

CODE OF ALABAMA
TITLE 8 – COMMERCIAL LAW AND CONSUMER PROTECTION
CHAPTER 24 – SALES REPRESENTATIVE’S COMMISSION CONTRACTS

Section 8-24-1

Definitions.

As used in this chapter, the following terms shall have the following meanings, respectively, unless the context clearly indicates otherwise:

(1) COMMISSION. Compensation accruing to a sales representative for payment by a principal, the rate of which is expressed as a percentage of the dollar amount of certain orders or sales.

(2) PRINCIPAL. Any person who does all of the following:

a. Engages in the business of manufacturing, producing, importing, or distributing a product or products for sale to customers who purchase the product or products for resale.

b. Utilizes sales representatives to solicit orders for the product or products.

c. Compensates the sales representatives, in whole or in part, by commission.

(3) SALES REPRESENTATIVE. Any person who engages in the business of soliciting, on behalf of a principal, orders for the purchase at wholesale of the product or products of the principal, but does not include a person who places orders or purchases for his or her own account for resale, or a person engaged in home solicitation sales.

(4) TERMINATION. The end of services performed by the sales representative for the principal, whether by discharge, resignation, or expiration of a contract.

(Acts 1985, No. 85-543, p. 782, §1; Acts 1994, No. 94-686, p. 1319, §1.)

Section 8-24-2

When Commission Is Due; Payment.

(a) The terms of the contract between the principal and sales representative shall determine when a commission is due.

(b) If the time when the commission is due cannot be determined by a contract between the principal and sales representative, the past practices between the parties shall control, or if there are no past practices, the custom and usage prevalent in this state for the business that is the subject of the relationship between the parties shall control.

(c) All commissions that are due at the time of termination of a contract between a sales representative and principal shall be paid within thirty days after the date of termination. Commissions that become due after the termination date shall be paid within thirty days after the date on which the commissions become due.

(Acts 1985, No. 85-543, p. 782, §2; Acts 1994, No. 94-686, p. 1319, §1.)

Section 8-24-3

Failure to Pay Commission.

A principal who fails to pay a commission as required by Section 8-24-2 is liable to the sales representative in a civil action for three times the damages sustained by the sales representative plus reasonable attorney's fees and court costs.

(Acts 1985, No. 85-543, p. 782, §3; Acts 1994, No. 94-686, p. 1319, §1.)

Section 8-24-4

When Nonresident Principal Considered to Be Doing Business in State.

A principal who is not a resident of this state and who enters into a contract subject to this chapter is considered to be doing business in this state for purposes of the exercise of personal jurisdiction over the principal.

(Acts 1985, No. 85-543, p. 782, §4; Acts 1994, No. 94-686, p. 1319, §1.)

Section 8-24-5

Waiver of Chapter Provisions; Other Rights or Remedies.

(a) This chapter may not be waived, whether by express waiver or by any provision in a contract attempting to make the contract or agreement subject to the laws of another state. A waiver of any provision of this chapter is void.

(b) This chapter does not invalidate or restrict any other right or remedy available to a sales representative or preclude a sales representative from seeking to recover in one action on all claims against a principal.

(Acts 1985, No. 85-543, p. 782, §5; Acts 1994, No. 94-686, p. 1319, §1.)

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