

**84-2-326. Sale on approval and sale or return; rights of creditors.** (1) Unless otherwise agreed, if delivered goods may be returned by the buyer even though they conform to the contract, the transaction is

- (a) a "sale on approval" if the goods are delivered primarily for use, and
- (b) a "sale or return" if the goods are delivered primarily for resale.

(2) Goods held on approval are not subject to the claims of the buyer's creditors until acceptance; goods held on sale or return are subject to such claims while in the buyer's possession.

(3) Any "or return" term of a contract for sale is to be treated as a separate contract for sale within the statute of frauds section of this article (K.S.A. 84-2-201) and as contradicting the sale aspect of the contract within the provisions of this article on parol or extrinsic evidence (K.S.A. 84-2-202).

(4) If a person delivers or consigns for sale goods which the person used or bought for use of personal, family, or household purposes, these goods do not become the property of the deliverer or consignee unless the deliverer or consignee purchases and fully pays for the goods. Nothing in this subsection shall prevent the deliverer or consignee from acting as the deliverer's agent to transfer title to these goods to a buyer who pays the full purchase price. Any payment received by the deliverer or consignee from a buyer of these goods, less any amount which the deliverer expressly agreed could be deducted from the payment for commissions, fees, or expenses, is the property of the deliverer and shall not be subject to the claims of the deliverer's or consignee's creditors.

**History:** L. 1965, ch. 564, § 60; L. 1991, ch. 297, § 1; L. 2000, ch. 142, § 139; July 1, 2001.