

2018 Regular Session

SENATE BILL NO. 304

BY SENATOR WALSWORTH

ATTORNEY GENERAL. Provides relative to "going-out-of-business sale" deposits.
(7/1/18)

1 AN ACT

2 To amend and reenact R.S. 51:42(1) and 51(A) and to enact R.S. 51:51(E), relative to
3 going-out-of-business sale licenses; to provide relative to holding of deposits; to
4 provide for definitions; to provide for an effective date; and to provide for related
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:42(1) and 51(A) are hereby amended and reenacted and R.S.
8 51:51(E) is hereby enacted to read as follows:

9 §42. Definitions

10 For purposes of this Part, the following terms shall have the meanings
11 specified in this Section:

12 (1) "Going-out-of-business sale" means any sale advertised, represented, or
13 held forth as a sale to dispose of all goods as a means of ceasing to do business or
14 changing business location. Such term shall include a sale held under the designation
15 of "going-out-of-business", "selling out", "liquidation", "lost our lease", "forced to
16 vacate", "moving to a new location", "**closing out sale**", "**store closing sale**", or
17 any other designation of like meaning. However, such term shall not include an end-

1 of-the-season sale or a going-out-of-business sale limited to sale of a particular brand
2 or line of goods.

3 * * *

4 §51. Holding of deposit

5 A. The deposit made by an applicant for licensure pursuant to R.S. 51:47(D)
6 shall be held by the consumer protection section for a period of sixty days from the
7 date of delivery of a returned license or **from** the date of acceptance of an affidavit
8 in lieu of such return.

9 * * *

10 **E. Upon the failure of the licensee to return the license or an affidavit in**
11 **lieu of such return, the deposit shall revert to the Unclaimed Property Division**
12 **of the Department of the Treasury.**

13 Section 2. The provisions of this Act shall become effective July 1, 2018.

The original instrument was prepared by Curry J. Lann. The following digest,
which does not constitute a part of the legislative instrument, was prepared
by Jerry G. Jones.

DIGEST

SB 304 Engrossed

2018 Regular Session

Walsworth

Present law defines "going-out-of-business sale" as any sale advertised, represented, or held forth as a sale to dispose of all goods as a means of ceasing to do business or changing business location. Such term includes a sale held under the designation of "going-out-of-business", "selling out", "liquidation", "lost our lease", "forced to vacate", "moving to a new location", or any other designation of like meaning. However, such term does not include an end-of-the-season sale or a going-out-of-business sale limited to sale of a particular brand or line of goods.

Proposed law retains present law and adds sales held under the designations "closing out sale" and "store closing sale".

Present law requires a deposit for each application for a "going-out-of-business sale" license of either \$500 or a dollar amount equal to one percent of the wholesale cost of the inventory, whichever amount is greater.

Proposed law retains present law.

Proposed law provides that upon the failure of the licensee to return the "going-out-of-business sale" license or an affidavit in lieu of such return, the deposit reverts to the Unclaimed Property Division of Dept. of the Treasury.

Effective July 1, 2018.

(Amends R.S. 51:42(1) and 51(A); adds R.S. 51:51(E))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Deletes that deposit would revert to Dept. of Justice and would be used as self-generated revenue and retained in Consumer Protection Fund, and provided instead that deposit would revert to Unclaimed Property Division.
2. Makes technical changes.