

**Note:** New York City businesses must comply with all relevant federal, state, and City laws and rules. All laws and rules of the City of New York, including the Consumer Protection Law and Rules, are available through the Public Access Portal, which businesses can access by visiting [www.nyc.gov/consumers](http://www.nyc.gov/consumers). For convenience, sections of the New York City Licensing Law (and Rules, if enacted) are included as a handout in this packet. The Law (and Rules) are current as of January 2009.

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**NEW YORK CITY ADMINISTRATIVE CODE**  
**TITLE 20: CONSUMER AFFAIRS**  
**CHAPTER 2: LICENSES**  
**SUBCHAPTER 16: SALES**

§ 20-308 Definitions. Whenever used in this subchapter, the following terms shall mean and include:

1. "Sale." A sale or an offer to sell to the public goods, wares, and merchandise of any and all kinds and descriptions on hand and in stock in connection with a declared purpose, as set forth by advertising on the part of the seller that such sale is:

a. Anticipatory to the termination, closing, liquidation, wind-up, discontinuance, removal, conclusion, or abandonment of the business, and advertised in the following phrases and in any other phrase or phrases of like or similar language which reasonably convey to the public that the sale is being conducted for such purpose: "going out of business sale," "trustee's sale," "liquidation sale," "executor's sale," "administrator's sale," "insolvent sale," "mortgage sale," "adjustor's sale," "receiver's sale," "loss of lease sale," "forced out of business sale," "branch store discontinuance sale," "removal sale," "warehouse removal sale."

b. Pursuant to the execution of a legal right by a party other than the original owner or owners of the goods, wares and merchandise, without court order, and advertised in the following phrases and in any other phrase or phrases of like or similar language which reasonably convey to the public that the sale is of such a nature: "adjustment sale," "reorganization sale," "creditors' committee sale," "assignee's sale."

c. Pursuant to an intention to renovate, restore, rebuild or alter the premises in which the sale is taking place, and advertised in the following phrases and in any other phrase or phrases of like or similar language which reasonably convey to the public that the sale is conducted for such purposes: "alteration sale," "remodeling sale," "renovation sale."

d. A result of damage or alteration to the goods, wares and merchandise being offered for sale by reason of a disaster or other fortuitous occurrence, and advertised in the following phrases and in any other phrase or phrases of like or similar language which reasonably convey to the public that the sale is being conducted as a result of such occurrence: "fire sale," "insurance salvage sale," "damaged goods sale," "smoke sale," "water damage sale."

2. "Publish," "publishing," "advertisement," "advertising." Any and all means of conveying to the public notice of sale or notice of intention to conduct a sale, whether by word of mouth, by newspaper advertisement, by magazine advertisement, by handbill, by written notice, by printed notice, by printed display, by billboard display, by poster, by radio announcement, by television announcement, and any and all means including oral, written or printed.

§ 20-309 License required. It shall be unlawful for any person to publish or conduct any sale of the type herein defined without a license therefor and a license issued pursuant to this subchapter for a sale advertised as a "branch store discontinuance sale" shall apply only to, and the sale shall be conducted only at, the premises of the branch which is being discontinued.

§ 20-310 Application. a. Application for such license shall be in writing and shall be executed by the applicant under oath.

b. Such application shall contain:

1. Type of sale to be conducted and reason for conducting such sale;
2. A description of the place where such sale is to be held;
3. The nature of the occupancy, whether by lease or sub-lease, and the date of termination of such occupancy;
4. The means to be employed in publishing such sale, together with the text of any and all proposed advertising matter;
5. An itemized list of the goods, wares and merchandise to be offered for sale;
6. Where and from whom such stock was purchased or acquired; and, if not purchased, the manner of such acquisition.
7. Any additional information as the commissioner may require.

§ 20-311 License; term. Upon filing such application, the commissioner, after investigation thereof, may issue such license, in his or her discretion, for a period not exceeding thirty days.

§ 20-312 Renewals; term. Upon satisfactory proof by the licensee that

the stock itemized in the original application has not been entirely disposed of, the commissioner may renew such license for one additional period not exceeding thirty days, except, however, in a sale under paragraph a of subdivision one of section 20-308 of this subchapter, the commissioner may grant a second renewal period of thirty days.

§ 20-313 Rules and regulations. The commissioner may make such rules and regulations for the conduct and advertisement of the sales defined in section 20-308 of this subchapter and such other rules and regulations as may be necessary to carry out the purposes of this subchapter.

§ 20-314 Fees. Upon filing an application for an original or for each renewal license to advertise and conduct such sale, the applicant shall pay to the commissioner a fee of fifty dollars. If any such application be disapproved, such payment shall be forfeited to the commissioner to defray the cost of investigating the statements contained in such application.

§ 20-315 Stock records. a. A duplicate original of the application and stock list pursuant to which such license was granted shall be available at all times to the commissioner or to his or her inspectors, and the licensee shall permit such inspectors to examine all merchandise on the premises for comparison with such stock list.

b. At the close of business each day the stock list attached to such application shall be revised and items on such list disposed of during such day shall be noted thereon.

c. Suitable books and records as prescribed by the commissioner shall be kept by the licensee and shall be available at all times to the inspectors of the department.

§ 20-316 Display of license. Upon commencement of any sale, and for the duration thereof, the license therefor shall be displayed on the premises, but such license shall be displayed only in its original form.

§ 20-317 Advertising. a. All advertising shall be descriptive of the nature of such sale as stated in the application therefor. The language in such advertising shall be identical with the advertising matter set forth in the original or renewal application.

b. It shall be unlawful to indicate in such advertising, either directly or indirectly, that such sale is held with the approval of the

commissioner and no reference shall be made to such license in any form of advertising, promotion or display.

c. Misrepresentations prohibited. No licensee shall make or cause to be made any assertion, representation or statement of fact in such advertising which is untrue, deceptive, or misleading. No licensee, in an effort to sell merchandise, shall make or cause to be made any oral assertion, representation, or statement of fact which is untrue, deceptive or misleading.

§ 20-318 Resumption of business. No person shall, upon the conclusion of any sale as defined in subdivision one of section 20-308 of this subchapter, continue to conduct a business or business operation of the same or similar nature to that for the discontinuance of which such license was issued at the same premises nor, within one year after the conclusion of such sale, resume such business at such same premises.

§ 20-319 Exemptions. The following persons shall be exempt from the provisions of this subchapter:

1. Persons acting pursuant to an order or the process of a court of competent jurisdiction.
2. Sheriffs and marshals acting in accordance with their powers and duties as public officers.
3. Duly licensed auctioneers selling at auction.

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**RULES OF THE CITY OF NEW YORK**  
**TITLE 6: DEPARTMENT OF CONSUMER AFFAIRS**  
**CHAPTER 2: LICENSES**  
**SUBCHAPTER P: SALES**

**§2-151 Advertising and Inventory.**

(a) No licensee shall use any assertion, representation or statement of fact in conveying to the public, notice of such sale whether by word of mouth, by newspaper advertisement, by magazine advertisement, by handbills, by display on billboard, by written notice, by printed notice, by printed display, by poster or by radio announcement which is untrue, deceptive or misleading. No licensee in an effort to sell merchandise shall use any oral assertion, representation or statement of fact which is untrue, deceptive or misleading.

(b) No licensee shall advertise by display or otherwise any merchandise he does not intend to sell at prices set forth in said advertisements. This also applies to tags on merchandise. Show windows shall be so arranged as to clearly show to which merchandise specific tags or show cards apply. If any merchandise on display in a window or otherwise is out of stock and cannot be removed from the display, it must be sold to the customer requesting same no later than the following day.

(c) No licensee shall offer to procure for a prospective customer any quantity or quality of goods or merchandise that was not in the stock listed as a part of the original inventory or on contractual order as per inventory submitted to the Department of Consumer Affairs at the time of application for license. Such contractual orders so listed must be corroborated by affidavit from manufacturer, importer or other source of supply.

(d) A licensee, in addition to revising his stock list at the close of each business day, shall provide an inventory of stock on hand to the Department of Consumer Affairs whenever requested by the license commissioner on two days' notice or similar reasonable period.