

# H.B. 269

## SALES MARKETING REQUIREMENTS

Representative **Sheryl L. Allen** proposes the following amendments:

1. Page 1, Line 17:

17                   •           ~~{commercially reasonable}~~ terms for repurchase of inventory from participants;

2. Page 3, Lines 61 through 62:

61    the inventory, and at not less than 90% of the original net cost to the participant   ~~{, minus any~~  
62    ~~appropriate set-offs and legal claims}~~ .

3. Page 3, Line 66:

66           [~~(+)~~] (3) "Consideration"   ~~{means}~~   includes a payment of any money, or the purchase of  
          goods,

4. Page 3, Line 76:

76    within :  
          (i) its commercially reasonable use   ~~{of}~~   or shelf-life period , if that period is clearly and  
          conspicuously disclosed to the participant prior to the participant's purchase of the inventory ; or  
          (ii) if the requirement of Subsection (5)(a) is not met, 12 months from the date of the participant's  
          original purchase of the inventory;

5. Page 3, Lines 80 through 82:

80           (c) does not include inventory that has been clearly described to the participant   ~~{, prior to~~  
81    purchase,} as   ~~{a}~~   seasonal, discontinued, or special promotion products not subject to the  
82    operation's inventory repurchase program   , if this description is:  
          (i) in at least 12 point type on the front page of a disclosure form; and  
          (ii) prior to the participant's purchase of inventory under this Subsection (5)(c):  
          (A) signed by the participant; or  
          (B) acknowledged in another manner by the participant, if the operation maintains evidence of the  
          acknowledgment. .

6. Page 3, Lines 86 through 88:

86           (7) "Inventory loading" means that the operation requires or encourages its   ~~{independent~~  
87    ~~salespersons}~~   participants to purchase inventory in an amount that unreasonably exceeds that which

the

88     ~~{salesperson}~~     participant     can expect to resell for ultimate consumption, or to use or consume, in a  
reasonable

7.   Page 4, Lines 99 through 100:

99     from the sale of goods, services,   ~~{or}~~   ~~[other]~~ intangible property   ~~{to participants or}~~   , or other  
property   by participants

100   to others   who are not participants .