

9 person with intent that it be forwarded to the intended recipient shall
10 be sufficient proof of sending.

11 2. This section applies even though the simulating document con-
12 tains a statement to the effect that it is not legal process.

13 3. Violations of this section may be prosecuted in either the county
14 where the document was sent or the county in which it was delivered.”

Approved May 24, 1965.

CHAPTER 440

INSTRUCTIONAL CORRESPONDENCE COURSES

S. F. 560

AN ACT relating to the advertising and selling of courses of instruction.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. It shall be unlawful for any person, firm, association,
2 or corporation maintaining, advertising, or conducting in Iowa any
3 course of instruction for profit, or for tuition charge, whether by class-
4 room instructions or by correspondence, to:

5 1. Falsely advertise or represent to any person any matter material
6 to such course of instruction. All advertising of such courses of in-
7 struction shall adhere to and comply with the rules and regulations of
8 the federal trade commission as of the effective date of this Act.

9 2. Collect tuition or other charges in excess of one hundred fifty
10 (150) dollars in advance of the actual attendance of a pupil in the
11 school, or in the case of correspondence courses of study, in advance
12 of the receipt and approval by the pupil of the first assignment or
13 lesson of such course. Any contract providing for advance payment
14 of more than one hundred fifty (150) dollars shall be voidable on the
15 part of the pupil or any person liable for the tuition provided for in
16 the contract.

17 3. Promise or guarantee employment utilizing information, train-
18 ing, or skill purported to be provided or otherwise enhanced by a
19 course, unless the promisor or guarantor offers the student or pros-
20 pective student a bona fide contract of employment agreeing to employ
21 said student or prospective student for a period of not less than one
22 hundred twenty (120) days in a business or other enterprise regularly
23 conducted by the promisor or guarantor and in which such informa-
24 tion, training, or skill is a normal condition of employment.

1 SEC. 2. Every person, firm, association, or corporation maintain-
2 ing or conducting in Iowa any such course of instruction, by classroom
3 instruction or by correspondence, or soliciting in Iowa the sale of such
4 course, shall file with the superintendent of public instruction:

5 1. A continuous corporate surety bond to the state of Iowa in the
6 sum of ten thousand (10,000) dollars conditioned for the faithful per-
7 formance of all contracts and agreements with students made by such
8 person, firm, association, or corporation, or their salesmen; provided,
9 however, that the aggregate liability of the surety for all breaches of

10 conditions of the bond shall, in no event, exceed the sum of said bond.
11 The surety on the bond shall have the right to cancel said bond upon
12 giving 30 days written notice to the superintendent of public instruc-
13 tion and thereafter shall be relieved of liability for any breach of
14 condition occurring after the effective date of said cancellation.

15 2. A statement designating a resident agent for the purpose of re-
16 ceiving service in civil actions. In the absence of such designation,
17 service may be had upon the superintendent of public instruction if
18 service cannot otherwise be made in this state.

19 3. A copy of any catalog, prospectus, brochure, or other advertising
20 material intended for distribution in Iowa. Such material shall state
21 the cost of the course offered, the schedule of refunds for portions of
22 the course not completed, and if no refunds are to be paid, the material
23 shall so state. Any contract induced by advertising materials not pre-
24 viously filed as provided in this Act shall be voidable on the part of the
25 pupil or any person liable for the tuition provided for in the contract.

1 SEC. 3. None of the provisions of this Act shall apply to the follow-
2 ing:

3 1. Colleges or universities authorized by the laws of Iowa or any
4 other state or foreign country to grant degrees.

5 2. Schools of nursing accredited by the board of nurse examiners
6 or an equivalent public board of another state or foreign country.

7 3. Public schools.

8 4. Private and nonprofit schools recognized by the state department
9 of public instruction or a local school board for the purpose of comply-
10 ing with chapter two hundred ninety-nine (299) of the Code and
11 employing certified teachers.

12 5. Nonprofit schools exclusively engaged in training physically
13 handicapped persons in the State of Iowa.

14 6. Schools and educational programs conducted by firms, corpora-
15 tions, or persons for the training of their own employees, for which
16 no fee is charged.

17 7. Seminars, refresher courses and schools of instruction sponsored
18 by professional, business, or farming organizations or associations for
19 the members and employees of members of such organizations or
20 associations.

21 8. Private business schools accredited by The Accrediting Commis-
22 sion for Business Schools or an acknowledged accrediting agency.

23 9. Trade or vocational schools approved or accredited by any depart-
24 ment or agency of any state or the federal government.

1 SEC. 4. It shall be unlawful to sell more than one (1) lifetime con-
2 tract to any one person.

1 SEC. 5. Violation of any of the provisions of this Act shall be a
2 misdemeanor, punishable upon conviction by a fine not exceeding one
3 hundred (100) dollars or thirty (30) days in jail, or both.

1 SEC. 6. If any provision of this Act or the application thereof to
2 any person or persons shall be invalid, such invalidity shall not affect
3 the provisions or application of this Act which can be given effect

4 without the invalid provisions or application, and to this end the
5 provisions of the Act are declared severable.

Approved June 30, 1965.

CHAPTER 441

LOTTERY DEFINED

S. F. 261

AN ACT to define a lottery.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Section seven hundred twenty-six point eight (726.8),
2 Code 1962, is hereby amended by adding thereto the following:
3 "When used in this section, lottery shall mean any scheme, arrange-
4 ment, or plan whereby a prize is awarded by chance or any process
5 involving a substantial element of chance to a participant who has
6 paid or furnished a consideration for such chance."

1 SEC. 2. Chapter seven hundred twenty-six (726), Code 1962, is
2 hereby amended by adding thereto the following section:
3 "For the purpose of determining the existence of a lottery under
4 section seven hundred twenty-six point eight (726.8) of the Code, a
5 consideration shall be deemed to have been paid or furnished only in
6 such cases where as a direct or indirect requirement or condition of
7 obtaining a chance to win a prize, the participants are required to
8 make an expenditure of money or something of monetary value
9 through a purchase, payment of an entry or admission fee, or other
10 payment or the participants are required to make a substantial ex-
11 penditure of effort; provided, however, that no substantial expendi-
12 ture of effort shall be deemed to have been expended by any participant
13 solely by reason of the registration of the participant's name, address,
14 and related information, the obtaining of an entry blank or participa-
15 tion sheet, by permitting or taking part in a demonstration of any
16 article or commodity, by making a personal examination of posted lists
17 of prize winners, or by acts of a comparable nature, whether per-
18 formed or accomplished in person at any store, place of business, or
19 other designated location, through the mails, or by telephone; and
20 further provided, that no participant shall be required to be present
21 in person or by representative at any designated location at the time
22 of the determination of the winner of the prize, and that the winner
23 shall be notified either by the same method used to communicate the
24 offering of the prize or by regular mail."

Approved April 30, 1965.