

April 5, 1963.

Place on Calendar.

House File 580

By COMMITTEE ON JUDICIARY 2.

Passed House, Date.....

Passed Senate, Date.....

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

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

Approved.....

# A BILL FOR

An Act relating to bait advertising.

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

- 1 Section 1. Chapter seven hundred thirteen (713), Code 1962,
- 2 is amended by adding the following:
- 3 "Any person, firm or corporation, who offers for sale mer-
- 4 chandise or commodities or service by making, publishing,
- 5 disseminating, circulating or placing before the general public
- 6 within the state in a newspaper or other publication, or by
- 7 radio broadcast, television or telephone, or in the form of a
- 8 book, notice, handbill, poster, bill, circular, pamphlet or
- 9 letter, or in any other way, an advertisement describing the
- 10 merchandise or commodities, or service, as part of a plan or
- 11 scheme with the intent not to sell the merchandise, commodities
- 12 or service so advertised at the price stated therein, or with
- 13 intent not to sell the merchandise, commodities or service so
- 14 advertised, or with the intent of attracting customers so that
- 15 similar merchandise, commodities or services may be sold to said
- 16 customers at a higher price than advertised, or to advertise
- 17 merchandise, commodities or services without stating in said
- 18 advertisement what other acts, payments or conditions precedent
- 19 are necessary by the consumer before said consumer can purchase
- 20 said merchandise, commodities or service, is guilty of a mis-
- 21 demeanor and upon conviction shall be punished by a fine of not

22 less than ten (10) nor more than five hundred dollars (\$500.00).  
23 Provided, however, that nothing herein shall apply to the owner,  
24 publisher, printer, agent or employee of a newspaper or other  
25 publication, periodical or circular, or of any radio station or  
26 television station, who in good faith, and without any knowledge  
27 of such plan or scheme, publishes, causes to be published or  
28 takes part in the publication of such advertisements; provided,  
29 further, that with respect to the use of a telephone by subscribers  
30 or users, nothing herein shall apply to any person, firm or cor-  
31 poration providing telephone service as a public utility.

#### EXPLANATION OF HOUSE FILE 580

This act does not affect legitimate advertising. Some advertisers have been advertising a product at a ridiculously low price when they actually have only one, none or very few to sell at this price. The advertising is merely to "bait" customers so that they can be sold a higher priced article. Other articles have been advertised at a low price without the advertisement stating what else had to be purchased before the low priced article would be useful or in some instances could be purchased. This act will eliminate these undesirable practices by strengthening the fraud and deceit sections of the Code.