

HB 1293

2004

1 A bill to be entitled
 2 An act relating to pyramid sales schemes; amending s.
 3 849.091, F.S.; deleting a provision declaring pyramid
 4 sales schemes to be a lottery and providing a criminal
 5 penalty for participating in such schemes; providing an
 6 effective date.

8 Be It Enacted by the Legislature of the State of Florida:

10 Section 1. Section 849.091, Florida Statutes, is amended
 11 to read:

12 849.091 Chain letters, ~~pyramid clubs, etc.~~, declared a
 13 lottery; criminal penalty prohibited; ~~penalties.~~--

14 ~~(1)~~ The organization of any chain letter club, ~~pyramid~~
 15 ~~club~~, or other group organized or brought together under any
 16 plan or device whereby fees or dues or anything of material
 17 value to be paid or given by members thereof are to be paid or
 18 given to any other member thereof, which plan or device includes
 19 any provision for the increase in such membership through a
 20 chain process of new members securing other new members and
 21 thereby advancing themselves in the group to a position where
 22 such members in turn receive fees, dues, or things of material
 23 value from other members, is hereby declared to be a lottery,
 24 and whoever shall participate in any such lottery by becoming a
 25 member of, or affiliating with, any such group or organization
 26 or who shall solicit any person for membership or affiliation in
 27 any such group or organization commits a misdemeanor of the
 28 first degree, punishable as provided in s. 775.082 or s.
 29 775.083.

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30 ~~(2) A "pyramid sales scheme," which is any sales or~~
31 ~~marketing plan or operation whereby a person pays a~~
32 ~~consideration of any kind, or makes an investment of any kind,~~
33 ~~in excess of \$100 and acquires the opportunity to receive a~~
34 ~~benefit or thing of value which is not primarily contingent on~~
35 ~~the volume or quantity of goods, services, or other property~~
36 ~~sold in bona fide sales to consumers, and which is related to~~
37 ~~the inducement of additional persons, by himself or herself or~~
38 ~~others, regardless of number, to participate in the same sales~~
39 ~~or marketing plan or operation, is hereby declared to be a~~
40 ~~lottery, and whoever shall participate in any such lottery by~~
41 ~~becoming a member of or affiliating with, any such group or~~
42 ~~organization or who shall solicit any person for membership or~~
43 ~~affiliation in any such group or organization commits a~~
44 ~~misdemeanor of the first degree, punishable as provided in s.~~
45 ~~775.082 or s. 775.083. For purposes of this subsection, the term~~
46 ~~"consideration" and the term "investment" do not include the~~
47 ~~purchase of goods or services furnished at cost for use in~~
48 ~~making sales, but not for resale, or time and effort spent in~~
49 ~~the pursuit of sales or recruiting activities.~~

50 Section 2. This act shall take effect upon becoming a law.