

MAR 5 1976

HOUSE FILE 1494

Place On Calendar

House File 1494
Commerce
Curtis, Chairperson
Rodgers
Junkins

4/8, Pass 4/13

By COMMITTEE ON COMMERCE

Passed House, Date 4-5-76 (1616) Passed Senate, Date 4-15-76 (1323)

Vote: Ayes 84 Nays 2 Vote: Ayes 42 Nays 4

Approved 4-26-75

A BILL FOR

1 An Act exempting agricultural credit transactions from
2 application of Iowa consumer credit code provisions
3 relating to executory transactions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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1 Section 1. Section five hundred thirty-seven point three
2 thousand three hundred ten (537.3310), subsection one (1),
3 Code 1975, is amended to read as follows:

4 1. In a consumer credit transaction, other than one for
5 an agricultural purpose, if performance by a creditor is by
6 delivery of goods, services or both, in four or more
7 installments, either on demand of the consumer or by pre-
8 arranged scheduled performance, the consumer shall have the
9 right to cancel the obligation with respect to that part which
10 has not been performed on the date of cancellation.

11 EXPLANATION

12 This bill exempts agricultural transactions from the
13 Consumer Credit Code provision on executory transactions.
14 The provision protects consumers from long-term goods and
15 service contracts purchased on credit, but also literally
16 applies to the sale of a one-, two- or three-month feed program
17 to a cattle or hog feeder. It is asserted that there is no
18 demonstrated need for consumer protection in this area of
19 agricultural transactions and that since the provision disrupts
20 these bona fide business relations unnecessarily, that there-
21 fore it should be narrowed by exempting agricultural
22 transactions.

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AN ACT

EXEMPTING AGRICULTURAL CREDIT TRANSACTIONS FROM APPLICATION
OF IOWA CONSUMER CREDIT CODE PROVISIONS RELATING TO
EXECUTORY TRANSACTIONS.

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

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thousand three hundred ten (537.3310), subsection one (1),
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arranged scheduled performance, the consumer shall have the
right to cancel the obligation with respect to that part which
has not been performed on the date of cancellation.

DALE M. COCHRAN
Speaker of the House

ARTHUR A. NEU
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 1494, Sixty-sixth General Assembly.

DAVID L. WRAY
Chief Clerk of the House

Approved April 26, 1976

ROBERT D. RAY
Governor