

Introduced: 1/10/78
Referred: Judiciary

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 592

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the use of plain language in
7 contracts and leases; and providing for an effective
8 date."

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

10 * Section 1. AS 45.45 is amended by adding a new section to read:

11 ARTICLE 6. CONSUMER AGREEMENTS.

12 Sec. 45.45.250. FORM. (a) Subject to (b) of this section,
13 every written agreement entered into after January 1, 1979 for the
14 lease of space to be occupied for residential purposes, and every
15 written agreement to which a consumer is a party and the money, pro-
16 perty, or service which is the subject of the transaction is primarily
17 for personal, family, or household purposes, must be:

18 (1) written in non-technical language and in a clear and
19 coherent manner using words with common and everyday meanings;

20 (2) appropriately divided and captioned by its various
21 sections.

22 (b) This section does not apply to agreements involving amounts
23 in excess of \$50,000.

24 (c) A creditor, seller, or lessor who fails to comply with (a)
25 of this section is liable to a consumer who is a party to a written
26 agreement governed by (a) in an amount equal to the sum of any actual
27 damages sustained plus \$50. The total class action penalty against
28 any such creditor, seller, or lessor may not exceed \$10,000. These
29 penalties may be enforced only in a court of competent jurisdiction,

1 but not after both parties to the agreement have fully performed their
2 obligation under the agreement, nor against any creditor, seller, or
3 lessor who attempts in good faith to comply with this section.

4 (d) A violation of (a) of this section does not render an
5 agreement void or voidable nor does it constitute:

6 (1) a defense to any action or proceeding to enforce the
7 agreement; or

8 (2) a defense to any action or proceeding for breach of the
9 agreement.

10 * Sec. 2. This Act takes effect on January 1, 1979.
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