

## CHAPTER 551

### UNFAIR DISCRIMINATION

Referred to in [§553.19](#), [669.14](#)

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#### 551.1 Unfair discrimination in sales.

Any person, firm, company, association, or corporation, foreign or domestic, doing business in the state, and engaged in the production, manufacture, sale, or distribution of any commodity of commerce or commercial services excepting those, the rate of which is now subject to control of cities or other governmental agency, that shall, for the purpose of destroying the business of a competitor in any locality or creating a monopoly, discriminate between different sections, localities, communities or cities of this state, by selling such commodity or commercial services excepting those, the rate of which is now subject to control of cities or other governmental agency at a lower price or rate in one section, locality, community or city than such commodity or commercial services excepting those, the rate of which is now subject to control of cities or other governmental agency is sold for by said person, firm, association, company, or corporation, in another section, locality, community or city, after making due allowance in case of telephone service for the difference in the cost of furnishing service in different localities, and in the case of commodities and commercial services other than telephone service, for the difference, if any, in the grade or quality, and in the actual cost of transportation from the point of production or purchase, if a raw product, or from the point of manufacture, if a manufactured product, to a place of sale, storage, or distribution shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful; provided, however, that prices made to meet competition in such section, locality, community or city shall not be in violation of [this section](#).

[S13, §5028-b; C24, 27, 31, 35, 39, **§9885**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.1]

Referred to in [§551.4](#), [551.5](#), [551.6](#), [551.7](#), [551.8](#), [551.9](#)

#### 551.2 Unfair discrimination in purchases.

Any person, firm, association, company, or corporation, foreign or domestic, doing business in the state, and engaged in the business of purchasing for manufacture, storage, sale, or distribution, any commodity of commerce that shall, for the purpose of destroying the business of a competitor or creating a monopoly, discriminate between different sections, localities, communities or cities, in this state, by purchasing such commodity at a higher rate or price in one section, locality, community or city, than is paid for such commodity by such party in another section, locality, community or city, after making due allowance for the difference, if any, in the grade or quality, and in the actual cost of transportation from the point of purchase to the point of manufacture, sale, distribution, or storage, shall be deemed guilty of unfair discrimination, which is hereby prohibited and declared to be unlawful; provided, however, that prices made to meet competition in such section, locality, community or city shall not be in violation of [this section](#).

[S13, §5028-b; C24, 27, 31, 35, 39, **§9886**; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.2]

Referred to in [§551.4](#), [551.5](#), [551.6](#), [551.7](#), [551.8](#), [551.9](#)

#### 551.3 Reserved.

#### 551.4 Penalty.

Any person, firm, company, association, or corporation violating any of the provisions of [sections 551.1](#) and [551.2](#), and any officer, agent, or receiver of any firm, company, association,

or corporation, or any member of the same, or any individual violating any of such provisions shall be guilty of a serious misdemeanor.

[S13, §5028-c; C24, 27, 31, 35, 39, §9888; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.4]  
Referred to in §551.6

#### **551.5 Contracts or agreements.**

All contracts or agreements made in violation of any of the provisions of [sections 551.1](#) and [551.2](#) shall be void.

[S13, §5028-d; C24, 27, 31, 35, 39, §9889; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.5]  
Referred to in §551.6

#### **551.6 Enforcement.**

It shall be the duty of the county attorneys, in their counties, and the attorney general, to enforce the provisions of [sections 551.1](#), [551.2](#), [551.4](#), and [551.5](#), by appropriate actions in courts of competent jurisdiction.

[S13, §5028-e; C24, 27, 31, 35, 39, §9890; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.6]

[2021 Acts, ch 76, §134](#)

#### **551.7 Complaint — to whom made.**

If complaint shall be made to the secretary of state that any corporation authorized to do business in this state is guilty of unfair discrimination, within the terms of [sections 551.1](#) and [551.2](#), it shall be the duty of the secretary of state to refer the matter to the attorney general who may, if the facts justify it in the attorney general's judgment, institute proceedings in the courts against such corporation.

[S13, §5028-f; C24, 27, 31, 35, 39, §9891; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.7]

#### **551.8 Revocation of permit.**

If any corporation, foreign or domestic, authorized to do business in this state, is found guilty of unfair discrimination, within the terms of [sections 551.1](#) and [551.2](#), it shall be the duty of the secretary of state to immediately revoke the permit of such corporation to do business in this state.

[S13, §5028-g; C24, 27, 31, 35, 39, §9892; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.8]

#### **551.9 Corporation to be enjoined.**

If after revocation of its permit such corporation, or any other corporation not having a permit and found guilty of having violated any of the provisions of [sections 551.1](#) and [551.2](#), shall continue or attempt to do business in this state, it shall be the duty of the attorney general, by a proper suit in the name of the state of Iowa, to enjoin such corporation from transacting all business of every kind and character in said state.

[S13, §5028-h; C24, 27, 31, 35, 39, §9893; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.9]

#### **551.10 Cumulative remedies.**

Nothing in [this chapter](#) shall be construed as repealing any other Act, or part of an Act, but the remedies herein provided shall be cumulative to all other remedies provided by law.

[S13, §5028-i; C24, 27, 31, 35, 39, §9894; C46, 50, 54, 58, 62, 66, 71, 73, 75, 77, 79, 81, §551.10]

[2013 Acts, ch 30, §139](#)

#### **551.11 Exceptions.**

The provisions of [this chapter](#) shall not apply to any contract or agreement relating to any sale made to the state, its departments, commissions, agencies, boards and its governmental subdivisions.

[C71, 73, 75, 77, 79, 81, §551.11]