

**HOUSE BILL NO. 339**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - SECOND SESSION

**BY REPRESENTATIVES MEYER, Dahlstrom, Anderson**

**Introduced: 1/12/04**

**Referred: Labor and Commerce, Judiciary**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to negative option plans for sales, to charges for goods or services after**  
2 **a trial period, and to acts that are unlawful as unfair trade practices."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 45.45 is amended by adding new sections to read:

5 **Sec. 45.45.920. Charge after trial period.** (a) Notwithstanding a provision  
6 in AS 45.02 to the contrary, a person may not charge a consumer for goods or services  
7 for which the person has given the consumer a trial period unless the person provides  
8 the notice required by (b) of this section and the consumer expressly agrees to be  
9 charged for the goods or services as described in the notice.

10 (b) At least 15 days before a person may charge a consumer for the purchase  
11 of goods or services for which the person gave the consumer a trial period, the person  
12 shall provide the consumer with a notice that contains

13 (1) a clearly written description of the sales agreement, including a  
14 description of the service or product being sold, a statement of the amount that will be

1 charged, and the date when the charge will be imposed if the consumer does not  
2 cancel the sale; and

3 (2) the specific steps that the consumer can take to cancel the charge  
4 by telephone, by regular mail, and by electronic mail.

5 (c) A person who charges a consumer for goods or services for which the  
6 person has given the consumer a trial period has the burden of proving that the person  
7 gave the consumer the notice required by (b) of this section and that the consumer  
8 expressly agreed to be charged for the goods or services.

9 (d) In this section, "trial period" means a period of time to try out goods or  
10 services before buying the goods or services.

11 **Sec. 45.45.930. Negative option plans.** (a) Notwithstanding a provision in  
12 AS 45.02 to the contrary, a person may not use a negative option plan to sell goods or  
13 services unless the person clearly and conspicuously discloses in writing to the  
14 prospective buyer before or when the goods or services are provided to the prospective  
15 buyer

16 (1) the material terms of the sales agreement, including a description of  
17 the goods or services being sold, a statement of the price that the person will charge  
18 the buyer for the goods or services, and the date when the price will be charged if the  
19 prospective buyer does not cancel the sale by using the steps identified under (2) of  
20 this subsection; and

21 (2) the specific steps that the buyer must take by telephone, regular  
22 mail, or electronic mail to cancel the sale.

23 (b) In (a) of this section, "negative option plan" means an arrangement under  
24 which a seller provides goods or services to a person and charges the person for the  
25 goods or services without confirmation from the person that the person has decided to  
26 purchase the goods or services.

27 \* **Sec. 2.** AS 45.50.471(b) is amended by adding new paragraphs to read:

28 (47) violating AS 45.45.920 (charge after trial period);

29 (48) violating AS 45.45.930 (negative option plans).