

355.2-326 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 (KRS 355.2-201) and as contradicting the sale aspect of the contract within the provisions of this article on parol or extrinsic evidence (KRS 355.2-202).

Effective: July 1, 2001

History: Amended 2000 Ky. Acts ch. 408, sec. 160, effective July 1, 2001. -- Created 1958 Ky. Acts ch. 77, sec. 2-326, effective July 1, 1960.