

extraction and chemical synthesis, and includes any packaging or repackaging of the substance or labeling or relabeling of its container, except that this term does not include ~~the preparation or compounding of a controlled substance by an individual for the individual's own use, or~~ the preparation, compounding, packaging, or labeling of a controlled substance:

Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved April 29, 1999

## CHAPTER 90

### BUSINESS OPPORTUNITY PROMOTIONS — EXCLUDED TRANSACTIONS

*H.F. 210*

AN ACT relating to the exclusion of certain transactions under the business opportunities law and providing effective and retroactive applicability dates.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 523B.1, subsection 3, Code 1999, is amended to read as follows:

3. a. "Business opportunity" means a contract or agreement, between a seller and purchaser, express or implied, orally or in writing, at an initial investment exceeding five hundred dollars, where the parties agree that the seller or a person recommended by the seller is to provide to the purchaser any products, equipment, supplies, materials, or services for the purpose of enabling the purchaser to start a business, and the seller represents, directly or indirectly, orally or in writing, any of the following:

~~a.~~ (1) The seller or a person recommended by the seller will provide locations or assist the purchaser in finding locations for the use or operation of vending machines, racks, display cases, or other similar devices, on premises which are not owned or leased by the purchaser or seller.

~~b.~~ (2) The seller or a person recommended by the seller will provide or assist the purchaser in finding outlets or accounts for the purchaser's products or services.

~~c.~~ (3) The seller or a person specified by the seller will purchase any or all products made, produced, fabricated, grown, bred, or modified by the purchaser.

~~d.~~ (4) The purchaser will derive income from the business which exceeds the price paid to the seller.

~~e.~~ (5) The seller will refund all or part of the price paid to the seller, or repurchase any of the products, equipment, or supplies provided by the seller or a person recommended by the seller, if the purchaser is dissatisfied with the business.

~~f.~~ (6) The seller will provide a marketing plan.

b. "Business opportunity" does not include any of the following:

(1) An offer or sale of an ongoing business operated by the seller which is to be sold in its entirety.

(2) An offer or sale of a business opportunity to an ongoing business where the seller will provide products, equipment, supplies, or services which are substantially similar to the products, equipment, supplies, or services sold by the purchaser in connection with the purchaser's ongoing business.

(3) An offer or sale of a business opportunity which involves a marketing plan made in conjunction with the licensing of a federally registered trademark or federally registered

service mark provided that the seller has a minimum net worth of one million dollars as determined on the basis of the seller's most recent audited financial statement prepared within thirteen months of the first offer in this state. Net worth may be determined on a consolidated basis if the seller is at least eighty percent owned by one person and that person expressly guarantees the obligations of the seller with regard to the offer or sale of a business opportunity claimed to be excluded under this subparagraph.

(4) An offer or sale of a business opportunity by an executor, administrator, sheriff, receiver, trustee in bankruptcy, guardian, or conservator, or a judicial offer or sale of a business opportunity.

(5) The renewal or extension of a business opportunity contract or agreement entered into under this chapter or prior to July 1, 1981.

Sec. 2. Section 523B.3, subsection 1, paragraphs b, c, d, and g, Code 1999, are amended by striking the paragraphs.

Sec. 3. EFFECTIVE AND APPLICABILITY DATES. This Act, being deemed of immediate importance, takes effect upon enactment and is retroactively applicable to July 1, 1998.

Approved April 29, 1999

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## CHAPTER 91

### LEOPOLD CENTER ADVISORY BOARD MEMBERSHIP

H.F. 412

AN ACT providing for the membership of the advisory board to the Leopold center for sustainable agriculture.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 266.39, subsection 3, Code 1999, is amended by adding the following new paragraph:

**NEW PARAGRAPH.** h. Four persons actively engaged in agriculture who are appointed by the titular head of each of the following agricultural organizations:

- (1) The Iowa farm bureau federation.
- (2) The Iowa farmers union.
- (3) The practical farmers of Iowa.
- (4) The agribusiness association of Iowa.

Sec. 2. Section 266.39, subsection 3, unnumbered paragraph 2, Code 1999, is amended to read as follows:

The terms of the members shall begin and end as provided in section 69.19 and any vacancy shall be filled by the original appointing authority. The terms shall be for four years and shall be staggered as determined by the president of Iowa state university of science and technology. The members appointed by the titular heads of agricultural organizations shall be reimbursed for actual and necessary expenses incurred while engaged in their official duties, but shall not be entitled to per diem compensation as authorized under section 7E.6.

Approved April 29, 1999