A. No. The Act does not provide for an inactive status.

Q. When do licenses expire?

A. All licenses expire on September 30th of each year and may be renewed upon payment of the appropriate license fee. If a licensee fails to renew his or her license by the deadline of each year, he or she may have the license renewed within 60 days after the expiration date (by November 30th) upon payment of the required fee and a late fee of \$25.00 for apprentices and \$50.00 for auctioneers. If a licensee elects not to pay the penalty and renew his or her license, the license is considered to be expired and cannot be renewed. In order to obtain another license, the licensee must submit an application, pay the examination fee and take the examination required for new licensees.

Q. What is the process for renewing an auctioneer license?

A. All licenses issued by the Board must be renewed annually. The Board will mail renewal notices to your address of record 60 – 90 days prior to the expiration of your license. The licensee must accurately complete the renewal application and send the renewal application, together with the required fee, to the Board office, postmarked prior to the expiration of the license. If a renewal form is not received in the mail, it remains the responsibility of the licensee to file the renewal application. The licensee will also have the option to renew via the Board's website using a credit card. There is a surcharge for using a credit card to renew online.

Q. What are the continuing education requirements for renewal?

A. A licensee is required to complete a total of 6 hours of approved continuing education (CE) every two years. Hours in excess of the minimum biannual requirement may be carried forward for credit in the succeeding renewal period. Licensees may meet the continuing education requirement by completing 6 hours of instruction in one or more of the following: (1) any Board approved course offered by an approved auctioneering school and taught by an approved instructor; (2) any course offered by the National Auctioneers Association (NAA) which provides credit toward any of the designations offered by the NAA as of October 1, 1994; (3) any seminar offered by the Alabama Auctioneers Association which is approved by the Board; (4) any combination of courses which meet the requirements of the Alabama Real Estate Commission for continuing education; (5) any seminar underwritten by the Board or its designated representative (hour for hour); (6) presentation of an auctioneer-related paper for a seminar or conference prepared and presented by the licensee (approval and credit determined by the Board); (7) publication of an auctioneer-related article in a Board-recognized professional journal (approval and credit determined by the Board); (8) any seminar or course which the Board deems to be appropriately related to the auctioneering industry (hour for hour).

Approved CE courses may be taught only by instructors approved by the Board. The requirements for continuing education, course approval and approval for instructors are set forth in Rule 150-X-1-.13.

Q. Does the Board accept continuing education from other states?

A. Yes. Licensees who meet the continuing education requirements of the state from which they are reciprocating will be considered to have met the continuing education requirements of the Board.

New Alabama licensees who have taken the examination for their license within the twelve months immediately preceding expiration of their licenses will be considered to have met the continuing education requirements for the renewal period. New reciprocal licensees who have obtained their auctioneer or apprentice auctioneer licenses from the reciprocating state by written examination within the twelve months previous to the expiration of their Alabama reciprocal license will also be considered to have met the continuing education requirements for renewal of their Alabama reciprocal licenses.

The Board will also accept the following in satisfaction of Alabama's continuing education requirements: any course offered by the National Auctioneers Association (NAA) which provides credit toward any of the designations offered by the NAA as of October 1, 1994; presentation of an auctioneer-related paper for a seminar or conference prepared and presented by the licensee (approval and credit determined by the Board); publication of an auctioneer-related article in a Board-recognized professional journal (approval and credit determined by the Board); and any seminar or course which the Board deems to be appropriately related to the auctioneering industry (hour for hour).

Q. Is there an exemption to the continuing education requirement?

A. Yes. The Act provides for an exemption from the continuing education requirement for auctioneers 65 years of age or older.

Q. Are licensees required to notify the Board of any changes in their mailing address?

A. Yes. The Board must have a current address for licensees at all times. Licensees should immediately provide written notice to the Board of any change in mailing address, and the Board will issue a new license for the unexpired period. A change of mailing address without notification to the Board shall automatically cancel the license previously issued. The Board imposes a fee of \$5.00 for changing a mailing address and issuance of a new license. Each prior license must be returned or accounted for to the Board and must be canceled before the issuance of the new license.

Q. Does the Board process letters of good standing or certification of licensure?

A. Yes. The Board will process letters of good standing and certifications of licensure. Please submit your request, including your license number, to the Alabama State Board of Auctioneers, 2777 Zelda Road Montgomery, Alabama 36106. Most certifications take approximately two weeks to process, depending upon the number of pending requests.

Q. What is the process for filing a complaint about a licensee or an unlicensed auctioneer or auction company with the Board?

A. The Board has a formal complaint intake process for members of the public. To file a complaint against a licensee of the auction profession, please download a complaint form at http://www.auctioneer.state.al.us/PDF/Forms/Consumer_cmplt_cvr_ltr.pdf or contact the Board office at 334.420.7235 or 866.873.4664 to request that a complaint form be mailed to you. Complete and sign the form, compile any supporting information, and mail or fax the form and the supporting information to the Board office. The Act requires all complaints to be submitted in writing and verified by the complainant – anonymous or unsigned complaints cannot be accepted by the Board. Upon receipt of the complaint, the Board will investigate the matter and determine whether formal disciplinary action is required against the licensee. Persons submitting complaints may be required to support them with an appearance before the Board.

Q. Does the Board have a recovery fund for persons who have been financially harmed by the actions of a licensee?

A. No. The Act does not include provisions for the establishment of a recovery fund. The Board does not conduct litigation for matters which involve purely private controversies.

Q. Can an apprentice hold auctions without the supervision of a licensed auctioneer?

A. No. An apprentice auctioneer must work under the supervision of a licensed auctioneer at all times. In order to sponsor an apprentice auctioneer, an auctioneer must have been licensed for at least two years, be in good standing with the Board and reside in the same state as the apprentice. The responsibilities of sponsors and their apprentices are set forth in Rule 150-X-1-.10 and in the affidavits included in the apprentice auctioneer application, as found at http://www.auctioneer.state.al.us/apprentice_app.aspx.

Q. What are the requirements for advertising an auction?

A. Licensees are encouraged to review the advertising requirements set forth in Rule 150-X-1-.03. Any advertisements for auction sale must identify the name and license number of the auctioneer and any apprentices who will be conducting the auction business. Apprentice auctioneers must meet the same requirements and must additionally identify their sponsor's name and state license number. This rule pertains to any and all advertisements and includes billboards, Internet, television and radio advertisements, etc. Auction companies must include the name and state license number of the principal auctioneer and any other auctioneer responsible for the auction; Internet advertisements for specific auctions with online-bidding must list the name and state license number of the auction company's principal auctioneer. However, advertising designed to generate business and let the public know of the availability of an auctioneer's services need not include the auctioneer's name and state license number.

Q. How can I find out if an auctioneer or auction company is licensed?

A. To find out if a particular auctioneer is licensed, search the licensee roster posted on the Board's website at http://www.auctioneer.state.al.us/search.aspx?sm=c_a. A listing of licensed and exempt auction companies may be found under the Consumer section on the main page of the Board's website at <http://www.auctioneer.state.al.us>.