

Senate File 363 - Enrolled

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SENATE FILE 363

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1 3 AN ACT
1 4 PROVIDING FOR THE REGULATION OF PERSONS ENGAGED IN SOLICITING
1 5 BUSINESS OPPORTUNITIES, INCLUDING FRANCHISES.

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1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 9 Section 1. Section 551A.3, subsection 3, paragraphs a and
1 10 b, Code 2005, are amended to read as follows:

1 11 a. A uniform franchise offering circular prepared in
1 12 accordance with the guidelines adopted by the North American
1 13 securities administrators association, inc., ~~as amended~~
~~1 14 through July 1, 2004.~~

1 15 b. A disclosure document prepared pursuant to the federal
1 16 trade commission rule relating to disclosure requirements and
1 17 prohibitions concerning franchising and business opportunity
1 18 ventures in accordance with 16 C.F.R. } 436 or any successor
1 19 regulation.

1 20 Sec. 2. Section 551A.4, subsection 1, paragraph b, Code
1 21 2005, is amended to read as follows:

1 22 b. An offer or sale of a business opportunity which is a
1 23 franchise, provided that the seller delivers to each purchaser
1 24 at the earlier of the first personal meeting between the
1 25 seller and the purchaser, or ~~ten business~~ fourteen days prior
1 26 to the earlier of the execution by a purchaser of a contract
1 27 imposing a binding legal obligation on the purchaser or the
1 28 payment by a purchaser of any consideration in connection with
1 29 the offer or sale of the business opportunity, one of the
1 30 following disclosure documents:

1 31 (1) A uniform franchise-offering circular prepared in
1 32 accordance with the guidelines adopted by the North American
1 33 securities administrators association, inc., ~~as amended~~
~~1 34 through September 21, 1983.~~

1 35 (2) A disclosure document prepared pursuant to the federal
2 1 trade commission rule entitled "Disclosure requirements and
2 2 prohibitions concerning franchising and business opportunity
2 3 ventures", 16 C.F.R. } 436 ~~(1979)~~ or any successor regulation.

2 4 For the purposes of this paragraph "b", a personal meeting
2 5 means a face-to-face meeting between the purchaser and the
2 6 seller or their representatives, which is held for the purpose
2 7 of discussing the offer or sale of a business opportunity.

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2 11 _____
2 12 JOHN P. KIBBIE
2 13 President of the Senate

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2 15 _____
2 16 CHRISTOPHER C. RANTS
2 17 Speaker of the House

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2 19 I hereby certify that this bill originated in the Senate and
2 20 is known as Senate File 363, Eighty-first General Assembly.

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2 24 _____
2 25 MICHAEL E. MARSHALL
2 26 Secretary of the Senate

2 27 Approved _____, 2005

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2 29 _____
2 30 THOMAS J. VILSACK
2 31 Governor