



## **Going Out of Business Sales Law**

### **Frequently Asked Questions**

#### ***What is a going out of business sale?***

A going out of business sale is any sale advertised represented, or held forth as a sale to dispose of all goods as a means of ceasing to do business or changing business location.

A going out of business sale shall include terms held under the designation of “going out of business”, “selling out”, “liquidation”, “lost our lease”, “forced to vacate”, “moving to a new location”, or any other designation of like meaning.

An end of the season sale or a sale limited to a particular brand or line of goods is not a going out of business sale.

#### ***Can I hold a going out of business sale without a license?***

No, a business must register and receive a license before advertising such a sale. A separate license is required for each location at which a sale is to be conducted. A promoter for a sale must also register.

#### ***What is a promoter?***

A promoter is a person who performs or offers to perform any service to facilitate or assist in a going out of business sale, including but not limited to advertising and sales. A promoter for a going out of business sale must also register with the Attorney General’s Office.

### ***How does a promoter register?***

Any promoter must register with our office and fill out a Promoter Registration Application and pay a registration fee of one hundred dollars (\$100.00). Each promoter registration is valid for one year from the date of issuance and can be annually renewed.

### ***How does a business register a going out of business sale?***

Any business desiring to register a going out of business sale must fill out an application with our office at least five (5) days prior to the opening date of such sale, include a license fee of one hundred dollars (\$100.00), and a refundable deposit of either five hundred dollars (\$500.00) or one percent (1%) or the wholesale cost of the inventory, whichever amount is greater. However, no deposit shall exceed five thousand dollars (\$5,000.00).

### ***How long is a going out of business license valid?***

A license is valid for up to 90 days from its date of issuance. If a business needs longer than 90 days it may apply for an extension.

### ***What do I do after I get the license?***

Post the license in a conspicuous location at each point of sale. You must also file a monthly report with our office with an updated inventory list.

### ***What do I do after my license expires?***

Return the license to our office. If the license is lost or destroyed, file an affidavit with our office identifying the license and licensee and specify the loss or destruction.

### ***What about my deposit? How do I get it back?***

Our office will hold the deposit for a period of sixty days (60) from the date of delivery of the returned license. The deposit will be subject to attachment or execution of creditors or consumers who have a claim in connection with business done pursuant to the going out of business sale. The deposit may also be subject

to the payment of any fine or penalty imposed on the licensee for any violation of the Going Out of Business Sale Law.

***Are there any exceptions to registering a going out of business sale?***

Yes, there are two exceptions; a sale conducted pursuant to an order or process of a court of competent jurisdiction and a sale conducted by a sheriff, constable, a public or court officer, or other person who sells goods in the course of his official duties while acting under the license, direction, or authority of a state or federal court.

***What violation can I face for violating the Going Out of Business Sales Law?***

Our office may impose a civil penalty of not more than twenty-five hundred dollars (\$2,500) for each offense and each day for which the violation occurs shall be deemed a separate offense. Additionally, a person may be imprisoned for not more than ninety days. Any violation of the Going Out of Business Sales Law is also a violation under the Louisiana Unfair Trade and Consumer Protection Law.

***Where can I find the law?***

Going Out of Business Sales Law can be found at La. R.S. 51:42 through La. R.S. 51:53. The statutes may be found at the Louisiana State Legislature's website located at <http://www.legis.la.gov/legis/LawSearch.aspx>.