

## CHAPTER 226.

## GIFT ENTERPRISES.

S. F. 386.

AN ACT to define gift enterprises and to provide a penalty for carrying on the same.  
 [Additional to chapter thirteen (13) of title twenty-four (XXIV) of the code, relating to cheating by false pretenses, gross frauds and conspiracy.]

*Be it enacted by the General Assembly of the State of Iowa:*

**SECTION 1. What prohibited.** All gift enterprises, as hereinafter defined, and all trade practices carried on in connection therewith are hereby prohibited and declared to be unlawful.

**SEC. 2. Gift enterprise defined.** Whenever two or more persons enter into any contract arrangement or scheme, whereby for the purpose of inducing the public to purchase merchandise or other property of one of the parties to said scheme, any other party thereto, for a valuable consideration and as a part of such scheme, advertises and induces or attempts to induce the public to believe that he will give gifts, premiums or prizes to persons purchasing such merchandise or other property of such party to said scheme, and that stamps or tickets will be given by the seller in connection with such sales entitling the purchaser of such property to receive such prizes or gifts from any other party to such scheme, the parties so undertaking and carrying out such scheme shall be deemed to be engaged in a "gift enterprise", unless the articles or things so promised to be given as gifts or premiums with or on account of such purchases, shall be definitely described on such stamp or ticket and the character and value of such promised prize or gift fully made known to the purchaser of such merchandise or other property at the time of the sale thereof, and unless the right of the holder of such stamp or ticket to the gift or premium so promised becomes absolute upon the completion upon the delivery thereof without the holder being required to collect any specified number of other similar stamps or tickets and to present them for redemption together, and the right of the holder of such stamp or ticket to the prize or gift so offered is absolute, and does not depend on any chance uncertainty or contingency whatever.

**SEC. 3. Misdemeanor.** Any person who engages in a gift enterprise such as is defined in this act or who advertises the same in any manner or who in furtherance of such scheme, as an inducement to purchasers, issues in connection with the sale of any merchandise or other property any such ticket or stamp purporting to be redeemable in some indefinite article not described thereon, only when presented with a collection of other stamps or tickets of like kind by some other party to such scheme, and which unless presented in the manner aforesaid is not redeemable at all shall each and all be guilty of a misdemeanor.

**SEC. 4. Term "person" construed.** The word "person" as used in this act may in proper cases in order to make the intent and meaning of the law effective, be construed to mean firm or corporation.

Approved April 15, A. D. 1909.