

Senate File 40
Commerce
Glenn, Chairman
Rabedeaux
Carr

1-23, Pass 1-29

Has Commerce 2-5, Pass 2-13

Senate File 40
Brockett, Chairman
Lonegan
Millen

SENATE FILE 40

By SHAW

Passed Senate, Date 2-3-75 (p. 227) Passed House, Date 2-17-75 (p. 334)
Vote: Ayes 49 Nays 0 Vote: Ayes 85 Nays 3
Approved 2-28-75

A BILL FOR

1 An Act relating to fair trade practices.

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

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1 Section 1. Chapter five hundred fifty (550), Code 1975,
2 is repealed.

3 EXPLANATION

4 This bill provides for the repeal of the Iowa "fair trade"
5 law, more properly referred to as a "resale price maintenance"
6 statute. These laws which have been enacted in many states
7 stand as an exception to antitrust laws, and were created
8 to permit manufacturers to bind retailers to a manufacturer's
9 price. In a number of states (including Iowa) the law has
10 been held unconstitutional insofar as nonsigners to an agree-
11 ment are concerned. This fact, and changes in retail sales
12 structures, have reduced the reliance of manufacturers on
13 fair trade contracts.

14 This bill is premised upon the belief that a "fair trade"
15 law is, in fact, a restraint of free trade, tending to increase
16 retail prices, to foster inflation and therefore to be con-
17 trary to the best interests of the consumer.

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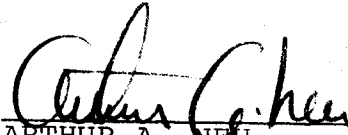
LSB 455
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AN ACT

RELATING TO FAIR TRADE PRACTICES.

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

Section 1. Chapter five hundred fifty (550), Code 1975,
is repealed.



ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and
is known as Senate File 40, Sixty-sixth General Assembly.

CLARK R. RASMUSSEN
Secretary of the Senate

Approved Feb. 28, 1975

ROBERT D. RAY
Governor