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SENATE FILE *2202*

BY COMMITTEE ON HUMAN RESOURCES
Approved (p. 469)

(SUCCESSOR TO SSB 2015)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the solicitation of public donations and
2 providing a penalty.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SSB 2202

1 Section 1. NEW SECTION. 122D.1 DEFINITIONS.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. "Business day" means any calendar day except Saturday,
5 Sunday, or a public holiday, including a public holiday
6 observed on a Monday.

7 2. "Charitable organization" means a person who solicits
8 or purports to solicit contributions for a charitable purpose
9 and who receives contributions.

10 3. "Charitable purpose" means charitable purpose as
11 defined in section 122.1.

12 4. "Contributor" means a person eighteen years of age or
13 older.

14 5. "Solicit" or "solicitation" means solicit or
15 solicitation as defined in section 122.1.

16 Sec. 2. NEW SECTION. 122D.2 SOLICITATION --
17 REQUIREMENTS.

18 1. A charitable organization which solicits contributions
19 shall do all of the following:

20 a. Permit the contributor to cancel any contribution of
21 five hundred dollars or more within three business days from
22 the date of a personal solicitation of the contribution or if
23 the contribution is solicited by a means other than a personal
24 solicitation within three business days following receipt of
25 the notice of cancellation form from the charitable
26 organization.

27 b. If the contribution is personally solicited, furnish
28 the contributor, at the time of the personal solicitation,
29 with two copies of the notice of cancellation form and
30 complete both copies by entering the name of the charitable
31 organization, the address of the charitable organization's
32 place of business, the date of the transaction, and the date,
33 not earlier than the third business day following the date of
34 the transaction, by which the contributor may give notice of
35 cancellation. If the contribution is solicited through means

1 other than a personal solicitation, the two completed copies
2 of notice of cancellation shall be forwarded to the
3 prospective contributor and the cancellation period shall not
4 begin to run until the date that the two copies of the notice
5 of cancellation are received by the prospective contributor.
6 The notice of cancellation form shall comply with the
7 specifications established by rule of the division of consumer
8 protection of the department of justice.

9 c. Inform each contributor at the time of the solicitation
10 of the contributor's right to cancel and not misrepresent the
11 contributor's right to cancel.

12 d. Pursuant to the terms of the notice of cancellation,
13 return any payments made to the contributor within ten
14 business days of the cancellation.

15 2. A charitable organization shall not include in any
16 forms provided to the contributor any waiver of any of the
17 rights to which the contributor is entitled including the
18 right to cancel the contribution as specified in this chapter.

19 Sec. 3. NEW SECTION. 122D.3 ENFORCEMENT AND PENALTY.

20 1. The division of consumer protection of the department
21 of justice shall specify the requirements of the notice of
22 cancellation form and the contribution disclosure form
23 required under this chapter.

24 2. A person who violates this chapter is guilty of a
25 fraudulent practice and is subject to the penalties
26 established for the commission of a fraudulent practice
27 pursuant to chapter 714.

28 Sec. 4. Section 714.8, Code Supplement 1991, is amended by
29 adding the following new subsection:

30 NEW SUBSECTION. 15. Solicits contributions from a
31 contributor in violation of chapter 122D.

32 EXPLANATION

33 This bill allows a person who contributes \$500 or more to a
34 charitable organization to cancel the contribution within
35 three business days. The bill also provides requirements of

1 charitable organizations in regard to solicitation including
2 furnishing a contributor with two copies of a notice of
3 cancellation form, informing the contributor of the
4 contributor's right to cancel, and returning any payments made
5 following cancellation by the contributor within 10 business
6 days of the cancellation. A violation of the provisions of
7 the bill is a fraudulent practice under chapter 714. The
8 consumer protection division of the department of justice is
9 required to adopt rules specifying the requirements of the
10 notice of cancellation and contribution disclosure forms.

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RJORDAN, CH.
HANNON
RITTMER

SSB 2015

HUMAN RESOURCES NOW

SENATE FILE 2202

BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL
BY CHAIRPERSON HANNON)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the solicitation of public donations from
2 elders and providing a penalty.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 122D.1 DEFINITIONS.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. "Business day" means any calendar day except Saturday,
5 Sunday, or a public holiday, including a public holiday
6 observed on a Monday.

7 2. "Charitable organization" means a person who solicits
8 or purports to solicit contributions for a charitable purpose
9 and who receives contributions.

10 3. "Charitable purpose" means charitable purpose as
11 defined in section 122.1.

12 4. "Dwelling house" means a building occupied wholly or in
13 part by the elder as a home and includes a nursing home,
14 extended-care facility, or hospital.

15 5. "Elder" means an individual who is sixty years of age
16 or older.

17 6. "Solicit" or "solicitation" means solicit or
18 solicitation as defined in section 122.1.

19 Sec. 2. NEW SECTION. 122D.2 SOLICITATION OF ELDERS --
20 PROHIBITION -- REQUIREMENTS.

21 1. A charitable organization shall not personally solicit
22 contributions from an elder at the elder's dwelling house
23 after eight p.m.

24 2. A charitable organization which solicits contributions
25 from elders shall do all of the following:

26 a. Report any contributions solicited from elders, in an
27 amount which is one thousand dollars or more, to the
28 department of elder affairs on a form provided by the
29 department of elder affairs.

30 b. Permit the elder contributor to cancel any contribution
31 within three business days from the date of the transaction of
32 the contribution.

33 c. Furnish the elder contributor, at the time of
34 solicitation, with two copies of the notice of cancellation
35 form and complete both copies by entering the name of the

1 charitable organization, the address of the charitable
2 organization's place of business, the date of the transaction,
3 and the date, not earlier than the third business day
4 following the date of the transaction, by which the elder may
5 give notice of cancellation. The notice of cancellation form
6 shall contain in ten-point boldface type the following
7 information and statements:

8 NOTICE OF CANCELLATION

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10 (enter date of transaction)

11 (date)

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

14 If you cancel this transaction, any payments made by you
15 and any negotiable instrument executed by you will be returned
16 within ten business days following receipt of your
17 cancellation notice.

18 To cancel this transaction, mail or deliver a signed and
19 dated copy of this cancellation notice or any other written
20 notice, or send a telegram, to (name of charitable
21 organization), at (address of charitable
22 organization's place of business) not later than midnight of
23 (date).

24 I hereby cancel this transaction.

25

26 (date)

27

28 (contributor's signature)

29 d. Inform each elder at the time of the solicitation of
30 the elder's right to cancel and not misrepresent the elder's
31 right to cancel.

32 e. Pursuant to the terms of the notice of cancellation,
33 return any payments made to the elder following cancellation.

34 3. A charitable organization shall not include in any
35 forms provided to the elder any waiver of any of the rights to

1 which the elder is entitled including the right to cancel the
2 contribution as specified in this chapter.

3 Sec. 3. NEW SECTION. 122D.3 ENFORCEMENT AND PENALTY.

4 1. The attorney general shall enforce this chapter.

5 2. A person who violates this chapter is guilty of a
6 fraudulent practice and is subject to the penalties
7 established for the commission of a fraudulent practice
8 pursuant to chapter 714.

9 Sec. 4. Section 714.8, Code 1991, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 14. Solicits contributions from an elder
12 in violation of chapter 122D.

13 EXPLANATION

14 This bill prohibits the personal solicitation of elders in
15 their homes by a representative of a charitable organization
16 after 8 p.m. The bill also requires that a charitable
17 organization report the contribution of \$1,000 or more by an
18 elder to the charitable organization and that the charitable
19 organization inform and allow for the cancellation of a
20 contribution within three business days of the making of a
21 contribution. A violation of the provisions of the bill is a
22 fraudulent practice under chapter 714.

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