

4 July first following the adjournment of such session, with such  
5 changes, if any, as may have been enacted at such session; and there-  
6 after all laws in conflict therewith shall be of no further force or effect.

7 At adjournment of the general assembly where such report has been  
8 filed, an enrolled copy thereof, together with any changes, shall be  
9 made in substantially the same manner as Acts are enrolled. The  
10 enrolled copy shall be certified as to whether or not any action was  
11 taken by the general assembly and if any, what action, and thereupon  
12 it shall be filed with the secretary of state and bound with the Acts of  
13 the general assembly.

1 SEC. 3. Section six hundred eighty-five point three (685.3), Code  
2 1973, is repealed effective July 1, 1974.

Approved March 9, 1973.

## CHAPTER 290

### COURSES OF INSTRUCTION SALES PENALTY

S. F. 107

AN ACT relating to the penalty for violation of the provisions for advertising and sell-  
ing courses of instruction.

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

1 SECTION 1. Section seven hundred thirteen A point five (713A.5),  
2 Code 1973, is amended by striking the section and inserting in lieu  
3 thereof the following:

4 713A.5 Penalty. Violation of any of the provisions of this chapter  
5 shall be punishable upon conviction by a fine not exceeding five hundred  
6 dollars or six months in jail, or both.

Approved May 15, 1973.

## CHAPTER 291

### DOOR-TO-DOOR SALES REGULATED

S. F. 329

AN ACT relating to door-to-door sales and providing penalties.

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

1 SECTION 1. NEW SECTION. Definitions. As used in this Act,  
2 unless the context otherwise requires:

3 1. "Door-to-door sale" means a sale, lease, or rental of consumer  
4 goods or services with a purchase price of twenty-five dollars or more,  
5 whether under single or multiple contracts, in which the seller or his  
6 representative personally solicits the sale, including those in response  
7 to or following an invitation by the buyer, and the buyer's agreement  
8 or offer to purchase is made at a place other than the place of business  
9 of the seller. Door-to-door sale does not include a transaction:

10 a. Made pursuant to prior negotiations in the course of a visit by  
11 the buyer to a retail business establishment having a fixed permanent  
12 location where the goods are exhibited or the services are offered for  
13 sale on a continuing basis.

14 b. In which the consumer is accorded the right of rescision\* by the  
15 provisions of the Consumer Credit Protection Act, title fifteen (15)  
16 United States Code section one thousand six hundred thirty-five  
17 (1635), or regulations issued pursuant to this Act.

18 c. In which the buyer has initiated the contact and the goods or  
19 services are needed to meet a bona fide immediate personal emergency  
20 of the buyer, and the buyer furnishes the seller with a separate dated  
21 and signed personal statement in the buyer's handwriting describing  
22 the situation requiring immediate remedy and expressly acknowledg-  
23 ing and waiving the right to cancel the sale within three business days.

24 d. Conducted and consummated entirely by mail or telephone; and  
25 without any other contact between the buyer and the seller or its repre-  
26 sentative prior to delivery of the goods or performance of the services.

27 e. In which the buyer has initiated the contact and specifically re-  
28 quested the seller to visit his home for the purpose of repairing or  
29 performing maintenance upon the buyer's personal property. If in  
30 the course of such a visit, the seller sells the buyer the right to receive  
31 additional services or goods other than replacement parts necessarily  
32 used in performing the maintenance or in making the repairs, the sale  
33 of those additional goods or services would not fall within this exclu-  
34 sion.

35 f. Pertaining to the sale or rental of real property, to the sale of  
36 insurance and prepaid health service plans, or to the sale of securities  
37 or commodities by a broker-dealer registered with the securities and  
38 exchange commission.

39 2. "Consumer goods or services" means goods or services purchased,  
40 leased, or rented primarily for personal, family, or household purposes,  
41 including courses of instruction or training regardless of the purpose  
42 for which they are taken.

43 3. "Seller" means any person engaged in the door-to-door sale of  
44 consumer goods or services.

45 4. "Place of business" means the main or permanent branch office or  
46 local address of a seller.

47 5. "Purchase price" means the total price paid or to be paid for the  
48 consumer goods or services, including all interest and service charges.

49 6. "Business day" means any calendar day except Saturday, Sun-  
50 day, or public holiday, including holidays observed on Mondays.

1 SEC. 2. NEW SECTION. Contract. Every seller shall furnish the  
2 buyer with a fully completed receipt or copy of any contract pertaining  
3 to a door-to-door sale at the time of its execution, which is in the same  
4 language as that principally used in the oral sales presentation and  
5 which shows the date of the transaction and contains the name and  
6 address of the seller, and in immediate proximity to the space reserved  
7 in the contract for the signature of the buyer or on the front page of  
8 the receipt if a contract is not used and in bold face type of a mini-  
9 mum size of ten points, a statement in substantially the following  
10 form:

11 "You, the buyer, may cancel this transaction at any time prior to

\*According to enrolled Act.

12 midnight of the third business day after the date of this transaction.  
 13 See the attached notice of cancellation form for an explanation of this  
 14 right."

1 SEC. 3. NEW SECTION. Cancellation. Every seller shall furnish  
 2 each buyer, at the time he signs the door-to-door sales contract or  
 3 otherwise agrees to buy consumer goods or services from the seller,  
 4 a completed form in duplicate, captioned "Notice of Cancellation",  
 5 which shall be attached to the contract or receipt and easily detach-  
 6 able, and which shall contain in ten point bold face type the following  
 7 information and statements in the same language as that used in the  
 8 contract:

9 NOTICE OF CANCELLATION

10 [enter date of transaction]

11 (Date)

12 You may cancel this transaction, without any penalty or obligation,  
 13 within three business days from the above date.

14 If you cancel, any property traded in, any payments made by you  
 15 under the contract or sale, and any negotiable instrument executed by  
 16 you will be returned within ten business days following receipt by the  
 17 seller of your cancellation notice, and any security interest arising out  
 18 of the transaction will be cancelled.

19 If you cancel, you must make available to the seller at your resi-  
 20 dence, in substantially as good condition as when received, any goods  
 21 delivered to you under this contract or sale; or you may if you wish,  
 22 comply with the instructions of the seller regarding the return ship-  
 23 ment of the goods at the seller's expense and risk.

24 If you do not agree to return the goods to the seller or if the seller  
 25 does not pick them up within twenty days of the date of your notice  
 26 of cancellation, you may retain or dispose of the goods without any  
 27 further obligation.

28 To cancel this transaction, mail or deliver a signed and dated copy  
 29 of this cancellation notice or any other written notice, or send a tele-  
 30 gram, to [Name of seller], at [address of seller's place of business]  
 31 not later than midnight of .....

32 (Date)

33 I hereby cancel this transaction.

34 .....

35 (Date)

36 .....

37 (Buyer's signature)

1 SEC. 4. NEW SECTION. Duties of seller. A seller shall:

2 1. Furnish two copies of the notice of cancellation to the buyer, and  
 3 complete both copies by entering the name of the seller, the address of  
 4 the seller's place of business, the date of the transaction, and the date,  
 5 not earlier than the third business day following the date of the trans-  
 6 action, by which the buyer may give notice of cancellation.

7 2. Not include in any contract or receipt any confession of judgment  
 8 or any waiver of any of the rights to which the buyer is entitled under  
 9 this Act including specifically his right to cancel the sale in accordance  
 10 with the provisions of this Act.

11 3. Inform each buyer orally, at the time he signs the contract or  
 12 purchases the goods or services, of his right to cancel.

13 4. Not misrepresent in any manner the buyer's right to cancel.

14 5. Honor any valid notice of cancellation by a buyer and within ten  
 15 business days after the receipt of notice shall refund all payments made  
 16 under the contract or sale, return any goods or property traded in,  
 17 in substantially as good condition as when received by the seller, and  
 18 cancel and return any negotiable instrument executed by the buyer in  
 19 connection with the contract or sale and take any action necessary or  
 20 appropriate to terminate promptly any security interest created in the  
 21 transaction.

22 6. Not negotiate, transfer, sell, or assign any note or other evidence  
 23 of indebtedness to a finance company or other third party prior to  
 24 midnight of the seventh business day following the day the contract  
 25 was signed or the goods or services were purchased.

26 7. Within ten business days of receipt of the buyer's notice of can-  
 27 cellation notify him whether the seller intends to repossess or to  
 28 abandon any shipped or delivered goods.

1 SEC. 5. NEW SECTION. Effect on indebtedness. Rescission of  
 2 any contract pursuant to this Act or the failure to provide a copy of  
 3 the contract to the buyer as required by this Act shall void any con-  
 4 tract, note, instrument, or other evidence of indebtedness executed or  
 5 entered into in connection with the contract and shall constitute a  
 6 complete defense in any action based on the contract, note, instrument  
 7 or other evidence of indebtedness brought by the seller, his successors  
 8 or assigns unless a successor or assignee of the seller after the seventh  
 9 business day following the day the contract was signed has detrimen-  
 10 tally relied upon a representation of the buyer that the contract has not  
 11 been rescinded. This section shall not affect the rights of holders in  
 12 due course of checks made by the buyer.

1 SEC. 6. NEW SECTION. Penalty. Any seller who violates the  
 2 provisions of this Act shall be guilty of a misdemeanor.

Approved May 15, 1973.

## CHAPTER 292

### OBSOLETE REFERENCE CORRECTED

H. F. 198

AN ACT to correct an obsolete reference in section seven hundred forty point thirteen (740.13) of the Code.

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

1 SECTION 1. Section seven hundred forty point thirteen (740.13),  
 2 Code 1973, is amended to read as follows:

3 **740.13 Solicitation for political purposes.** It shall be unlawful for  
 4 any person or political organization either directly or indirectly to  
 5 solicit or demand from ~~any member of the board of control~~ or any  
 6 employee of any commission, board or agency created under the stat-  
 7 utes of Iowa, any contribution of money or any other thing of value  
 8 for election purposes or for the purpose of paying expenses of any  
 9 political organization or any person seeking election to public office.

Approved April 6, 1973.