

1730--D

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Introduced by M. of A. BRODSKY -- read once and referred to the Committee on Tourism, Arts and Sports Development -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading -- reported from committee, advanced to a third reading, amended and ordered reprinted, retaining its place on the order of third reading

AN ACT to amend the general business law, in relation to auction requirements

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Legislative intent. The legislature declares that the  
2 following provisions of law are in addition to other provisions of law  
3 and regulations applicable to auctions.

4 S 2. The general business law is amended by adding a new section 29 to  
5 read as follows:

6 S 29. REQUIREMENTS FOR AUCTIONS. 1. THE AUCTIONEER WILL BE HELD  
7 RESPONSIBLE FOR THE TRUTH OF ANY STATEMENT CONTAINED IN ANY CATALOGUE,  
8 ADVERTISEMENT, ANNOUNCEMENT, PRESS RELEASE OR OTHER PUBLIC STATEMENT  
9 MADE BY THE AUCTIONEER RELATING TO ANY AUCTION.

10 2. A. NO PERSONAL PROPERTY MAY BE AUCTIONED EXCEPT PURSUANT TO A WRIT-  
11 TEN CONTRACT BETWEEN THE CONSIGNOR OR HIS OR HER AGENT OR AUTHORIZED  
12 REPRESENTATIVE AND THE AUCTIONEER, UNLESS AUCTIONED PURSUANT TO AN ORDER  
13 OF A COURT OF COMPETENT JURISDICTION.

14 B. EVERY CONTRACT REQUIRED PURSUANT TO PARAGRAPH A OF THIS SUBDIVISION  
15 MUST CONTAIN THE FOLLOWING PROVISIONS:

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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A. 1730--D

2

1 (I) ALL FEES, COMMISSIONS AND CHARGES TO BE PAID BY THE CONSIGNOR TO  
2 THE AUCTIONEER OR HIS OR HER AGENTS, PRINCIPALS, EMPLOYEES, EMPLOYERS OR  
3 ASSIGNS SHALL:

4 (1) TO THE EXTENT PRACTICABLE, BE ITEMIZED AND SPECIFIED AS TO AMOUNT  
5 (WHICH MAY BE STATED AS A PERCENTAGE OF THE RESERVE PRICE OR ANY FINAL  
6 BID), AND

7 (2) IF SUCH ITEMIZATION AND SPECIFICATION AS TO AMOUNT IS NOT PRACTI-

8 CABLE, BE DESCRIBED WITH SUFFICIENT PARTICULARITY TO INFORM THE CONSIG-  
9 NOR OF THE NATURE OF THE SERVICES FOR WHICH SUCH FEES, COMMISSIONS AND  
10 CHARGES WILL BE IMPOSED.

11 (II) THAT AS OF THE DATE OF THE AUCTION THE CONSIGNOR WARRANTS THAT HE  
12 OR SHE HAS COMPLETE AND LAWFUL RIGHT, TITLE AND INTEREST IN THE PROPERTY  
13 AUCTIONED, AND THAT THE CONSIGNOR SHALL INDEMNIFY THE AUCTIONEER, HIS OR  
14 HER AGENTS, PRINCIPALS, EMPLOYEES, EMPLOYERS OR ASSIGNS IN THE EVENT OF  
15 ANY DEFECT IN TITLE, AND THAT AN INTENDED BENEFICIARY OF THIS WARRANTY  
16 IS THE ULTIMATE PURCHASER AT AUCTION.

17 C. WHERE ARTICLES ARE REFERRED TO BY CATALOGUE OR ADVERTISEMENT AS  
18 HAVING BEEN OBTAINED FROM ANY SPECIFIC PERSON, PLACE OR SOURCE, SUCH  
19 ARTICLES MUST BE SEPARATELY ENUMERATED AND IDENTIFIED.

20 D. IF AN AUCTIONEER OR AUCTION HOUSE HAS ANY INTEREST, DIRECT OR INDI-  
21 RECT, IN AN ARTICLE, INCLUDING A GUARANTEED MINIMUM, OTHER THAN THE  
22 SELLING COMMISSION, THE FACT SUCH INTEREST EXISTS MUST BE DISCLOSED IN  
23 CONNECTION WITH ANY DESCRIPTION OF THE ARTICLE OR ARTICLES IN THE CATA-  
24 LOGUE OR ANY OTHER PRINTED MATERIAL PUBLISHED OR DISTRIBUTED IN RELATION  
25 TO THE SALE. SUCH NOTICE MAY BE DENOTED BY A PROMINENT SYMBOL OR LETTER  
26 WHICH WILL REFER THE READER TO AN EXPLANATION OF THE NATURE OF THE  
27 INTEREST THE SYMBOL OR LETTER DENOTES. IN ADDITION, PRIOR TO THE  
28 COMMENCEMENT OF THE AUCTION, THE AUCTIONEER SHALL ORALLY ANNOUNCE THAT  
29 THOSE LOTS IN WHICH THE AUCTIONEER HAS AN INTEREST COVERED BY THIS  
30 SUBDIVISION HAVE BEEN DESIGNATED IN THE AUCTION CATALOGUE AND THE SYMBOL  
31 USED TO DENOTE SUCH INTEREST.

32 E. WHERE A CONSIGNOR IS TO RECEIVE A REBATE COMMISSION IN WHOLE OR IN  
33 PART, OR WHERE HE OR SHE WILL BE PERMITTED TO BID UPON AND TO BUY BACK  
34 HIS OR HER OWN ARTICLE AT THE SALE, DISCLOSURE OF SUCH A CONDITION MUST  
35 BE MADE IN CONNECTION WITH ANY DESCRIPTION OF THE ITEM OR ITEMS SO  
36 AFFECTED IN THE CATALOGUE OR ANY OTHER PRINTED MATERIAL PUBLISHED OR  
37 DISTRIBUTED IN RELATION TO THE SALE. THE EXISTENCE OF SUCH A CONDITION  
38 MAY BE DENOTED BY A SYMBOL OR LETTER WHICH WILL REFER THE READER TO AN  
39 EXPLANATION OF THE NATURE OF THE INTEREST THE SYMBOL OR LETTER DENOTES.

40 F. (I) IF THE CONSIGNOR HAS FIXED A PRICE BELOW WHICH AN ARTICLE WILL  
41 NOT BE SOLD, THE "RESERVE PRICE", THE FACT THAT THE LOT IS BEING SOLD  
42 SUBJECT TO RESERVE MUST BE DISCLOSED IN CONNECTION WITH THE DESCRIPTION  
43 OF ANY LOT SO AFFECTED IN THE CATALOGUE OR ANY OTHER PRINTED MATERIAL  
44 PUBLISHED OR DISTRIBUTED IN RELATION TO THE SALE. THE EXISTENCE OF A  
45 RESERVE PRICE MAY BE DENOTED BY A SYMBOL OR LETTER WHICH WILL REFER THE  
46 READER TO AN EXPLANATION OF RESERVE PRICE. FOR THE PURPOSE OF THIS PARA-  
47 GRAPH AND PARAGRAPHS D AND E OF THIS SUBDIVISION, ADVERTISEMENTS IN  
48 NEWSPAPERS OR OTHER PERIODICALS SHALL NOT CONSTITUTE PRINTED MATERIAL.  
49 WHERE NO PRINTED MATERIAL IS PROVIDED IN CONNECTION WITH THE AUCTION AN  
50 AUCTIONEER SHALL HAVE AVAILABLE DURING ANY ADVERTISED INSPECTION PERIOD  
51 INFORMATION AS TO WHETHER A PARTICULAR LOT IS TO BE SOLD SUBJECT TO  
52 RESERVE AND SHALL ANNOUNCE BEFORE HE OR SHE COMMENCES THE AUCTION THAT  
53 SUCH INFORMATION IS AVAILABLE UPON REQUEST.

54 (II) WHEN A LOT IS NOT SUBJECT TO A RESERVE PRICE, THE AUCTIONEER  
55 SHALL NOT INDICATE IN ANY MANNER THAT THE LOT IS SUBJECT TO A RESERVE  
56 PRICE.

A. 1730--D

1 G. IN THE EVENT AN AUCTIONEER EXTENDS A LOAN TO A PURCHASER, THE  
2 AUCTIONEER SHALL DISCLOSE IN A GENERAL ANNOUNCEMENT AT THE COMMENCEMENT  
3 OF THE AUCTION THAT BIDDERS MAY BE PARTICIPATING IN THE SALE WHO HAVE  
4 BEEN OFFERED A LOAN BY THE AUCTIONEER. IN ADDITION, THIS DISCLOSURE MUST  
5 ALSO BE MADE ON SIGNS PROMINENTLY DISPLAYED IN THE AUCTION ROOM AND AT  
6 THE ENTRANCE THERETO. SUCH SIGNS SHALL INCLUDE THE FOLLOWING DISCLOSURE,  
7 OR CONVEY SUBSTANTIALLY THE SAME MESSAGE:

8 "BIDDERS MAY BE PARTICIPATING IN THE SALE WHO HAVE BEEN OFFERED A LOAN  
9 BY THE AUCTIONEER."

10 H. THE AUCTIONEER SHALL:

11 (I) PROVIDE INFORMATION AS TO THE NUMBER OF JEWELS, APPROXIMATE NUMBER  
12 OF CARATS, NUMBER OF POINTS (DIAMOND), PRINCIPAL METAL CONTENT, AND  
13 MANUFACTURER'S NAME, IF KNOWN, FOR ALL ARTICLES OF JEWELRY, INCLUDING  
14 WATCHES. THE INFORMATION REQUIRED BY THIS PARAGRAPH SHALL BE PROVIDED  
15 EITHER IN THE CATALOGUE DESCRIPTIONS OF SUCH ITEMS OR BY ATTACHING TO  
16 EACH SUCH ITEM A TAG OR MARKING CONTAINING THE INFORMATION.

17 (II) ISSUE OR CAUSE TO BE ISSUED TO EACH PURCHASER AN INVOICE WHICH  
18 SHALL CONTAIN ALL THE FOLLOWING INFORMATION:

19 (1) THE AUCTIONEER'S NAME, BUSINESS ADDRESS AND LICENSE NUMBER;

20 (2) THE NAME AND ADDRESS OF THE AUCTIONEER'S EMPLOYER OR PRINCIPAL;

21 (3) THE DATE OF SALE;

22 (4) THE LOT NUMBER, DESCRIPTION, QUANTITY AND SELLING PRICE OF EACH  
23 LOT;

24 (5) THE TOTAL AMOUNT OF PURCHASE WITH A SEPARATE STATEMENT OF SALES  
25 TAX;

26 (6) ALL DEPOSITS MADE AGAINST THE PURCHASE PRICE.

27 (III) ADVERTISE EACH AUCTION SALE AT LEAST ONCE IN THE SEVEN DAY PERI-  
28 OD IMMEDIATELY PRECEDING THE AUCTION.

29 (IV) NOTIFY THE PERSON WHOSE PROPERTY IS BEING AUCTIONED (AND ANY  
30 OTHER PERSON ENTITLED TO BE NOTIFIED ACCORDING TO LAW) AS TO THE DATE,  
31 PLACE AND TIME OF SALE.

32 (V) PERMIT (PRIOR TO THE START OF THE AUCTION) PROSPECTIVE PURCHASERS  
33 TO INSPECT EACH AND EVERY ARTICLE TO BE OFFERED FOR SALE.

34 (VI) FURNISH TO ANY BUYER, CONSIGNOR OR OWNER OF AN ARTICLE, UPON  
35 REQUEST, INFORMATION AS TO THE WHEREABOUTS OF THAT ARTICLE THAT COMES  
36 INTO HIS OR HER POSSESSION OR THAT IS SOLD OR OFFERED FOR SALE BY HIM OR  
37 HER.

38 (VII) SEND CHECKS FOR THE NET AMOUNT RECEIVED ON ALL SALES TO PERSONS  
39 ENTITLED TO THE PROCEEDS THEREOF WITHIN FOURTEEN DAYS OF DATE OF SALE  
40 (EXCEPT AS OTHERWISE AGREED IN WRITING OR OTHERWISE PROVIDED BY LAW)  
41 TOGETHER WITH A COMPLETE DETAILED STATEMENT INCLUDING LOT NUMBER, QUAN-  
42 TITY, DESCRIPTION AND SELLING PRICE OF EACH LOT; TOTAL AMOUNT RECEIVED  
43 ON SALE; AND DISBURSEMENTS LISTING COMMISSION, COST OF ADVERTISEMENT,  
44 LABOR, CHARGES AND ALLOWANCES, AND SUNDRY EXPENSES.

45 (VIII) WHEN AN AUCTIONEER HAS A NUMBER OF THE SAME KIND OF ARTICLES TO  
46 BE SOLD AND INTENDS TO DISPOSE OF EACH OF THEM AT THE AMOUNT AT WHICH  
47 THE FIRST IS SOLD, HE OR SHE SHALL MAKE AN ANNOUNCEMENT TO THAT EFFECT  
48 PRIOR TO OPENING THE SALE OF THE FIRST ARTICLE.

49 I. IF AN AUCTIONEER MAKES LOANS OR ADVANCES MONEY TO CONSIGNORS OR  
50 PROSPECTIVE PURCHASERS, THIS FACT MUST BE CONSPICUOUSLY DISCLOSED IN THE  
51 AUCTIONEER'S CATALOGUE OR PRINTED MATERIAL. IF THE AUCTIONEER DOES NOT  
52 PROVIDE ANY SUCH PRINTED MATERIAL, HE OR SHE SHALL MAKE THE DISCLOSURE,  
53 EITHER BY CONSPICUOUSLY POSTING A SIGN, OR IN ANOTHER SIMILARLY CONSPIC-  
54 UOUS MANNER, AT THE TIME OF ANY ADVERTISED INSPECTION PERIODS PRIOR TO  
55 THE AUCTIONS. FOR THE PURPOSE OF THIS PARAGRAPH ADVERTISEMENTS IN NEWS-  
56 PAPERS OR OTHER PERIODICALS SHALL NOT CONSTITUTE PRINTED MATERIAL.

A. 1730--D

4

1 J. EXCEPT TO IMPLEMENT A RESERVE PRICE, AND SUBJECT TO THE REQUIRE-  
2 MENTS OF PARAGRAPH B OF SUBDIVISION THREE OF THIS SECTION, NO AUCTIONEER,  
3 HIS OR HER CONSIGNOR, EMPLOYEE, EMPLOYER, ASSIGNEE OR AGENT FOR  
4 ANY OF THEM MAY BID FOR HIS OR HER OWN ACCOUNT AT ANY AUCTION IF ANY OF  
5 THEM SHALL HAVE ACCESS TO INFORMATION NOT OTHERWISE AVAILABLE TO THE  
6 PUBLIC REGARDING RESERVES, VALUE OR OTHER MATERIAL FACTS RELATING TO THE  
7 ARTICLES WHICH ARE THE SUBJECT OF THE AUCTION, UNLESS THEIR STATUS AS A

8 PERSON WITH INSIDE INFORMATION AND INTENDED PARTICIPATION IS DISCLOSED  
9 IN THE AUCTIONEER'S CATALOGUE AND ANY PRINTED MATERIAL AND ON SIGNS  
10 POSTED AT THE AUCTION.

11 K. WHEREVER AN ESTIMATE OR ESTIMATED VALUE OF AN ITEM OR LOT IS  
12 PUBLISHED IN A CATALOGUE OR ANY OTHER PRINTED MATERIAL PUBLISHED OR  
13 DISTRIBUTED IN RELATION TO AN AUCTION SALE, A GENERAL DESCRIPTION OF THE  
14 ESTIMATE AND ITS MEANING AND FUNCTION MUST BE INCLUDED IN SUCH PRINTED  
15 MATERIAL. FOR THE PURPOSE OF THIS PARAGRAPH, ADVERTISEMENTS IN NEWSPA-  
16 PERS OR OTHER PERIODICALS SHALL NOT CONSTITUTE PRINTED MATERIAL. WHERE  
17 NO PRINTED MATERIAL IS PROVIDED, AND AN ESTIMATE OR ESTIMATED VALUE IS  
18 ANNOUNCED OR DISSEMINATED IN ANY MANNER, A GENERAL DESCRIPTION OF THE  
19 ESTIMATE AND ITS MEANING AND FUNCTION MUST BE AVAILABLE FOR DISTRIBUTION  
20 AND ITS AVAILABILITY MUST BE ANNOUNCED AT THE COMMENCEMENT OF THE  
21 AUCTION.

22 L. IN ANY ADVERTISEMENT INDICATING AN AUCTION SALE DUE TO A BUSINESS'  
23 LOSS OF LEASE OR LIQUIDATION, THE AUCTIONEER MUST INCLUDE THE NAME OF  
24 THE CONSIGNOR OR BUSINESS AUTHORIZING THE AUCTION. IN ANY SALE ADVER-  
25 TISED AS PURSUANT TO A SECURITY AGREEMENT, THE NAME OF THE DEBTOR SHALL  
26 BE INDICATED CONSPICUOUSLY.

27 3. A. IF THE RESERVE PRICE IS NOT BID, THE AUCTIONEER MAY WITHDRAW A  
28 LOT FROM SALE. AT THE TIME OF SUCH WITHDRAWAL, AND BEFORE BIDDING ON  
29 ANOTHER LOT BEGINS, THE AUCTIONEER SHALL ANNOUNCE THAT THE WITHDRAWN LOT  
30 HAS BEEN "PASSED", "WITHDRAWN", "RETURNED TO OWNER" OR "BOUGHT-IN".

31 B. BEFORE BIDDING ON ANY LOT HAS REACHED ITS RESERVE PRICE NO AUCTIONEER  
32 MAY MAKE OR PLACE CONSECUTIVE OR SUCCESSIVE BIDS, OR PLACE BIDS IN  
33 RESPONSE TO BIDS FROM OTHERS, ON BEHALF OF THE CONSIGNOR, UNLESS THE  
34 FACT THAT THE AUCTIONEER WILL OR MAY BID IN SUCH A MANNER IS CLEARLY AND  
35 CONSPICUOUSLY DISCLOSED IN ANY CATALOGUE AND ANY OTHER PRINTED MATERIAL  
36 PUBLISHED OR DISTRIBUTED IN CONNECTION WITH THE SALE. FOR THE PURPOSES  
37 OF THIS PARAGRAPH ADVERTISEMENTS IN NEWSPAPERS OR OTHER PERIODICALS  
38 SHALL NOT CONSTITUTE PRINTED MATERIAL. THIS DISCLOSURE MUST ALSO BE MADE  
39 ON SIGNS PROMINENTLY DISPLAYED IN THE AUCTION ROOM AND AT THE ENTRANCE  
40 THERETO, AND MUST BE ANNOUNCED BY THE AUCTIONEER IMMEDIATELY PRIOR TO  
41 THE COMMENCEMENT OF ANY AUCTION.

42 THE SIGN REQUIRED BY THIS PARAGRAPH MUST BE AT LEAST TWELVE INCHES BY  
43 EIGHTEEN INCHES IN DIMENSION WITH LETTERS AT LEAST ONE INCH HIGH, AND  
44 MUST READ AS FOLLOWS, OR CONVEY A SUBSTANTIALLY SIMILAR DISCLOSURE:

45 THE AUCTIONEER MAY OPEN BIDDING ON ANY LOT BY PLACING A BID ON BEHALF  
46 OF THE SELLER. THE AUCTIONEER MAY FURTHER BID ON BEHALF OF THE SELLER,  
47 UP TO THE AMOUNT OF THE RESERVE, BY PLACING SUCCESSIVE OR CONSECUTIVE  
48 BIDS FOR A LOT, OR BY PLACING BIDS IN RESPONSE TO OTHER BIDDERS.

49 C. AFTER BIDDING HAS REACHED THE RESERVE PRICE OF A LOT:

50 (I) THE AUCTIONEER MAY NOT BID ON BEHALF OF THE CONSIGNOR OR THE  
51 AUCTION HOUSE; AND

52 (II) THE AUCTIONEER MAY ONLY ACCEPT BIDS FROM PERSONS OTHER THAN THE  
53 CONSIGNOR OR THE AUCTION HOUSE EXCEPT ABSENTEE TELEPHONE, ORDER OR OTHER  
54 AGENT'S BIDS;

55 (III) THIS PARAGRAPH SHALL NOT APPLY TO AUCTION SALES CONDUCTED PURSU-  
56 ANT TO AN ORDER OF A COURT OF COMPETENT JURISDICTION, INCLUDING AN ORDER

A. 1730--D

5

1 OF A BANKRUPTCY JUDGE OR TRUSTEE, OR A SALE OF SECURED PROPERTY PURSUANT  
2 TO THE UNIFORM COMMERCIAL CODE, OR THE SALE OF PROPERTY WHICH IS SUBJECT  
3 TO A LIEN OR ASSIGNMENT PURSUANT TO THE LAWS OF THE STATE OF NEW YORK.

4 D. IN NO EVENT SHALL THE RESERVE PRICE FOR ANY LOT EXCEED THE MINIMUM  
5 ESTIMATED VALUE OF THE LOT AS PUBLISHED IN ANY CATALOGUE OR OTHER PRINT-  
6 ED MATERIAL DISTRIBUTED BY THE AUCTIONEER.

7 4. A. AN AUCTIONEER MAY NOT DISCLAIM WARRANTY OF TITLE OF ANY ITEM

8 SOLD AT AUCTION. THE AUCTIONEER SHALL REIMBURSE ANY PURCHASER IN AN  
9 AMOUNT EQUAL TO THE SUCCESSFUL BID AT AUCTION PLUS ANY BUYER'S COMMIS-  
10 SION PAID IN THE EVENT IT IS DETERMINED THAT THE PURCHASER HAS NOT  
11 ACQUIRED TRANSFERABLE TITLE TO THE ITEM.

12 B. AT THE AUCTION SALE PREMISES ONLY EXTERIOR SIGNS MAY BE DISPLAYED  
13 ADVERTISING THE AUCTION SALE BUT THE SAME SHALL NOT BE EXCESSIVE IN  
14 SIZE.

15 C. AN AUCTIONEER MAY NOT:

16 (I) OFFER MORE THAN ONE ARTICLE FOR SALE AT ANY ONE TIME UNLESS THE  
17 COMBINING OF ARTICLES OR LOTS IS SO INDICATED PRIOR TO THE INITIAL BID.

18 (II) REPRESENT AN ARTICLE TO BE GUARANTEED BY THE MANUFACTURER OR THE  
19 OWNER UNLESS A MANUFACTURER'S OR OWNER'S GUARANTEE ACCOMPANIES THE ARTI-  
20 CLE.

21 (III) OFFER AN ARTICLE CONTAINED IN A CARTON, PACKAGE OR OTHER  
22 CONTAINER COMMONLY KNOWN AS A BLIND ARTICLE UNLESS PRIOR TO THE OFFER IT  
23 IS ANNOUNCED THAT THE HIGHEST BIDDER MAY REJECT THE ARTICLE IF NOT  
24 SATISFACTORY TO HIM OR HER. THIS PROVISION DOES NOT REFER TO AN AUCTION  
25 OF ARTICLES IN BULK WHERE A SAMPLE IS DISPLAYED AND BALANCE OF ARTICLES  
26 ARE REPRESENTED TO CONFORM TO THE SAMPLE.

27 (IV) ACCEPT AS PAYMENT OR EXCHANGE ANY ARTICLE PREVIOUSLY KNOCKED DOWN  
28 OR SOLD TO A SUCCESSFUL BIDDER. THE ARTICLE KNOCKED DOWN OR SOLD MUST BE  
29 DELIVERED TO THE BIDDER OR, IF THE AUCTIONEER IS WILLING AND AT THE  
30 BIDDER'S ELECTION, THE PURCHASE PRICE REFUNDED IN FULL. NO OTHER ARTICLE  
31 MAY BE OFFERED TO SAID BIDDER AS A SUBSTITUTE OR REPLACEMENT. SUCH  
32 REFUND SHALL TAKE PLACE WITHIN A REASONABLE TIME OR MAY BE APPLIED AS  
33 PART PAYMENT OR PAYMENT FOR ANY OTHER ARTICLE PURCHASED AT AUCTION BY  
34 THE SAME BIDDER.

35 5. THE PROVISIONS OF THIS SECTION SHALL BE ENFORCED BY THE COUNTY  
36 OFFICER CHARGED WITH ENFORCEMENT OF CONSUMER PROTECTION WITHIN SUCH  
37 COUNTY, EXCEPT THAT IN THE CITY OF NEW YORK, BY THE COMMISSIONER OF  
38 CONSUMER AFFAIRS OF SUCH CITY.

39 6. THE PROVISIONS OF THIS SECTION SHALL NOT BE APPLICABLE TO AUCTIONS  
40 HELD AS PART OF A FUNDRAISING EVENT BY AN ENTITY CREATED FOR CHARITABLE  
41 PURPOSES WITHIN THE MEANING OF PARAGRAPH FOUR OF SUBDIVISION (A) OF  
42 SECTION ELEVEN HUNDRED SIXTEEN OF THE TAX LAW WHERE THE PROCEEDS OF SUCH  
43 FUNDRAISING EVENT BENEFIT SUCH ORGANIZATION.

44 7. NOTWITHSTANDING THE FOREGOING, AND UNLESS OTHERWISE REQUIRED BY  
45 LAW, IN ANY COUNTY WITH A POPULATION OF TWO HUNDRED THOUSAND OR LESS, NO  
46 WRITTEN CONTRACT SHALL BE REQUIRED WHERE THE REASONABLY ESTIMATED VALUE  
47 OF THE PROPERTY TO BE AUCTIONED IS LESS THAN ONE HUNDRED THOUSAND  
48 DOLLARS.

49 8. THE PROVISIONS OF THIS SECTION SHALL NOT BE APPLICABLE TO:

50 A. MOTOR VEHICLE AUCTIONS CONDUCTED UNDER SECTION TWENTY-THREE OF THIS  
51 ARTICLE AND THE VEHICLE AND TRAFFIC LAW;

52 B. AUCTIONS OF POULTRY AND LIVESTOCK;

53 C. AUCTIONS OF FARM SUPPLIES, FARM EQUIPMENT, AND FARM REAL-ESTATE; OR

54 D. AUCTION SALES CONDUCTED PURSUANT TO AN ORDER OF A COURT OF COMPE-  
55 TENT JURISDICTION, INCLUDING AN ORDER OF A BANKRUPTCY JUDGE OR TRUSTEE,  
56 OR A SALE OF SECURED PROPERTY PURSUANT TO THE UNIFORM COMMERCIAL CODE,  
A. 1730--D

1 OR THE SALE OF PROPERTY WHICH IS SUBJECT TO A LIEN OR ASSIGNMENT PURSU-  
2 ANT TO THE LAWS OF THE STATE OF NEW YORK.

3 E. THE PROVISIONS OF SUBDIVISION ONE OF THIS SECTION, SUBPARAGRAPHS  
4 (I) AND (II) OF PARAGRAPH F OF SUBDIVISION TWO OF THIS SECTION AND OF  
5 PARAGRAPH A OF SUBDIVISION THREE OF THIS SECTION SHALL NOT APPLY TO  
6 AUCTIONS OF THOROUGHBRED HORSES, PROVIDED THAT THE RESULTS OF SUCH  
7 AUCTION, INCLUDING WHETHER OR NOT A RESERVE PRICE WAS MET, ARE PUBLISHED

8 WITHIN TWENTY-FOUR HOURS.

9 S 3. Subdivision 3 of section 23 of the general business law is  
10 amended by adding a new paragraph f to read as follows:

11 F. IN THE EVENT AN AUCTIONEER, AUCTION OR AFFILIATE OFFERS FLOOR PLAN  
12 FINANCING OR EXTENDS A LOAN TO A PURCHASER, THE AUCTIONEER SHALL  
13 DISCLOSE IN A GENERAL ANNOUNCEMENT AT THE COMMENCEMENT OF THE AUCTION  
14 THAT BIDDERS MAY BE PARTICIPATING IN THE SALE WHO HAVE BEEN OFFERED  
15 FLOOR PLAN FINANCING OR A LOAN BY THE AUCTIONEER, AUCTION OR AFFILIATE  
16 OR WORDS THAT CONVEY SUBSTANTIALLY THE SAME MESSAGE.

17 S 4. This act shall take effect on the sixtieth day after it shall  
18 have become a law.