

House Study Bill 89 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON COWNIE)

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.