

**§3781. License requirements**

A retail establishment located in a municipality that has adopted a licensing ordinance pursuant to this section may not offer for sale a stock of goods, wares or merchandise under the designation of "closing-out sale," "going out of business sale," "discontinuance of business sale," "entire stock must go," "must sell to the bare walls" or other designation that states, directly or by implication, an intent of that person to dispose of the entire stock of goods with a view to permanently terminating further business after that disposal is complete, unless the person complies with the following requirements. [PL 2013, c. 595, Pt. U, §9 (AMD).]

**1. Inventory license.** Before the disposal sale begins, the person must obtain a license to conduct the sale from the municipal officers of the municipality in which the sale will be conducted or other designated licensing official as provided by ordinance.

A. The person must apply to the municipal officers or designated licensing official for the license under oath. The application must contain a complete inventory of all items to be included in the sale and must be accompanied by the payment of a license fee set by ordinance. The applicant must affirm, in writing and under oath, to the municipal officers or designated licensing official that merchandise will not be included in the stock offered for sale unless the merchandise is in or at the place of business where the sale will take place when the sale opens. Any unusual purchases and additions to the stock of goods, wares or merchandise made within 60 days before the filing of an application for a license is prima facie evidence that the purchases and additions were made in contemplation of the sale.

(1) If the applicant has been in the same business for which the sale is being conducted for less than 2 years of continuous operation in the municipality, the applicant must also affirm, in writing and under oath, that none of the merchandise was purchased before the sale opened for the purpose of selling and disposing of that merchandise at the sale. [PL 2013, c. 595, Pt. U, §9 (AMD).]

B. The license is valid for 60 days from the date of issuance, unless revoked under subsection 3. The validity of the license may be extended for 60 additional days if the licensee provides an affidavit to the municipal officers or designated licensing official stating that all goods, wares or merchandise listed in the inventory have not been disposed of within the original 60-day period. [PL 2013, c. 595, Pt. U, §9 (AMD).]

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**2. License issued; records preserved.** The municipal officers or designated licensing official shall immediately issue the license upon compliance with this section. The municipality shall preserve all applications for licenses and other papers filed in connection with an application as a public record in the municipal office for 5 years.

[PL 2013, c. 595, Pt. U, §9 (AMD).]

**3. Revocation; prior violations; suspension.** The municipal officers or designated licensing official shall revoke any license issued under this subchapter if the licensee violates this section or a licensing ordinance adopted pursuant to this section and may refuse to issue another license to any applicant who has been adjudicated of violating this section or a licensing ordinance before the date of application. If any person adjudicated of any violation of this section appeals the decision or sentence of the trial court, that person's license must be suspended while the appeal is pending in the appellate court.

[PL 2013, c. 595, Pt. U, §9 (AMD).]

**SECTION HISTORY**

PL 1987, c. 737, §§A2, C106 (NEW). PL 1989, c. 6 (AMD). PL 1989, c. 9, §2 (AMD). PL 1989, c. 104, §§C8, 10 (AMD). PL 2013, c. 595, Pt. U, §9 (AMD).

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