

CHAPTER 93**SOLICITATION OF PUBLIC DONATIONS***H.F. 506*

AN ACT relating to the solicitation of public donations and making penalties applicable.

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

Section 1. Section 122.1, Code 1989, is amended to read as follows:

122.1 CONDITIONS.

~~No An~~ organization, institution, or charitable association, either directly or through agents or representatives, shall not solicit public donations in this state, unless it ~~be a corporation duly incorporated under the laws of this state or authorized to do business in this state;~~ has first obtained a permit therefor from the secretary of state; ~~and has filed with the secretary of state a surety company bond in the sum of one thousand dollars, running to the state and conditioned that the applicant will devote all donations directly to the purpose stated and for which the donations were given, and will otherwise comply with the laws of this state and the requirements of the secretary of state in regard thereto. The secretary of state shall have full discretion as to whom the secretary will issue permits, and shall be satisfied before issuing any such permit that the applicant is reputable and that the purposes for which donations from the public are to be solicited are legitimate and worthy. The application for a permit under this section shall be on a form prescribed and furnished by the secretary of state. The secretary may accept, as an application for a permit, articles of incorporation filed pursuant to section 504A.30 and a request for a permit in lieu of a separate application.~~

Sec. 2. Section 122.2, Code 1989, is amended to read as follows:

122.2 FEES.

The secretary of state shall collect a fee of ~~one dollar ten~~ ten dollars for each such permit issued. Such a permit will authorize the applicant therefor, either directly or through its agents or representatives, to solicit public donations in any county, city, or township in this state, subject, however, to such restrictions as the secretary of state may prescribe.

Sec. 3. Section 122.3, Code 1989, is amended to read as follows:

122.3 REVOCATION OF PERMIT.

~~Said A~~ permit shall expire annually on the thirty-first day of December following the date of issuance, or it may be suspended or revoked at any time at the discretion of the secretary of state when in the secretary's judgment the authority vested therein is abused or the transactions consummated thereunder are not in conformity with the intent and purpose of this chapter.

Sec. 4. Section 122.4, Code 1989, is amended to read as follows:

122.4 EXCEPTIONS.

~~Nothing in this~~ This chapter, however, shall not be construed to prohibit any person as representative or agent of any local organization, church, school, or any recognized society or branch of any church or school, from publicly soliciting funds or donations from within the county in which such person resides, or such church, school, institution, organization, or charitable association is located, or within an adjoining county if such residence or location is within six miles of such adjoining county. Any such organized institution or charitable association having a permit under the provisions of this chapter shall file an annual report with the secretary of state during the month of December of each year, which report shall contain, in accordance with generally approved accounting methods, the following information:

1. The names and post-office addresses of its officers, and whether any change has been made during the year previous to making such report.
2. A detailed statement of all moneys received during the year previous to making said report.
3. A detailed statement of moneys disbursed during the year previous to making said report, and for what purpose.

The annual report shall be made on forms prescribed and furnished by the secretary of state.

At the time of filing this annual report ~~said~~ the organization, institution, or charitable association shall pay to the secretary of state a filing fee ~~in the sum of two~~ five dollars.

Sec. 5. Section 122.5, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A violation of this chapter is a violation of section 714.16, subsection 2, paragraph "a". In addition to the penalties imposed pursuant to section 122.6, the provisions of section 714.16, including but not limited to provisions relating to investigation, injunctive relief, and penalties apply to this chapter.

Sec. 6. NEW SECTION. 122.7 SEVERABILITY.

If any provision of this chapter or application of a provision of this chapter to any person or circumstances is held invalid, the invalidity shall not affect other provisions or applications of the chapter which can be given effect without the invalid provision or application, and to this end, the provisions of this chapter are severable.

Sec. 7. Section 714.16, subsection 2, paragraph a, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The act, use or employment by a person of an unfair practice, deception, fraud, false pretense, false promise, or misrepresentation, or the concealment, suppression, or omission of a material fact with intent that others rely upon the concealment, suppression, or omission, in connection with the lease, sale, or advertisement of any merchandise or the solicitation of contributions for charitable purposes, whether or not a person has in fact been misled, deceived, or damaged, is an unlawful practice.

Approved May 2, 1989

CHAPTER 94

CREDIT UNION INVESTMENTS

S.F. 218

AN ACT relating to the investments of credit unions, by permitting investment in corporate bonds as defined by rule of the administrator.

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

Section 1. Section 533.4, subsection 5, Code 1989, is amended by adding the following new paragraph:

NEW PARAGRAPH. j. Corporate bonds as defined by and subject to terms and conditions imposed by the administrator, provided that the administrator shall not approve investment in corporate bonds unless the bonds are rated in the two highest grades of corporate bonds by a nationally accepted rating agency, including but not limited to a rating of AAA or AA from Standard and Poors.

Approved May 2, 1989