

6 tive grantee or resume funding of projects for which the grantee has,
 7 without fault, terminated employees within the previous six months
 8 and has not recalled those employees. All of the funds provided by the
 9 grant must be used for the compensation of those persons hired by the
 10 grantee pursuant to the project funded by the grant. Applications by
 11 prospective grantees other than a state agency or political subdivision
 12 of the state must demonstrate the prospective grantee's inability to un-
 13 dertake the proposed project and thereby provide the additional em-
 14 ployment without the assistance of the grant.

15 2. The benefits of the project result must inure primarily to the com-
 16 munity or public at large, not primarily to the grantee, if the grantee
 17 is other than a public body.

18 3. The following conditions of employment must be satisfied:

19 a. The grantee must be the employer of those hired under the proj-
 20 ect.

21 b. The employees under the project must be paid at the same rate as
 22 other employees doing similar work for the grantee.

23 c. The employees must be considered regular employees of the
 24 grantee and must be entitled to participate in benefit programs of the
 25 grantee on the same basis as other employees holding similar positions
 26 with the grantee.

27 4. The following hiring preferences must be in effect for those to be
 28 employed under the project:

29 a. First, those whose unemployment benefits have expired or who
 30 are ineligible for unemployment benefits; and

31 b. Second, those unemployed persons who are heads of households
 32 as defined by section two (2), paragraph b of the Internal Revenue
 33 Code of 1954.

1 SEC. 7. There is appropriated from the general fund of the state to
 2 the employment opportunity board for the fiscal year beginning July
 3 1, 1975, and ending June 30, 1976 the sum of one million (1,000,000)
 4 dollars or so much thereof as may be necessary to carry out this Act.
 5 However, if by October 15, 1975 the sum of at least three million
 6 (3,000,000) dollars has not been made available to the board by the fed-
 7 eral government, all appropriated funds shall revert to the general
 8 fund of the state.

Approved July 14, 1975

This Act was passed by the G.A. prior to July 1, 1975; see §3.12 of the Code

CHAPTER 95
 CIGARETTE* TAX

H. F. 317

AN ACT relating to the taxation of cigarettes* by providing for the sale and exchange of ciga-
 riette stamps and defining cigarette and package of cigarettes.

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

1 SECTION 1. Section ninety-eight point one (98.1), subsections one (1)
 2 and two (2), Code 1975, are amended to read as follows:

3 1. "Cigarette" shall ~~mean and include means~~ any roll for smoking
 4 made wholly or in part of tobacco, *or any substitute for tobacco*, irre-
 5 spective of size or shape and irrespective of tobacco *or any substitute*
 6 *for tobacco* being flavored, adulterated, or mixed with any other ingre-
 7 dient, where such roll has a wrapper or cover made of paper or any
 8 other material. Provided the definition herein shall not be construed to
 9 include cigars. ~~Excepting where the context clearly shows that eiga-~~
 10 ~~rettes alone are intended, the term "cigarettes" shall mean and include~~
 11 ~~cigarettes, cigarette papers or wrappers, and tubes upon which a tax is~~
 12 ~~imposed by section 98.6.~~

13 2. "Individual packages of cigarettes" shall mean and include every
 14 package of cigarettes ordinarily sold at retail, ~~and shall include any~~
 15 ~~and every package of cigarettes upon which a federal stamp or token is~~
 16 ~~required. "Packages of cigarettes" shall also include books and sets of~~
 17 ~~papers, wrappers, or tubes.~~

1 SEC. 2. Section ninety-eight point eight (98.8), Code 1975, is
 2 amended to read as follows:

3 **98.8 Sale and exchange of stamps.**

4 1. Stamps shall be sold by and purchased from the department only.
 5 The department shall sell stamps to the holder of a state ~~or manufac-~~
 6 ~~turer's distributor's~~ permit which has not been revoked and to no other
 7 person. Stamps shall be sold to such permit holders at a discount of
 8 not to exceed five percent from the face value. Stamps shall be sold in
 9 unbroken ~~sheets~~ books of one ~~hundred stamps~~ only thousand stamps,
 10 unbroken rolls of thirty thousand stamps, or unbroken lots of any
 11 other form authorized by the director.

12 2. Orders for cigarette tax stamps, *including the payment for such*
 13 *stamps*, shall be sent direct to the department ~~which shall invoice the~~
 14 ~~stamps ordered to the purchaser upon a form of invoice on a form to~~
 15 ~~be prescribed by the director.~~

16 3. Stamps in unbroken sheets of one hundred stamps may be ex-
 17 ~~changed with the department for stamps of a different denomination.~~
 18 The department may make refunds on unused stamps to the person
 19 who purchased said stamps at a price equal to the amount paid for
 20 such stamps when proof satisfactory to the department is furnished
 21 that any stamps upon which a refund is requested were properly pur-
 22 chased from the department and paid for by the person requesting such
 23 refund. In making such refund, the department shall prepare a voucher
 24 showing the amount of refund due and to whom payable and the
 25 comptroller shall then issue a warrant upon order of the director to pay
 26 such refund out of any funds in the state treasury not otherwise appro-
 27 priated.

28 The director may promulgate rules and regulations providing for re-
 29 funds of the face value of stamps, *less any discount*, affixed to any
 30 cigarettes which have become unfit for use and consumption, unsal-
 31 able, or for any other legitimate loss which may occur, upon proof of
 32 such loss. Refund shall be made ~~by issuing new stamps of an aggregate~~
 33 ~~value of the tax paid on the cigarettes adjudged to be unfit for use,~~
 34 ~~consumption, unsalable, or any other loss suffered in the same man-~~
 35 ~~ner as provided for unused stamps.~~

36 4. The department may in the enforcement of this chapter recall any
 37 stamps which have been sold by the department and which have not
 38 been used, and the department shall, upon receipt of such recalled
 39 stamps, issue ~~stamps of other serial numbers therefor~~ a refund for tax
 40 stamps surrendered for the face value of the stamps less the amount
 41 of the discount. The purchaser of any stamps shall be required to sur-

42 render any unused stamps for ~~exchange~~ *refund* upon demand of the
43 department.

44 5. The department shall keep a record of all stamps sold ~~or ex-~~
45 ~~changed~~ by the department and of all refunds made by the depart-
46 ment.

Approved June 3, 1975

*See U.S. Surgeon General's warning on use

CHAPTER 96

CIGARETTE PERMITS

H. F. 725

AN ACT relating to the issuance of permits for the sale of cigarettes.

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

1 SECTION 1. Section ninety-eight point one (98.1), subsections four
2 (4) and seventeen (17), Code 1975, are amended to read as follows:

3 4. "Place of business" is construed to mean and include any place
4 where cigarettes are sold or where cigarettes are stored *within or with-*
5 *out the state of Iowa by the holder of an Iowa permit* or kept for the
6 purpose of sale or consumption; or if sold from any vehicle or train,
7 the vehicle or train on which or from which such cigarettes are sold
8 shall constitute a place of business.

9 17. "State permit" shall mean and include permits issued by the de-
10 partment to distributors, wholesalers, and retailers ~~within the state~~.

1 SEC. 2. Section ninety-eight point ten (98.10), Code 1975, is amend-
2 ed to read as follows:

3 **98.10 Affixing of stamps by distributors.** Except as provided in
4 section 98.17, every distributor ~~in this state holding an Iowa permit~~
5 shall cause to be affixed, *within or without the state of Iowa*, upon
6 every individual package of cigarettes received by him *in this state or*
7 *for distribution in this state*, upon which no sufficient tax stamp is al-
8 ready affixed, a stamp or stamps of an amount equal to the tax due
9 thereon. Such stamps shall be affixed within forty-eight hours, exclu-
10 sive of Sundays and legal holidays, from the hour the cigarettes were
11 received, and shall be affixed before such distributor sells, offers for
12 sale, consumes, or otherwise distributes or transports the same. It shall
13 be unlawful for any person, other than a distributing agent or distribu-
14 tor, bonded pursuant to section 98.14, or common carrier to receive or
15 accept delivery of any cigarettes without stamps affixed to evidence
16 the payment of the tax, or without having in his possession the requi-
17 site amount or number of stamps necessary to stamp such cigarettes,
18 and the possession of any unstamped cigarettes, without the possession
19 of the requisite amount or number of stamps, shall be prima-facie evi-
20 dence of the violation of this provision.

1 SEC. 3. Section ninety-eight point thirteen (98.13), subsection one
2 (1), Code 1975, is amended to read as follows:

3 1. Permits required. Every distributor, wholesaler, cigarette vendor,
4 and retailer ~~in this state~~, now engaged or who desires to become en-
5 gaged in the sale or use of cigarettes, upon which a tax is required to