

# Alaska State Legislature



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**Representative Gary Stevens**  
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## **House Passes Consumer Protection Bill** **HB 393 Offers Safeguards on Home Business Opportunities**

(JUNEAU) – Alaskans seeking to boost their income by buying at-home “business opportunities” would have stronger protection against fraudulent practices in that industry under House Bill 393, sponsored by Rep. Gary Stevens (R-Kodiak) and passed by the House today.

“Business opportunities, also known as ‘biz ops,’ are prepackaged small-business deals offered primarily to novice entrepreneurs,” Stevens said. “According to the Federal Trade Commission, fraudulent business opportunities bilk consumers nationwide of tens of millions of dollars a year.”

These scams may take a variety of forms, from stuffing envelopes or doing medical billing at home, to the sale of vending machines or greeting card display racks, to selling Internet businesses, Stevens said. Promoters use high-pressure sales tactics and promise huge earnings to buyers, and the scams often target vulnerable Alaskans: senior citizens, individuals at home because of disability or illness, or people experiencing financial difficulties.

HB 393 would protect Alaskans from such scams by requiring sellers of business opportunities to register with the state Department of Law and disclose any civil and criminal history. It would also require sellers to disclose to potential buyers, at least 10 days before closing the sale, specific information about the business opportunity, including the total cost and payment schedule and the exact services the operator will provide.

The bill would provide further protection of consumers by requiring any purchase of business opportunities to be done through a written contract that sets out the payment terms, the services to be provided by the seller, delivery dates, and the buyer’s right to cancel, Stevens said.

HB 393 would provide exemptions for business opportunities that involve total payments under \$250, for business transactions that fall under other regulatory schemes, for ongoing business transactions, and for direct sellers under certain circumstances, Stevens said.

HB 393 moves next to the Senate for consideration.

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