

**CHAPTER 16**  
**GOING-OUT-OF-BUSINESS SALES**  
*H.F. 70*

**AN ACT** relating to the conducting of going-out-of-business sales and providing for penalties.

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

Section 1. Section 714.16, subsection 2, paragraph c, Code 1985, is amended to read as follows:

c. ~~It shall be~~ is an unlawful practice for any person to advertise the sale of merchandise at reduced rates due to the cessation of business operations and after the date of the first such advertisement remain in business under the same, or substantially the same, ownership, or under the same, or substantially the same trade name, or to continue to offer for sale the same type of merchandise at the same location for more than one hundred twenty days. As used in this paragraph "person" includes a person who acquires an ownership interest in the business either within sixty days before the initial advertisement of the sale or at any time after the initial advertisement of the sale. In addition, a person acquiring an ownership interest shall comply with paragraph "g" if the person adds additional merchandise to the sale.

Sec. 2. Section 714.16, subsection 2, Code 1985, is amended by adding the following new lettered paragraph:

**NEW LETTERED PARAGRAPH. g.** It is an unlawful practice for a person to acquire directly or indirectly an interest in a business which has either gone out of business or is going out of business and conduct or continue a going-out-of-business sale where additional merchandise has been added to the merchandise of the liquidating business for the purposes of the sale, unless the person provides a clear and conspicuous notice in all advertisements that merchandise has been added. The advertisement shall also state the customary retail price of the merchandise that has been added or brought in for the sale. The person acquiring the interest shall obtain a permit to hold the sale before commencing the sale. If the sale is to be held in a city which has an ordinance regulating going-out-of-business sales, then the permit shall be obtained from the city. If the sale is to be located outside of a city or in a city which does not have an ordinance regulating going-out-of-business sales, then the permit shall be obtained from the county in which the proposed sale is to be held. The county board of supervisors shall prescribe the procedures necessary to obtain the permit. The permit shall state the percentage of merchandise for sale that was obtained from the liquidating business and the percentage of merchandise for sale that was added from other sources. The permit or an accurate reproduction of the permit shall be clearly and conspicuously posted at all entrances to the site of the sale and at all locations where sales are consummated. A person who violates this paragraph, including any misrepresentation of the presence and the percentage of additional merchandise that had been added to that of the liquidating company, is liable for a civil penalty of not to exceed one thousand dollars for each day of each violation. The civil penalties collected shall be deposited in the general fund of the political entity which prosecutes the violation. The civil penalty is in addition to and not in lieu of any criminal

penalty. A political entity enforcing this paragraph may obtain a preliminary injunction without posting a bond to enjoin a violation of this Act pending a hearing.

This paragraph does not prohibit a city or county from adopting an ordinance prohibiting the conducting of a going-out-of-business sale in which additional merchandise is added to the merchandise of the liquidating business for the purposes of the sale.

Approved March 21, 1985

---

**CHAPTER 17**  
**ACCEPTANCE OF BOND MONEY AND SECURITIES**  
*H.F. 415*

**AN ACT** relating to the designation of persons to accept bond money and securities.

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

Section 1. Section 602.1211, Code 1985, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A chief judge may designate other public officers to accept bond money or security under section 811.2 at times when the office of the clerk of court is not open.

Sec. 2. Section 811.2, subsection 1, paragraph c, Code 1985, is amended to read as follows:

c. Require the execution of an appearance bond in a specified amount and the deposit with the clerk of court or a public officer designated under section 602.1211, subsection 4, in cash or other qualified security of a sum not to exceed ten percent of the amount of the bond, ~~such~~ the deposit to be returned to the defendant upon the performance of the appearances as required in section 811.6.

Approved March 21, 1985