

**House File 229 - Introduced**

HOUSE FILE 229

BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 89)

**A BILL FOR**

1 An Act relating to the regulation of buying club memberships.

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

1 Section 1. Section 552A.2, Code 2015, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 7. The sale of goods or services transacted  
4 through the internet.

5 Sec. 2. Section 552A.3, Code 2015, is amended to read as  
6 follows:

7 **552A.3 Right of cancellation — requirement of writing.**

8 The requirements of sections 555A.1 through 555A.5, relating  
9 to door-to-door sales, shall apply to sales of buying club  
10 memberships, ~~irrespective of the place or manner of sale or~~  
11 ~~the purpose for which they are purchased~~ subject to regulation  
12 under this chapter. In addition to the requirements of chapter  
13 555A, a contract shall not be enforceable against a person  
14 acquiring a membership in a buying club unless the contract is  
15 in writing and signed by the purchaser.

16 EXPLANATION

17 The inclusion of this explanation does not constitute agreement with  
18 the explanation's substance by the members of the general assembly.

19 This bill relates to the regulation of buying club  
20 memberships under Code chapter 552A. The bill provides  
21 that the Code chapter does not apply to the sale of goods  
22 or services transacted through the internet. The bill also  
23 provides that requirements relating to door-to-door sales are  
24 applicable to sales of buying club memberships subject to  
25 regulation under this Code chapter.