

Original Sponsors: Messrs.
Jackson, LeFevre, Orbeck,
and Skinner

Offered: 3/25/65
Referred: Finance

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 55

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of the
7 use of trading stamps; and providing for an
8 effective date."

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

10 * Section 1. AS 45 is amended by adding a new chapter to read:

11 CHAPTER 52. TRADING STAMPS

12 Sec. 45.52.010. USE OF TRADING STAMPS. No person may
13 use or issue trading stamps obtained from a trading stamp
14 company, in connection with the retail sale, or the promotion
15 of a retail sale, of services, goods, wares and merchandise
16 to another person unless the store or place of business in
17 which the trading stamps are used, issued, or sold is licens-
18 ed by the department.

19 Sec. 45.52.020. LICENSES. (a) The annual license fee
20 for each store or place of business required to be licensed
21 under sec. 10 of this chapter is \$50.

22 (b) Upon payment of the \$50 fee, the department shall
23 issue a license for the calendar year which shall contain the
24 name of the person paying the fee, the dates of the issuance
25 and expiration of the license, and the name and address of
26 the store or place of business for which the license is
27 issued. A license is valid only at the store or place of
28 business for which it is issued.

29 (c) No license may be issued for a period extending

1 beyond the end of the calendar year for which it is issued.

2 Sec. 45.52.030. REGULATIONS. The department shall
3 adopt and promulgate regulations, in accordance with the
4 Administrative Procedure Act (AS 44.62), which are necessary
5 to collect the fee imposed by this chapter and to enforce
6 this chapter.

7 Sec. 45.52.040. REDEEMABLE CASH VALUE OF STAMPS. (a)
8 The redeemable cash value of a trading stamp shall not be
9 less than

10 (1) 80 per cent of the consideration paid to a
11 trading stamp company for the stamp by a person who uses or
12 issues the stamp in connection with retail sales; or

13 (2) the fair cash value of the stamp which is the
14 proportional value, stated in cash, which the stamp, if re-
15 deemed in quantities required for redemption, bears to at
16 least 80 per cent of the average retail price of the goods,
17 wares, merchandise or services offered for redemption by a
18 trading stamp company.

19 (b) For the purposes of computing the fair cash value
20 of a stamp under (a)(2) of this section, the average retail
21 price of goods, wares, merchandise or services offered for
22 redemption by a trading stamp company is the average retail
23 price, in Alaska, of at least one-third of the articles of
24 value currently advertised in a catalog or similar brochure
25 in which that trading stamp company advertises redemption
26 articles to the public. The articles of value used as a
27 basis for a determination of average retail value should
28 reflect the diversity of all articles advertised as being
29 available for redemption in the catalog. At least 80 per cent

1 of the average retail price shall then be divided by the
2 total number of stamps required by the trading stamp company
3 to redeem those articles which are used to determine the
4 retail price.

5 Sec. 45.52.050. REDEEMABLE CASH VALUE TO BE PRINTED ON
6 STAMPS OR BOOKS. (a) No person may sell or issue a trading
7 stamp unless the redeemable cash value of the stamp, in
8 cents, is legibly printed or written upon its face.

9 (b) No person may sell or issue a book used to collect
10 trading stamps unless the redeemable cash value, in cents or
11 dollars or both, of the maximum number of stamps which may
12 be affixed to the book is legibly printed or written on the
13 covers of the book, and unless notice that the holder of the
14 stamps may redeem the stamps for cash at any time is clearly
15 printed or written on the covers of the book.

16 Sec. 45.52.060. REDEMPTION OF STAMPS. (a) A trading
17 stamp company which sells or distributes trading stamps to a
18 store or place of business which is required to be licensed
19 under sec. 10 of this chapter shall, upon presentation of the
20 stamps by the ultimate holder, and at the option of the
21 holder, either

22 (1) redeem the stamps for goods, wares or mer-
23 chandise; or

24 (2) redeem the stamps for their stated redeemable
25 cash value.

26 (b) A store or place of business which is required to
27 be licensed under sec. 10 of this chapter shall redeem
28 trading stamps for their cash value at any time a holder
29 presents the stamps and demands the cash value.

1 (c) At least five signs, measuring not less than one
2 foot by two feet, which state that all trading stamps issued
3 in that store or place of business are redeemable in cash
4 upon presentment and demand by a holder, shall be prominently
5 placed in each licensed store or place of business.

6 (d) A stamp or number of stamps which has a printed
7 redeemable cash value which equals at least six-tenths of
8 one cent shall be redeemed in one cent cash if cash redemp-
9 tion is demanded by the holder.

10 Sec. 45.52.070. EXEMPTION FOR COUPONS IN ORIGINAL
11 PACKAGES. This chapter does not apply to the issuance and
12 direct redemption by a manufacturer of a premium coupon,
13 certificate, or similar device, or prevent him from issuing
14 and directly redeeming them. However, a premium coupon,
15 certificate, or similar device shall not be issued, circulat-
16 ed, or distributed by retail vendors except when contained
17 in or attached to an original package.

18 Sec. 45.52.080. APPLICATION TO RETAIL SALES. (a) The
19 redeemable cash value of any trading stamps issued in con-
20 nection with a retail sale of services, goods, wares, or
21 merchandise in this state shall not be considered a part of
22 the sale price for the purpose of any sales tax levied by a
23 city or borough.

24 (b) An exchange of services, goods, wares, or merchan-
25 dise for trading stamps is a retail sale for the purpose of
26 any sales tax levied by a city or borough.

27 (c) Each sales receipt or other memorandum of a sale
28 issued to a retail buyer in this state shall state the re-
29 deemable cash value of any trading stamps issued in

1 connection with the sale.

2 Sec. 45.52.090. PENALTY. A person who violates a pro-
3 vision of this chapter is guilty of a misdemeanor and upon
4 conviction is punishable by a fine of not less than \$100 nor
5 more than \$1,000.

6 Sec. 45.52.100. DEFINITIONS. In this chapter

7 (1) "borough" means a home rule, first, or second
8 class organized borough;

9 (2) "city" means a home rule or general law city
10 of any class;

11 (3) "manufacturer" means a vendor of an article of
12 merchandise which is put up by or for him in an original
13 package and which is sold under his or its trade name, brand,
14 or mark;

15 (4) "trading stamp" is any tangible token whatever,
16 including, but not limited to, a stamp, check, ticket, or
17 coupon, which is transferred by a seller of goods or services
18 at retail, to a buyer, as an inducement to, the purchase of
19 goods and services, and which is intended or represented as
20 being intended to be redeemed singly or in quantity by the
21 seller or any other person from the buyer in return for money
22 or any article of value.

23 (5) "trading stamp company" means a person engaged
24 in the business of distributing trading stamps for issuance
25 by retail vendors and redeeming these stamps in any manner;
26 and includes a store or place of business, or chain of stores
27 or businesses, engaged in retail trade, which issue trading
28 stamps that are identified with, and used only by, the issu-
29 ing store or chain, and which maintain and operate a

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redemption service for these stamps.

* Sec. 2. This Act takes effect January 1, 1966.