

Introduced: 2/2/68
Referred: Commerce
and Judiciary

1 IN THE SENATE

BY SMITH

2 SENATE BILL NO. 282

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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 use or
12 issue trading stamps obtained from a trading stamp company, in connec-
13 tion with the retail sale, or the promotion of a retail sale, of
14 services, goods, wares and merchandise to another person unless the
15 store or place of business in which the trading stamps are used, issued
16 or sold is licensed by the department.

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

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

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

28 Sec. 45.52.030. REGULATIONS. The department shall adopt and
29 promulgate regulations, in accordance with the Administrative Procedure

1 Act (AS 44.62), which are necessary to collect the fee imposed by this
2 chapter and to enforce this chapter.

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

5 (1) 80 per cent of the consideration paid to a trading stamp
6 company for the stamp by a person who uses or issues the stamp in con-
7 nection with retail sales; or

8 (2) the fair cash value of the stamp which is the propor-
9 tional value, stated in cash, which the stamp, if redeemed in quanti-
10 ties required for redemption, bears to at least 80 per cent of the
11 average retail price of the goods, wares, merchandise or services
12 offered for redemption by a trading stamp company.

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

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

1 (b) No person may sell or issue a book used to collect trading
2 stamps unless the redeemable cash value, in cents or dollars or both,
3 of the maximum number of stamps which may be affixed to the book is
4 legibly printed or written on the covers of the book, and unless notice
5 that the holder of the stamps may redeem the stamps for cash at any
6 time is clearly printed or written on the covers of the book.

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

12 (1) redeem the stamps for goods, wares or merchandise; or

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

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

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

23 (d) A stamp or number of stamps which has a printed redeemable
24 cash value which equals at least six-tenths of one cent shall be re-
25 deemed in one cent cash if cash redemption is demanded by the holder.

26 Sec. 45.52.070. EXEMPTION FOR COUPONS IN ORIGINAL PACKAGES. This
27 chapter does not apply to the issuance and direct redemption of a manu-
28 facturer of a premium coupon, certificate, or similar device, or prevent
29 him from issuing and directly redeeming them. However, a premium coupon,

1 certificate, or similar device shall not be issued, circulated, or
2 distributed by retail vendors except when contained in or attached to
3 an original package.

4 Sec. 45.52.080. APPLICATION TO RETAIL SALES. (a) The redeemable
5 cash value of any trading stamps issued in connection with a retail
6 sale of services, goods, wares, or merchandise in this state shall not
7 be considered a part of the sale price for the purpose of any sales tax
8 levied by a city or borough.

9 (b) An exchange of services, goods, wares, or merchandise for
10 trading stamps is a retail sale for the purpose of any sales tax levied
11 by a city or borough.

12 (c) Each sales receipt or other memorandum of a sale issued to a
13 retail buyer in this state shall state the redeemable cash value of any
14 trading stamps issued in connection with the sale.

15 Sec. 45.52.090. PENALTY. A person who violates a provision of
16 this chapter is guilty of a misdemeanor and upon conviction is punish-
17 able by a fine of not less than \$100 nor more than \$1,000.

18 Sec. 45.52.100. DEFINITIONS. In this chapter

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

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

23 (3) "manufacturer" means a vendor of an article of merchan-
24 dise which is put up by or for him in an original package and which is
25 sold under his or its trade name, brand, or mark;

26 (4) "trading stamp" is any tangible token whatever, includ-
27 ing, but not limited to, a stamp, check, ticket, or coupon, which is
28 transferred by a seller of goods or services at retail, to a buyer, as
29 an inducement to, the purchase of goods and services, and which is

1 intended or represented as being intended to be redeemed singly or in
2 quantity by the seller or any other person from the buyer in return
3 for money or any article of value.

4 (5) "trading stamp company" means a person engaged in the
5 business of distributing trading stamps for issuance by retail vendors
6 and redeeming these stamps in any manner; and includes a store or place
7 of business, or chain of stores or businesses, engaged in retail trade,
8 which issue trading stamps that are identified with, and used only by,
9 the issuing store or chain, and which maintain and operate a redemption
10 service for these stamps.

11 * Sec. 2. This Act takes effect January 1, 1969.
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