

CHAPTER 16 GOING OUT OF BUSINESS SALES

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3-16-1 DEFINITION. The following words and phrases whenever used in the ordinances of the City, shall be construed as defined in this section unless, from the context, a different meaning is intended or unless different meaning is specifically defined and more particularly directed to the use of such words or phrases:

1. “Going Out of Business Sale” shall mean and include any sale publicized or advertised as a Going Out of Business Sale or a sale of the majority of merchandise on hand after which the business will cease to exist or a sale after which sales of like merchandise at the same location will be discontinued.

3-16-2 NOTIFICATION TO BUSINESS OWNERS. The City Manager shall notify in writing any business owner who conducts a going out of business sale of the following regulations:

1. Declaration of the starting date of the sale based upon the first date of displays or signs or media advertising announcing the sale.

2. Notification that a going out of business sale may be conducted for 60 calendar days and that the City Council approval is required for a 30 day extension of the sale.

3. Notification that State law and City Ordinance prohibit the delivery and sale of additional merchandise once the sale has been declared.

4. Notification that violations of this Ordinance will result in a fine of \$50 for the first violation, \$100 for the second violation and \$200 for all subsequent violations. Each day that the violation continues will be considered as a separate violation.

3-16-3 EXPIRATION OF SALE. Any “Going Out of Business” sale may be continued sixty (60) days from the date of the start of the sale and shall not continue unless the applicant can show to the satisfaction of the Council that the stock of goods on hand has not been replenished and that the sale is being conducted in good faith. The Council may grant an additional thirty (30) days to the business owner to continue the sale.

3-16-4 EXEMPTIONS. The provisions of this Chapter shall not apply to or affect sales conducted by the following persons:

1. Persons acting pursuant to an order or process of a Court of complete jurisdiction.
2. Persons acting in accordance with their powers and duties as public officers.
3. Duly licensed auctioneers selling at a regularly licensed auction.

3-16-5 NEW MANAGEMENT. In the event there has been any change in the management of the business within sixty (60) days prior to the start of the sale, either through contract or outright sale, all advertisements of the sale shall show prominently that the establishment is under new management.

3-16-6 ADDITIONAL MERCHANDISE PROHIBITED. It shall be unlawful to bring on site and to offer for sale any additional merchandise once the going out of business sale has been advertised with sign or through media notification.

3-16-7 STATE REGULATIONS. Any person conducting a "Going Out of Business" sale shall be required to obey all of the provisions of the Code of Iowa, as amended (Chapter 714.16) governing the conduct of such sale.

3-16-8 VIOLATIONS OF ORDINANCE. Persons who violate or who participate in a violation by commanding or persuading another to violate the provisions of this Ordinance shall be subject to fines as set forth in Chapter 17, Title III of this Code, entitled, Civil Penalty for Municipal Infractions. An employee or an employers agent who orders an employer to violate this Ordinance or who knowingly permits an employer or person supervised to violate this Ordinance, shall be guilty of a violation of this Ordinance and subject to the penalties set forth in Chapter 17, Article III of this Code, entitled, Civil Penalty for Municipal Infractions.

(Ord. 705, passed 2-20-89)