

Original sponsors: Buchholdt, McKinnon  
and Munson

Offered: 4/8/80  
Referred: Judiciary

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 370

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act regulating layaway sales."

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

8 \* Section 1. AS 45.50 is amended by adding a new section to read:

9 Sec. 45.50.474. UNFAIR TRADE PRACTICES IN LAYAWAY SALES. (a) It  
10 is an unfair trade practice under AS 45.50.471(a) for a retail seller of  
11 consumer goods on a layaway plan

12 (1) to fail to provide the buyer at the time of entering into  
13 the layaway agreement with a written statement of the terms and condi-  
14 tions of the agreement, including the following information:

15 (A) the amount of the deposit received;

16 (B) the length of time the goods will be held on layaway,  
17 which may be expressed as a period of time or as a date when final  
18 payment for the goods is due;

19 (C) a reasonable description of each of the goods,  
20 including but not limited to, if applicable, the type of item, name  
21 of manufacturer, color and size, style or model number;

22 (D) the total purchase price of the goods, including a  
23 separate listing of the price of each item which could have been  
24 individually purchased and of any tax, installation, handling,  
25 processing, delivery or freight charges;

26 (E) that the seller will refund a layaway deposit and  
27 subsequent payments, if any, when, before the end of the stated  
28 layaway period, the goods, for any reason, are no longer available  
29 in the same condition as at the time of the sale to the consumer;

1 and

2 (F) other terms and conditions of the layaway agreement;

3 (2) to misrepresent in any way the seller's layaway plan  
4 policy to a buyer of consumer goods under the plan;

5 (3) to represent to a buyer under a layaway plan that the  
6 specific consumer goods chosen by the buyer or an exact duplicate of the  
7 consumer goods are actually being physically retained for the buyer when  
8 that is not a fact;

9 (4) after payments under the layaway plan are completed, to  
10 deliver to the buyer goods which are not identical or exact substitutes  
11 to those specified, unless approval in writing at the time of substitu-  
12 tion has been received from the buyer and written notice of the provi-  
13 sions of (b) of this section has been provided to the buyer;

14 (5) to increase the price of consumer goods purchased under a  
15 layaway plan either by increasing the payments or substituting consumer  
16 goods which are of a lower quality or price;

17 (6) to fail to deliver to the buyer, on the date a payment is  
18 made, a receipt showing the amount and date of that payment and the  
19 amount of the balance due.

20 (b) At any time before acceptance by the buyer of the goods sub-  
21 ject to the layaway plan, the buyer may cancel the plan because of the  
22 seller's violation of (a) of this section, and the seller, at the elec-  
23 tion of the buyer, shall either

24 (1) refund to the buyer the entire amount paid; or

25 (2) give the buyer a credit, in the full amount of the money  
26 already paid to the seller, toward the purchase of other consumer goods  
27 offered for sale to the public by the seller.

28 (c) In this section

29 (1) "consumer goods" means an article which is used or bought

1 for use primarily for personal, family or household purposes;

2 (2) "layaway plan" means a plan by which a seller of consumer  
3 goods offers the goods for sale to the public on terms which permit  
4 periodic payment for the goods and with respect to which delivery is  
5 deferred until completion of payment of the entire purchase price.

6 (d) The provisions of AS 45.50.481 - 45.50.551 apply to this  
7 section.

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