

The Senate Committee on Regulated Industries and Utilities offered the following substitute to SB 149:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 2 of Title 11 of the Official Code of Georgia Annotated, related to sales
2 under the commercial code, so as to enact the "Georgia Door-to-Door Sales Act"; to provide
3 for a short title; to provide for definitions; to require sellers to furnish to buyers receipts and
4 copies of any contracts; to require sellers to provide notice of how to cancel a sale; to restrict
5 certain door-to-door sales; to regulate the use of certain forms and notices; to provide for
6 certain exemptions; to provide for related matters; to repeal conflicting laws; and for other
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 2 of Title 11 of the Official Code of Georgia Annotated, related to sales under the
11 commercial code, is amended by adding a new part to read as follows:

12 "Part 8

13 11-2-801.

14 This part shall be known and may be cited as the 'Georgia Door-to-Door Sales Act.'

11-2-802.

As used in this part, unless the context otherwise requires, the term:

(1) 'Business days' means any calendar day except Saturdays, Sundays, and any federal holiday.

(2)(A) 'Door-to-door sale' means a sale, lease, or rental of goods or services:

(i) Solicited in person by the seller or seller's representative, including, but not limited to, solicitations in response to or following an invitation by the buyer;

(ii) For which the buyer's agreement or offer to purchase is made at a place other than the seller's place of business; and

(iii) That includes at least two of the following three components:

(I) Payments of \$10,000.00 or more;

(II) A lease, financing arrangement, or other agreement with a term of more than 120 months; and

(III) Is eligible, or is alleged by the seller or seller's representative to be eligible, for federal tax credits.

(B) 'Door-to door sale' shall not include a transaction:

(i) Conducted without any in-person contact between the buyer and the seller or seller's representative prior to delivery of the goods or performance of the services;
or

(ii) In which the buyer has initiated the contact and specifically requested the seller or seller's representative to visit the buyer's home for the purpose of repairing or performing maintenance upon the buyer's property. If, in the course of such a visit, the seller sells the buyer the right to receive additional goods or services, other than replacement parts necessarily used in performing maintenance or making repairs, the sale of those additional goods or services would not fall under this exclusion; or

(iii) Pertaining to the sale or rental of real property or to the sale of insurance.

(3) 'Place of business' means the main or permanent branch, office, or local address of a seller.

(4) 'Purchase price' means the total price paid or to be paid for the goods or services, including all interest and service charges.

11-2-803.

(a) The seller shall furnish the buyer with a fully completed receipt of the purchase price or copy of the contract pertaining to any door-to-door sale at the time of its execution.

Such receipt or contract shall:

(1) Be in each language used in the oral sale presentation and the in-person interaction between seller and buyer;

(2) Show the date of the transaction and contain the name and address of the seller;

(3) Be in at least ten-point boldface type;

(4) Have adjacent to the contract's signature lines, or on the front page of the receipt if a contract is not used, the following statement:

"You, the buyer, may cancel this transaction at any time prior to midnight of the thirtieth business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right."; and

(5) Provide the buyer with a duplicate notice of cancellation as outlined in Code Section 11-2-804.

(b) In the event of cancellation, the buyer must be able to retain a complete copy of the receipt or contract.

11-2-804.

(a) The seller in a door-to-door sale shall provide to each buyer, at the time the buyer signs the door-to-door sales contract or otherwise agrees to buy goods or services from the seller,

a notice of cancellation form meeting the requirements of subsection (b) of this Code section that may be used by the buyer.

(b) The form shall be captioned "NOTICE OF CANCELLATION" and shall provide the following information in at least ten-point boldface type:

(1) That the buyer has 30 business days to cancel the sale;

(2) That upon cancellation all of the buyer's payments will be returned within ten business days;

(3) That the buyer may keep or dispose of the goods if the seller fails to pick them up within 20 business days of the date of the notice of cancellation;

(4) The seller's name and the address or email address to which notices of cancellation must be sent;

(5) That the buyer has until midnight of the thirtieth business day to cancel the transaction; and

(6) A signature and date line for the buyer.

(c) The seller shall inform the buyer orally, at the time that the buyer signs the contract or purchases the goods or services, of the buyer's right to cancel.

(d) The seller shall notify the buyer within ten days of receipt of the buyer's notice of cancellation whether the seller intends to repossess or to abandon any shipped, delivered, or installed goods.

11-2-805.

The seller in a door-to-door sale shall not negotiate, transfer, sell, or assign any note or other evidence of indebtedness to a finance company or other third party prior to midnight on the second day following the end of the period during which the buyer has a right to cancel pursuant to this part.

89 11-2-806.

90 The use of the forms and notices of the right to cancel prescribed by the Federal Trade
91 Commission's trade regulation rule, 16 C.F.R. Part 429, establishing a cooling-off period
92 for door-to-door sales, may be used to comply with Code Sections 11-2-803 and 11-2-804;
93 provided, however, that they are altered to accurately reflect the provisions of such Code
94 sections and are in compliance with all provisions of this part.

95 11-2-807.

96 The rights of buyers in a door-to-door sale shall be not limited to those provided for in this
97 part. Buyers in a door-to-door sale shall also have all applicable rights and remedies
98 afforded under any other state or federal laws.

99 11-2-808.

100 (a) The requirements of this part shall not apply to sellers of automobiles, vans, trucks,
101 motorized farm equipment, or other motor vehicles that are sold at auctions, tent sales, or
102 other temporary places of business, provided that the seller is a seller of vehicles with a
103 permanent place of business.

104 (b) The requirements of this part shall not apply to sellers of arts, crafts, food, beverages,
105 or other goods or services that are sold at fairs, carnivals, festivals, or other community
106 events.

107 (c) The requirements of this part shall not apply to sellers of goods or services that are sold
108 at events sponsored, licensed, or hosted by this state, any local government, a church, or
109 a public charity."

110 **SECTION 2.**

111 All laws and parts of laws in conflict with this Act are repealed.