



*This article presents general guidelines for Georgia nonprofit organizations as of the date written and should not be construed as legal advice. Always consult an attorney to address your particular situation.*

## **Georgia Auctioneers Law**

Nonprofits that engage in live auctions should be aware of the Georgia Auctioneers Law (the “GAL”). The GAL requires any person or company engaging, conducting, advertising, or in business as an auctioneer to be licensed by the Georgia Auctioneers Commission. Does your nonprofit currently use a licensed auctioneer for its live auctions? If not, should it? In this article, we will review the GAL as it might apply to your nonprofit.

### Hypothetical

Awesome Nonprofit holds an annual fundraising gala in Georgia that includes a live auction. This article will describe how the GAL applies to Awesome Nonprofit in three scenarios, based on whether the auctioneer is: 1) a volunteer auctioneer, 2) a member of Awesome Nonprofit’s staff or 3) a paid auctioneer.

### Definition of an Auctioneer

We’ll start with a legal definition for context, then go into the hypothetical scenarios for clarity. The GAL defines an auctioneer as “any person who, for a fee, commission, or any other valuable consideration or with the intention or expectation of receiving the same by means of or by 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 other commodity which lawfully may be kept or offered for sale and has been duly licensed.”

### Auction Led by Volunteer

If Awesome Nonprofit enlists the assistance of a volunteer to lead the auction, then the auctioneer would probably not be subject to the GAL. The nonprofit is not required to enlist a licensed auctioneer to lead the auction if the auctioneer is helping out solely on a volunteer basis. For example, if the volunteer is the Chair of the Board, a friend of the Executive Director or a community supporter of the organization, then the GAL is probably not applicable. In the event the volunteer expects something in return for their services, then the GAL may apply.

### Auction Led by Awesome Nonprofit Staff

Awesome Nonprofit has a staff member who is great at getting in bids at their live auction. If the staff member serves as auctioneer in a volunteer capacity (i.e. their participation is truly voluntary and is not part of their regular job duties), then the GAL would not apply. However, if leading the auction is part of the staff member’s job description, the person is potentially receiving compensation for their auctioning services. In that case, the GAL may apply and the staff member may need to have an auctioneer’s license (unless they are exempt as outlined below).

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## Auction Led by Paid Auctioneer

Awesome Nonprofit hires a third-party auctioneer every year for their annual gala. The GAL applies to this scenario, and Awesome Nonprofit would need to hire a licensed auctioneer, unless the auctioneer or the auction falls under one of the exemptions listed below.

### *Exemptions*

Under the GAL, an organization is not required to hire a licensed auctioneer if any of the following apply:

1. Where funds are to be used by a nonprofit organization for the preservation of wildlife or its habitats.
2. Any youth livestock auction, sponsored by a 4-H Club or the Future Farmers of America.
3. Any nonprofit organization conducting an auction where the funds are to be used in a way as to benefit persons with physical or mental disabilities or disorders or for research related to cures or prevention of such disabilities or disorders.

The first two exemptions require the auctioneer or the organization's President, Secretary, or other managing member to [apply](#) for a letter of exemption from the Georgia Auctioneers Commission **before** the date of the auction. The application, [Form 32 Nonprofit Request for Letter of Exemption](#), can be found under "Forms" on [the Georgia Auctioneers Commission](#) website. The third exemption does not require prior approval.

Any organization or entity that is not included in the exemptions above and wants to use a paid auctioneer to conduct an auction must hire a licensed auctioneer.<sup>1</sup>

*Compliance.* If Awesome Nonprofit does not fall under one of the exemptions listed above, they should confirm that their hired auctioneer is licensed in Georgia. An auctioneer's licensing status can be verified through the [Professional Licensee Search](#) on the Georgia Secretary of State website using any two the following: First Name, Last Name, License Numbers, and License Type.

*Penalties for noncompliance.* The law states any person or corporation who violates the law commits a misdemeanor. Any person or corporation convicted of a misdemeanor for violating the law will receive a fine not to exceed \$1,000.00, be imprisoned for a term not to exceed 90 days, or both.

### Georgia Auctioneer's Commission

The [Georgia Auctioneers Commission webpage](#) on the Secretary of State's website provides more information on licensing, rules and regulations, licensing, and the commission. Nonprofits can contact the Georgia Auctioneers Commission at [customerservice@sos.ga.gov](mailto:customerservice@sos.ga.gov) with "Attn: GA

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<sup>1</sup> Note that there are a few situations in which a paid auctioneer does not need to be licensed to conduct an auction, including auctions by students of approved auctioneering schools during the term of their course of study. An organization can find a list of approved schools on the Secretary of State [license portal](#) (Select Auctioneer Commission from the Profession drop-down menu, and then select Auction Schools. Click Search to populate a list of schools. Approved schools will have a status of "ACTIVE" beside their name. Those with a "Lapsed" status are not currently approved.)

Auctioneers Commission” in the subject line. Nonprofits can submit applications, exemption letters and additional documents to the Auctioneers licensing board at [trades3@sos.ga.gov](mailto:trades3@sos.ga.gov). Board response time can take 35-45 business days.