

1971 Bill 38

Fourth Session, 16th Legislature, 20 Elizabeth II

THE LEGISLATIVE ASSEMBLY OF ALBERTA

BILL 38

**An Act to amend
The Direct Sales Cancellation Act**

THE MINISTER OF INDUSTRY AND TOURISM

First Reading

Second Reading

Third Reading

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AN ACT TO AMEND THE DIRECT SALES CANCELLATION ACT

(Assented to _____, 1971)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Alberta, enacts as follows:

1. *The Direct Sales Cancellation Act is hereby amended.*
2. *Section 2, subsection (1), clause (e) is amended*
 - (a) *as to subclause (ii) by inserting after the words "an agreement under which the buyer," the words "at some future time,"*
 - (b) *by adding after subclause (ii) the following subclause:*
 - (ii.1) *an agreement under which the buyer does some act or pays a price in excess of \$25 and thereupon becomes entitled to be the owner of goods or to have a service performed, or*
3. *Section 5 is amended*
 - (a) *by striking out the words "as against the seller" wherever they appear,*
 - (b) *as to subsection (2), clause (b) by striking out the number "4" and by substituting the number "5".*
4. *The Schedule is amended as to paragraph 5 by striking out the words "2 or 3" and by substituting the words "2, 3 or 4".*
5. *This Act comes into force on the day upon which it is assented to.*

Explanatory Notes

1. This Bill amends chapter 110 of the Revised Statutes of Alberta 1970.

2. This amendment resolves any ambiguity as to whether the Act applies to cash sales. Section 2(1)(e)(ii) presently reads:

(e) "sales contract" means

(ii) an agreement under which the buyer, upon the happening of an event or the payment of the price or compliance with a condition, will become the owner of goods or entitled to the performance of services or both, or

3. This amendment would make void a contract which does not comply with section 5 as a seller who has the money has nothing to enforce and the Act by inference applies only to written contracts. Section 5 presently reads:

5. (1) A sales contract is void as against the seller if with respect thereto the seller gives, or offers to give, a rebate or discount to the buyer in consideration of his giving the seller the names of prospective purchasers or otherwise aiding the seller in making a sale to another person, if the earning of the rebate, discount or other value is contingent upon the occurrence of an event subsequent to the time the buyer agrees to buy.

(2) A sales contract is void as against the seller unless

(a) it is signed by the buyer,

(b) it contains a notice in the form in the Schedule to this Act and completed as to paragraph 4 thereof, and the notice is at least as prominent as the rest of the contents of the sales contract, and

(c) a copy of it is received by the buyer, by personal delivery or by mail, within seven days after the day the sales contract was signed by the buyer.

4. Self-explanatory.