

1 IN THE SENATE

BY SENATOR SMITH

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 213

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to regulation of certain
7 business activities."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 Section 1. PURPOSE. The purpose of this Act is to protect
10 the people of Alaska from persons who wrongfully contract to sell
11 goods or wrongfully solicit orders for the sale of goods for
12 persons, associations, or corporations that do not maintain a
13 permanent agency for service of process in the state and are not
14 readily amenable to civil process.

15 Sec. 2. LICENSE REQUIRED. Every person who does not maintain
16 a permanent residence or agency in Alaska for the service of process
17 and who contracts or solicits orders for the retail sale of goods
18 as a representative of any person, association or corporation,
19 must have a license issued by the Commissioner of Commerce to
20 negotiate contracts or solicit orders. The fee for any license
21 required under this Act shall be \$25.00.

22 Sec. 3. LICENSE REQUIREMENTS AND ISSUANCE. (a) Every person
23 who applies for a license must complete an application form, on
24 which he states his name, a description of himself, and lists his
25 permanent mailing address, as well as the names and mailing ad-
26 dresses of any person or corporation or firm he represents.

27 (b) On receipt of an application for a license, the Commis-
28 sioner of Commerce shall investigate (1) The applicant's general
29 reputation for business dealings, (2) the business reputation and

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1 economic stability of any person, association, or corporation the
2 applicant represents, (3) whether or not the applicant is author-
3 ized by those persons, associations or corporations to represent
4 them.

5 (c) If, after the investigation the Commissioner determines
6 that the applicant and any person, association or corporation he
7 represents are reputable, he shall issue him a license. If the
8 Commissioner determines that the applicant or any person, associa-
9 tion or corporation he represents is not reputable, he shall not
10 issue him a license.

11 (d) A license is valid until the first day of July following
12 its issuance. Licenses must be annually renewed.

13 Sec. 4. LICENSE. The department shall note on each license
14 the information required to be in the license application by
15 Sec. 3(a) of this Act.

16 Sec. 5. LIMITATION ON POWER TO SELL. A licensee, when he is
17 contracting for any person, association or corporation or solicit-
18 ing orders for the sale of goods in the state, may contract or
19 solicit orders for the sale of the goods for only the persons,
20 associations or corporations listed on his license.

21 Sec. 6. SUSPENSION AND REVOCATION OF LICENSE. The Commis-
22 sioner may summarily suspend a license when he has reliable infor-
23 mation that would have required him not to issue the license
24 initially and the public interest requires suspension. The
25 Commissioner may revoke a license if facts are proven upon which
26 he would not have initially issued the license. Upon suspension
27 of a license, a hearing prior to revocation shall be held promptly.

28 Sec. 7. APPLICATION OF ADMINISTRATIVE PROCEDURE ACT. Any
29 proceeding affecting the issuance or status of any license required

1 by this Act, is subject to the terms of the Administrative Proce-
2 dure Act; provided, that the Administrative Procedure Act shall
3 not limit the power of the Commissioner of Commerce to summarily
4 suspend a license pending hearing as provided in Sec. 6 of this
5 Act.

6 Sec. 8. REGULATIONS: REGISTRATION PROCEDURE. The Depart-
7 ment of Commerce shall promulgate regulations to implement the
8 purposes of this Act.

9 Sec. 9. SERVICE OF PROCESS. Every person, association or
10 corporation that contracts or solicits orders for the sale of
11 retail goods in Alaska, and does not maintain a permanent residence
12 or agency for service of process in the state, appoints the Commis-
13 sioner of Commerce his agent for service of process in all civil
14 action arising from that activity. When process is served on the
15 Commissioner of Commerce under this section, the Commissioner of
16 Commerce shall immediately notify the defendant named in the process
17 of the service, by mailing a copy of the process to the address
18 the defendant gave when he applied for a license, if the defendant
19 applied.

20 Sec. 10. PENALTY. A person who wilfully violates Sec. 2 or
21 Sec. 5 of this Act is guilty of a misdemeanor and upon conviction
22 is punishable by a fine of not more than \$500 or by imprisonment
23 for not longer than 180 days, or by both.

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