

February 5, 1951.

House File 340

Schools, Libraries, State Educational
Institutions.

By SCHWENGEL and SCHROEDER.

Passed House, Date

Vote: Ayes..... Nays.....

Passed Senate, Date.....

Vote: Ayes..... Nays.....

Approved

A BILL FOR

An Act to require regulation and licensing of representatives of non-resident business schools, trade schools, technical schools and correspondence schools, and prescribing penalties for violations.

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

1 Section 1. Permit Canvass. That it shall be unlawful for
2 any officer, agent, employee or representative of any non-
3 resident business school, trade school, technical school or
4 correspondence school to solicit or canvass in the state of
5 Iowa for the purpose of enrolling students, collecting tuition
6 in advance, or the signing of enrollment contracts or proposals
7 to contract, applications for enrollment, or any instrument of
8 similar character or purpose; or to solicit, obtain or induce
9 the execution of any note or other evidence of indebtedness for
10 any tuition or fees unless and until such school shall first
11 make application to the state superintendent of public instruction,
12 and receive written permit granting such school the privilege
13 of solicitation of students in the state of Iowa.

1 Sec. 2. Permit. The state superintendent of public
2 instruction, upon receipt of such application, executed under

3 oath upon the form and containing all material information
4 prescribed by said superintendent, and receipt of the sum of
5 Fifty Dollars (\$50.00) for filing fees and investigation, shall
6 before granting such permit, publish a notice of the filing of said
7 application in an official state paper selected by the super-
8 intendent, and published at the applicant' expense once each
9 week for a period of four consecutive weeks; and after a
10 period of ten days from the date of the last publication of
11 such notice, the superintendent shall grant such permit:
12 Provided, however, that information has not come to the knowledge
13 of said superintendent after diligent inquiry, that said
14 applicant is incompetent to furnish such course or courses of
15 instruction as it represents, or that its moral surroundings
16 are not good, or that the premises are kept in an unsafe or
17 unsanitary condition, or that it is not in a financially sound
18 condition, or that the agents of said institution use mis-
19 representations in soliciting or canvassing for the purposes
20 stated in Section 1 hereof, and in any of such cases, the
21 superintendent shall refuse to grant a permit; and provided
22 further, that the applicant shall file a surety bond with,
23 and satisfactory to the state superintendent of public
24 instruction in the penal sum of one thousand dollars (\$1,000.00),
25 securing the payment of any and all judgments which may be
26 obtained against the applicant in the state of Iowa by any
27 resident of this state for or on account of any violation of
28 this law by the applicant.

1 Sec. 3. Revocation of permit. After having granted any
2 such non-resident school such permit, if such school shall
3 thereafter, to the knowledge of the superintendent, violate
4 any of the conditions herein required to be established to
5 secure such permit, then the state superintendent of public
6 instruction shall revoke such permit, and shall not reissue
7 a permit to such school until the superintendent is satisfied
8 that such school will comply with the foregoing requirements.

1 Sec. 4. Permit to be shown. Any officer, agent, employee,
2 or representative of any such school when so soliciting within
3 the state, shall upon request of any person, exhibit such permit
4 or a duly certified copy thereof, showing that the school he
5 represents has permission to so solicit within the state; but
6 no officer, agent, employee or representative of any such
7 school shall use, nor shall any such school use, represent
8 or imply to anyone that such permit is an endorsement,
9 approval or recommendation of the school by the state, or by
10 the state superintendent of public instruction.

1 Sec. 5. Penalty for soliciting without permit. Any
2 person who shall violate this act by soliciting or canvassing
3 for the purpose aforesaid in the state of Iowa without first
4 having secured such permit from the state superintendent of
5 public instruction, shall be deemed guilty of a misdemeanor
6 and upon conviction be punished accordingly.

1 Sec. 6. Notes or contracts void, when. Any note,
2 contract or other evidence of indebtedness, taken by any such

3 school or department of any such school, or by an officer,
4 agent, employee or representative thereof, for or on account
5 of tuition or fees, without first having complied with the
6 provisions of this act shall be void; and in the event any
7 suit be brought thereon, same shall be dismissed, and judgment
8 shall be entered against the plaintiff for costs, and for a
9 reasonable attorney fee for the defendant's attorney, as may
10 be fixed by the court.

1 Sec. 7. Jurisdiction conferred. The applicant for such
2 permit by applying for and accepting such permit shall thereby
3 be deemed to have appointed the state superintendent of public
4 instruction as the lawful agent of the applicant upon whom
5 original notice may be served with the same force and effect
6 as personal service thereof on the applicant, and such service
7 shall confer personal jurisdiction of the applicant upon the
8 courts of this state. The state superintendent of public
9 instruction, upon receipt of any notice so served, shall
10 promptly transmit said notice by registered mail to such
11 school at its address last recorded in the records of said
12 superintendent of public instruction.

1 Sec. 8. Effective date. This law shall be effective
2 immediately upon publication.

EXPLANATION OF H. F. 340

Thousands of dollars are annually being bilked from Iowa high school graduates by "hit and run" representatives of unscrupulous and irresponsible out-of-state schools. These young people are helpless as our courts have no jurisdiction over non-residents. The individual losses are too small—\$50 to \$100—to warrant the expense of suing in a foreign court in another state, so they lose their money and their faith in education and in justice. This is a serious reflection on all legitimate schools and upon education in general. This law will be helpful to reputable out-of-state schools, and it will stop the disreputable schools from "gypping" our youth. Concrete evidence will gladly be furnished to substantiate this situation as it exists today. You may well discover several such cases in your own community.