

Original Sponsors: 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."

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

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

10 CHAPTER 52. TRADING STAMPS.

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

18 Sec. 45.52.020. LICENSES. (a) The annual license fee  
19 for each store or place of business required to be licensed  
20 under sec. 10 of this chapter is \$250.

21 (b) Upon payment of the \$250 fee, the department shall  
22 issue a license for the calendar year which shall contain the  
23 name of the person paying the fee, the dates of the issuance  
24 and expiration of the license, and the name and address of  
25 the store or place of business for which the license is  
26 issued. A license is valid only at the store or place of  
27 business for which it is issued.

28 (c) No license may be issued for a period extending  
29 beyond the end of the calendar year for which it is issued.

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

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

9                   (1) 80 per cent of the consideration paid to a  
10 trading stamp company for the stamp by a person who uses of  
11 issues the stamp in connection with retail sales; or

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

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

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

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

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

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

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

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

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

29 (c) At least five signs, measuring not less than one

1 foot by two feet, which state that all trading stamps issued  
2 in that store or place of business are redeemable in cash  
3 upon presentment and demand by a holder, shall be prominently  
4 placed in each licensed store or place of business.

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

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

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

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

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

1           Sec. 45.52.090. PENALTY. A person who violates a pro-  
2 vision of this chapter is guilty of a misdemeanor and up  
3 conviction is punishable by a fine of not less than \$100 nor  
4 more than \$1,000. Nothing herein shall be construed to apply  
5 to centennial, annual or other anniversary community-sponsored  
6 observances and promotional tokens used in connection there-  
7 with.

8           Sec. 45.52.100. DEFINITIONS. In this chapter

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

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

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

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

25           (5) "trading stamp company" means a person engaged  
26 in the business of distributing trading stamps for issuance  
27 by retail vendors and redeeming these stamps in any manner;  
28 and includes a store or place of business, or chain of stores  
29 or businesses, engaged in retail trade, which issue trading

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stamps that are identified with, and used only by, the issuing store or chain, and which maintain and operate a redemption service for these stamps.