

Senate Study Bill 1029 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED ATTORNEY GENERAL
BILL)

A BILL FOR

1 An Act relating to charitable solicitations, by providing
2 for registration requirements, providing for fees and
3 appropriations, imposing penalties, and including effective
4 date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 13D.1 Definitions.

2 1. "*Business association*" means the same as defined in
3 section 202B.102.

4 2. "*Charitable organization*" means a person who solicits or
5 purports to solicit contributions for a charitable purpose and
6 who receives contributions.

7 3. "*Charitable purpose*" means a benevolent, educational,
8 philanthropic, humane, scientific, patriotic, social welfare or
9 advocacy, public health, environmental, conservation, civic,
10 or other charitable objective.

11 4. "*Charitable sales promotion*" means an advertising or
12 sales campaign which is conducted by a commercial coventurer
13 and which represents that the purchase or use of goods or
14 services offered by the commercial coventurer will benefit, in
15 whole or in part, a charitable organization or purpose.

16 5. "*Commercial coventurer*" means a person who, for profit,
17 is regularly and primarily engaged in trade or commerce, other
18 than in connection with soliciting for charitable organizations
19 or purposes, and who conducts a charitable sales promotion.

20 6. *a.* "*Contribution*" means the grant, promise, or pledge
21 of money, credit, property, financial assistance, or any other
22 thing of value provided in response to a solicitation.

23 *b.* "*Contribution*" does not include bona fide fees, dues,
24 or assessments paid by members of a charitable organization
25 if membership in the organization is not conferred primarily
26 as consideration for making a contribution in response to a
27 solicitation.

28 7. "*Internal Revenue Code*" means 26 U.S.C. § 1 et seq.,
29 designated as the Internal Revenue Code of 1986 by the Tax
30 Reform Act of 1986, Pub. L. No. 99-514, including amendments.

31 8. "*Internal revenue service*" means the internal revenue
32 service of the United States department of the treasury.

33 9. "*Political organization*" means a political party, a
34 candidate for federal or state office, or a political action
35 committee formed pursuant to the federal Election Campaign

1 Act, 2 U.S.C. § 431 et seq., and required to file financial
2 information with federal or state elections commissions.

3 10. "*Professional commercial fund-raiser*" means any person
4 who for compensation solicits contributions in Iowa for a
5 charitable organization other than the person. A person whose
6 sole responsibility is to mail fund-raising literature is not a
7 professional commercial fund-raiser.

8 a. "*Professional commercial fund-raiser*" includes any
9 person, other than a bona fide officer or regular employee of
10 a charitable organization, who is retained by a charitable
11 organization for a fixed fee or rate under a written agreement
12 to plan, manage, advise, consult, or prepare material for or
13 with respect to the solicitation in this state of contributions
14 for a charitable organization but who does not solicit
15 contributions or employ, procure, or engage any compensated
16 person to solicit contributions.

17 b. "*Professional commercial fund-raiser*" is not any of the
18 following:

19 (1) An attorney licensed to practice law, an investment
20 adviser or investment adviser representative as defined in
21 section 502.102, or a person engaged in banking as provided in
22 section 554.4105, when advising a person to make a charitable
23 contribution.

24 (2) A bona fide salaried officer, employee, or volunteer of
25 a charitable organization.

26 (3) A person soliciting contributions pursuant to a
27 contract with any of the following:

28 (a) A political organization.

29 (b) A religious organization.

30 11. "*Record*" means a book, financial statement, paper,
31 correspondence, memorandum, agreement, or other information in
32 a printed or electronic form that the attorney general deems
33 relevant or material to an inquiry made under this chapter.

34 12. "*Religious organization*" means an organization that
35 is exempt from filing a federal annual information return

1 pursuant to 26 U.S.C. § 6033(a)(3)(A)(i) or (iii), 26 U.S.C. §
2 6033(a)(3)(C)(i), or pursuant to 26 C.F.R. § 1.6033-2(g)(1)(i)
3 through (iv), or 26 C.F.R. § 1.6033-2(g)(1)(vii).

4 13. *a. "Solicit" or "solicitation"* means a request,
5 made directly or indirectly, for a contribution on the
6 representation that the contribution will be used for a
7 charitable purpose, regardless of whether or not the person
8 making the solicitation receives a contribution.

9 *b. "Solicitation"* does not include an application for
10 a grant from any governmental entity or private nonprofit
11 foundation.

12 14. *"Solicitation campaign"* means more than one solicitation
13 made by the same person, if the solicitations are similar in
14 content or are based on a similar representation, and any of
15 the following applies:

16 *a.* The solicitations result in or are represented to result
17 in an event.

18 *b.* The solicitations occur or are intended to occur for a
19 specific time period.

20 *c.* The solicitations occur for an indefinite period of time
21 within the same calendar year.

22 15. *"Volunteer"* means a person who performs a service for a
23 charitable organization or charitable purpose and who does not
24 receive financial remuneration or who has not been expressly
25 nor impliedly promised to be paid financial remuneration for
26 performing such service.

27 **Sec. 2. NEW SECTION. 13D.2 Charitable organization —**
28 **registration requirements.**

29 1. A charitable organization must be registered with the
30 attorney general prior to soliciting a contribution in this
31 state by any means, having a contribution solicited in this
32 state on its behalf by any other person, or participating in
33 a charitable sales promotion.

34 2. In order to be registered, a charitable organization must
35 do all of the following:

- 1 *a.* File a registration statement with the attorney general.
- 2 *b.* Comply with the annual renewal requirement as provided in
- 3 this chapter.
- 4 *c.* Pay any filing fee required pursuant to section 13D.3.
- 5 3. A registration statement shall contain information
- 6 required by the attorney general, including but not limited to
- 7 all of the following:
- 8 *a.* The name of the charitable organization, the purpose for
- 9 which it is organized, and the name or names under which it
- 10 intends to solicit a contribution.
- 11 *b.* The mailing address, electronic mail address, and
- 12 telephone number of the principal place of business of the
- 13 charitable organization and the mailing address, electronic
- 14 mail address, and telephone number of each of its offices
- 15 maintained in this state. If the charitable organization
- 16 does not maintain an office in this state, the registration
- 17 statement shall include the name, mailing address, electronic
- 18 mail address, and telephone number of the person who has
- 19 custody of the charitable organization's financial records.
- 20 *c.* The name and address of each officer, director, trustee,
- 21 or executive personnel of the charitable organization.
- 22 *d.* The last day of the fiscal year of the charitable
- 23 organization.
- 24 *e.* The place and date when the charitable organization was
- 25 legally established, the legal form of its organization, and
- 26 its tax-exempt status.
- 27 *f.* The name and address of each professional commercial
- 28 fund-raiser and each commercial coventurer who is acting or has
- 29 agreed to act on behalf of the charitable organization. If the
- 30 professional commercial fund-raiser or commercial coventurer
- 31 is a business association organized as a legal entity, the
- 32 charitable organization shall list only the name and address of
- 33 the business association.
- 34 *g.* Any other information determined relevant by the attorney
- 35 general.

1 4. A charitable organization required to register under
2 this chapter shall file a financial report with the attorney
3 general. The financial report shall include information for
4 the charitable organization's most recent fiscal year. The
5 charitable organization shall file the financial report on or
6 before the fifteenth day of the fifth calendar month after the
7 close of each fiscal year of the charitable organization.

8 *a.* The charitable organization may file, in lieu of a
9 financial report, a copy of its completed federal tax form
10 990 as promulgated by the internal revenue service for the
11 charitable organization's most recent fiscal year, including
12 all schedules except schedules of donors, for the most recent
13 fiscal year.

14 *b.* A charitable organization may apply to the attorney
15 general requesting an extension of time to file a financial
16 report or a copy of a federal tax form 990 as provided in
17 paragraph "a". The attorney general shall consider and approve
18 or disapprove such application under terms, conditions,
19 and procedures that are substantially similar to the terms,
20 conditions, and procedures established by the internal revenue
21 service when considering and approving or disapproving an
22 extension of time to file a federal tax form 990. During the
23 extension period the charitable organization shall file a copy
24 of its most recently filed federal tax form 990 or such other
25 financial information that the attorney general may require.

26 *c.* A charitable organization that was first legally
27 established within twelve months prior to being required to
28 register and thus cannot complete a financial report or a
29 federal tax form 990 as provided in paragraph "a", shall file a
30 preliminary financial report based on a good faith estimate for
31 its first full fiscal year.

32 5. *a.* A charitable organization required to register under
33 this chapter shall file with the attorney general a statement
34 of amendment reflecting any changes materially affecting the
35 charitable organization's identity or business, including but

1 not limited to a change to its:

2 (1) Name.

3 (2) Address.

4 (3) Officers, directors, trustees, or executive personnel.

5 (4) Form of business association.

6 (5) Tax status.

7 b. The statement of amendment shall be filed concurrently
8 with the next financial report required to be filed pursuant to
9 this chapter.

10 6. Each chapter, branch, or affiliate of a charitable
11 organization that is required to file a registration statement
12 or statement of amendment under this section shall do one of
13 the following:

14 a. File a separate registration statement or statement of
15 amendment.

16 b. Report the necessary information to its parent charitable
17 organization which shall file a consolidated registration
18 statement or statement of amendment.

19 7. Each registration application, financial report, or
20 statement of amendment required to be filed pursuant to this
21 section shall be signed and sworn to under oath by an officer
22 of the charitable organization, which may include but is not
23 limited to its chief fiscal officer.

24 Sec. 3. NEW SECTION. 13D.3 Charitable organization —
25 filing fee.

26 1. A charitable organization required to file a financial
27 report or a federal tax form 990 in lieu of the financial
28 report as provided in section 13D.2, shall pay an annual filing
29 fee to the attorney general, as provided in subsection 2.

30 2. The amount of the annual filing fee shall be based on the
31 total receipts collected by the charitable organization from
32 all solicitations in this state during the period covered in
33 its financial report, or its federal tax form 990, being filed.

34 a. For receipts of \$100,000 or

35 more but less than \$250,000 \$50

- 1 *b.* For receipts of \$250,000 or
2 more but less than \$500,000 \$75
- 3 *c.* For receipts of \$500,000 or
4 more but less than \$2,000,000 \$150
- 5 *d.* For receipts of \$2,000,000 or
6 more but less than \$5,000,000 \$250
- 7 *e.* For receipts of \$5,000,000 or
8 more \$500

9 Sec. 4. NEW SECTION. 13D.4 Charitable organization —
10 exemptions.

11 A charitable organization is not required to be registered
12 and is not required to file a financial report as provided in
13 section 13D.2, if the charitable organization is any of the
14 following:

- 15 1. A political organization.
- 16 2. A religious organization.
- 17 3. *a.* A charitable organization, if any of the following
18 applies:

19 (1) It is required to furnish the internal revenue service
20 an electronic annual notification pursuant to the Internal
21 Revenue Code, 26 U.S.C. § 6033(i).

22 (2) It does not receive contributions from more than ten
23 persons during the charitable organization's fiscal year.

24 *b.* The exemption authorized in paragraph "a" does not
25 apply to a charitable organization that has contracted with a
26 professional commercial fund-raiser to solicit contributions in
27 this state for the charitable organization.

28 4. *a.* A foundation acting solely for the support of an
29 institution governed by the state board of regents.

30 *b.* A foundation acting solely for the support of an
31 institution governed by chapter 260C.

32 *c.* A private foundation as defined in the Internal Revenue
33 Code, 26 U.S.C. § 509(a), organized for the support of a
34 government body.

35 5. *a.* A member organization which is limited to

1 a fraternal, patriotic, social, educational, alumni,
2 professional, or trade association which restricts the
3 solicitation of contributions to persons who have a right to
4 vote as a member.

5 *b.* As used in paragraph "a", "member" does not include a
6 person who is granted a membership to an organization upon
7 making a contribution as a result of a solicitation.

8 Sec. 5. NEW SECTION. 13D.5 **Attorney general — electronic**
9 **filing.**

10 The attorney general shall take steps to cooperate with
11 other states and the federal government to establish a joint
12 state and federal electronic filing project for charitable
13 organizations making solicitations as provided in this chapter.
14 To every extent feasible, the project shall involve state
15 government offices regulating charitable promotion and the
16 internal revenue service to enable and promote the electronic
17 filing of uniform multistate registration statements and
18 federal annual information returns.

19 Sec. 6. NEW SECTION. 13D.6 **Charitable organization — use**
20 **of another organization's name in solicitation.**

21 A charitable organization shall not solicit contributions
22 for a charitable purpose in this state, where the charitable
23 organization claims that a portion or all of the contributions
24 received will be given to another charitable organization
25 in this state, without permission from the other charitable
26 organization that its name may be referred to as part of the
27 solicitation.

28 Sec. 7. NEW SECTION. 13D.7 **Professional commercial**
29 **fund-raiser — registration and filing fee.**

30 1. A professional commercial fund-raiser must be registered
31 with the attorney general prior to soliciting a contribution in
32 this state on behalf of a charitable organization.

33 2. In order to be registered, a professional commercial
34 fund-raiser shall file a registration statement as described in
35 this section.

1 3. A registration statement shall contain information
2 required by the attorney general, including but not limited to
3 all of the following:

4 *a.* The mailing address, electronic mail address, and
5 telephone number of the principal place of business of the
6 professional commercial fund-raiser, and the electronic mail
7 address and telephone number of its principal contact person.

8 *b.* A listing of the professional commercial fund-raiser's
9 clients.

10 *c.* Financial disclosure information concerning
11 contributions received and disbursements made during the
12 previous fiscal year. Financial disclosure information shall
13 not include an applicant's donor lists.

14 *d.* Copies of contracts executed by the professional
15 commercial fund-raiser and a charitable organization as
16 provided in section 13D.8.

17 *e.* Any other information deemed relevant by the attorney
18 general.

19 4. The attorney general may require that registration
20 information be updated on a quarterly basis.

21 5. A professional commercial fund-raiser shall pay
22 the attorney general a fee of one hundred dollars for each
23 registration.

24 6. A professional commercial fund-raiser shall file with
25 the attorney general a statement of amendment reflecting any
26 changes to its client list or to its existing contracts within
27 sixty days of such changes.

28 7. The registration of a professional commercial
29 fund-raiser with the attorney general is valid for twelve
30 months.

31 8. A professional commercial fund-raiser may submit an
32 application for renewal of registration in the same manner as
33 for initial registration.

34 Sec. 8. NEW SECTION. 13D.8 Professional commercial
35 fund-raiser — contract with a charitable organization.

1 This section applies to a professional commercial
2 fund-raiser's contractual relationship with a charitable
3 organization that is required to be registered as provided in
4 section 13D.2 or is not required to be registered as provided
5 in that section because it is a member organization exempt from
6 registration pursuant to section 13D.4.

7 1. A contract executed between a professional commercial
8 fund-raiser and a charitable organization shall be in writing
9 and signed by an authorized official of the charitable
10 organization. The professional commercial fund-raiser shall
11 provide a copy of the contract to the charitable organization
12 prior to the performance of any material services under the
13 contract.

14 2. A contract executed between the professional commercial
15 fund-raiser and a charitable organization shall contain at
16 least all of the following provisions:

17 a. A statement of the charitable purpose for which the
18 solicitation campaign is being conducted.

19 b. A statement of the respective obligations of the
20 professional commercial fund-raiser and the charitable
21 organization.

22 c. Whether the professional commercial fund-raiser will at
23 any time have custody or control of contributions.

24 d. A clear statement of the fees that will be paid to the
25 professional commercial fund-raiser or, if the fees are to be
26 calculated based on a percentage of contributions or other
27 formula, a clear statement of the percentage or other formula.

28 e. The effective and termination dates of the contract.

29 Sec. 9. NEW SECTION. 13D.9 Professional commercial
30 fund-raiser — solicitation campaign.

31 Prior to commencing a solicitation campaign in the state, a
32 professional commercial fund-raiser must file with the attorney
33 general a description of the manner in which the solicitation
34 campaign will be conducted, including but not limited to copies
35 of any telephone calling scripts, mail solicitations, and

1 pledge mailing materials.

2 Sec. 10. NEW SECTION. 13D.10 Rules and forms.

3 1. The attorney general may adopt rules as necessary to
4 administer and enforce the provisions of this chapter.

5 2. The attorney general may prescribe forms determined
6 necessary or convenient to administer this chapter, including
7 but not limited to forms associated with registration
8 requirements for charitable organizations and professional
9 commercial fund-raisers.

10 Sec. 11. NEW SECTION. 13D.11 Attorney general authority to
11 administer this chapter.

12 1. The submission of records including but not limited to
13 contracts, scripts, and mail solicitations to the attorney
14 general pursuant to the filing requirements of this chapter do
15 not constitute the attorney general's approval of the records
16 submitted.

17 2. The attorney general may reject the registration of a
18 charitable organization or professional commercial fund-raiser
19 for failing to comply with the requirements of this chapter.

20 3. The attorney general may examine any information that the
21 attorney general deems is or may be relevant to a filing by a
22 charitable organization or professional commercial fund-raiser
23 pursuant to this chapter.

24 Sec. 12. NEW SECTION. 13D.12 Enforcement — penalty.

25 1. The attorney general shall enforce the provisions of this
26 chapter.

27 2. A violation of this chapter is a violation of section
28 714.16, subsection 2, paragraph "a". The provisions of section
29 714.16, including but not limited to provisions relating to
30 investigation, injunctive relief, and penalties, shall apply to
31 this chapter.

32 Sec. 13. NEW SECTION. 13D.13 Funds collected — charitable
33 solicitations administration fund — appropriation.

34 A charitable solicitations administration fund is created
35 as a separate fund in the state treasury to be administered

1 by the attorney general. Moneys collected by the attorney
2 general under this chapter shall be deposited in the fund.
3 The moneys in the fund are appropriated to the department of
4 justice exclusively for public education relating to charitable
5 solicitations and for enforcement of the provisions of this
6 chapter. Notwithstanding section 8.33, any moneys in the fund
7 shall not revert. Notwithstanding section 12C.7, subsection
8 2, interest or earnings on moneys deposited in the fund shall
9 be credited to the fund.

10 Sec. 14. Section 714H.2, Code 2011, is amended by adding the
11 following new subsections:

12 NEW SUBSECTION. 7A. "*Political organization*" means a
13 political party, a candidate for office, or a political action
14 committee required to file financial information with federal
15 or state election or campaign commissions.

16 NEW SUBSECTION. 7B. "*Religious organization*" means
17 a religious corporation, trust, foundation, association,
18 or organization incorporated or established for religious
19 purposes.

20 Sec. 15. Section 714H.3, subsection 1, Code 2011, is amended
21 to read as follows:

22 1. A person shall not engage in a practice or act the
23 person knows or reasonably should know is an unfair practice,
24 deception, fraud, false pretense, or false promise, or the
25 misrepresentation, concealment, suppression, or omission of
26 a material fact, with the intent that others rely upon the
27 unfair practice, deception, fraud, false pretense, false
28 promise, misrepresentation, concealment, suppression, or
29 omission in connection with the advertisement, sale, or lease
30 of consumer merchandise, or the solicitation of contributions
31 for charitable purposes. For the purposes of this chapter,
32 a claimant alleging an unfair practice, deception, fraud,
33 false pretense, false promise, or misrepresentation must prove
34 that the prohibited practice related to a material fact or
35 facts. "*Solicitations of contributions for charitable purposes*"

1 does not include solicitations made on behalf of a political
 2 organization ~~as defined in section 13C.1~~, solicitations made
 3 on behalf of a religious organization ~~as defined in section~~
 4 ~~13C.1~~, solicitations made on behalf of a state, regionally, or
 5 nationally accredited college or university, or solicitations
 6 made on behalf of a nonprofit foundation benefiting a state,
 7 regionally, or nationally accredited college or university
 8 subject to section 509(a)(1) or 509(a)(3) of the Internal
 9 Revenue Code of 1986.

10 Sec. 16. APPROPRIATIONS — CHARITABLE SOLICITATIONS
 11 ADMINISTRATION.

12 1. There is appropriated from the consumer education and
 13 litigation fund created in section 714.16C to the department
 14 of justice for the fiscal period beginning July 1, 2011, and
 15 ending June 30, 2013, the following amount, or so much thereof
 16 as is necessary, to be used for the purposes designated:

17 For supporting the administration and enforcement of this
 18 Act, including the registration of charitable organizations
 19 and professional fund-raisers and the collection and public
 20 dissemination of information:

21 \$ 125,000

22 2. The department of justice shall repay the amount
 23 appropriated in subsection 1 to the consumer education
 24 and litigation fund from the charitable solicitations
 25 administration fund, as created in this Act, not later than
 26 June 30, 2013.

27 Sec. 17. REPEAL. Chapter 13C, Code 2011, is repealed.

28 Sec. 18. EFFECTIVE DATE. Except as otherwise provided in
 29 this Act, this Act takes effect January 1, 2012.

30 Sec. 19. EFFECTIVE DATE. The section of this Act
 31 appropriating moneys to the department of justice from the
 32 consumer education and litigation fund takes effect July 1,
 33 2011.

34 EXPLANATION

35 GENERAL. This bill provides for solicitations for

1 contributions by or on behalf of a charitable organization.
2 The bill eliminates Code chapter 13C referring to the same
3 subject and rewrites those provisions in proposed new Code
4 chapter 13D.

5 The bill regulates charitable organizations that solicit
6 contributions for a charitable purpose associated with a
7 benevolent, educational, philanthropic, humane, scientific,
8 patriotic, social welfare or advocacy, public health,
9 environmental, conservation, civic, or other charitable
10 objective.

11 CHARITABLE ORGANIZATION. The bill contains a number of new
12 provisions regulating a charitable organization. According to
13 the bill, a charitable organization must be registered with
14 the attorney general prior to soliciting contributions in this
15 state. The registration statement must include information
16 regarding its business and fund-raising activities. The
17 charitable organization must also file amendment statements
18 that reflect material changes to the organization. The
19 charitable organization must file a financial report which
20 includes information for the charitable organization's most
21 recent fiscal year as provided by the attorney general or, in
22 the discretion of the attorney general, a copy of a completed
23 federal tax form 990 filed by nonprofit organizations. A
24 charitable organization with annual collection receipts
25 equalling more than \$100,000 must also pay a filing fee with
26 the fee based on the amount of receipts collected by the
27 charitable organization.

28 The bill provides for a number of exceptions from
29 the registration requirements, which apply to religious
30 organizations; political parties, political candidates,
31 and political action committees; organizations that receive
32 contributions from 10 persons or less; foundations including
33 those associated with the state board of regents and community
34 colleges; and member organizations which are fraternal,
35 patriotic, social, educational, alumni, professional, or trade

1 associations which restrict solicitations to the members of the
2 organization.

3 The bill authorizes the attorney general to cooperate with
4 the federal government and state government to establish a
5 state electronic filing project.

6 PROFESSIONAL COMMERCIAL FUND-RAISERS. The bill provides for
7 the registration of professional commercial fund-raisers who
8 for compensation solicit contributions in Iowa for a charitable
9 organization (but does not include attorneys, investment
10 advisers, or investment adviser representatives regulated
11 under Code chapter 502, persons engaged in banking, persons
12 soliciting contributions pursuant to contracts with political
13 or religious organizations). The bill rewrites provisions
14 contained in Code section 13C.2. It retains requirements that
15 prohibit a person from soliciting contributions for charitable
16 purposes in this state unless the professional commercial
17 fund-raiser registers with the attorney general. It eliminates
18 a number of requirements in Code section 13C.2, including
19 (1) the option to forgo registration by promising to provide
20 financial disclosure information to a person or government
21 entity requesting the information and (2) a provision requiring
22 the confidentiality of client lists owned by a professional
23 commercial fund-raiser. The bill increases the fee required
24 for registering from \$10 to \$100.

25 USE OF A CHARITABLE ORGANIZATION'S NAME. The bill retains
26 other provisions from Code chapter 13C, including provisions in
27 Code section 13C.3, which prohibit a charitable organization
28 from soliciting contributions for a charitable purpose where
29 the organization claims that a portion of or all of the
30 contributions received will be given to another charitable
31 organization in this state, without permission from the other
32 charitable organization.

33 ADMINISTRATION. The bill retains a provision that delegates
34 rule making authority to the attorney general, and authorizes
35 the attorney general to promulgate forms.

1 FUNDING. The bill establishes a charitable solicitations
2 administration fund under the control of the attorney general.
3 Moneys collected by the attorney general under the bill are
4 deposited in the fund, and are appropriated from the fund for
5 the use by the attorney general in administering and enforcing
6 its provisions.

7 APPROPRIATIONS. The bill appropriates moneys to the
8 department of justice from the consumer education and
9 litigation fund for the fiscal period beginning July 1, 2011,
10 and ending June 30, 2013. The department must repay the moneys
11 at the end of that period.

12 PENALTIES. The bill also retains language from Code section
13 13C.8 which provides the attorney general with enforcement
14 authority, and makes a violation of the Code chapter an
15 unlawful practice under Code section 714.16(2)(a). Code
16 section 714.16(7) authorizes the attorney general to bring an
17 equitable proceeding to restrain a person from a continuing
18 violation. The attorney general may also request the court
19 impose a civil penalty not to exceed \$40,000.

20 EFFECTIVE DATE. Generally the bill takes effect on January
21 1, 2012. The section of the bill making an appropriation
22 to the department of justice from the consumer education and
23 litigation fund takes effect July 1, 2011.