

House File 396 - Introduced

HOUSE FILE 396

BY SALMON

A BILL FOR

1 An Act relating to live adult entertainment facilities,
2 including creating a human trafficking and child sexual
3 exploitation prevention fund, and providing for the
4 assessment of a surcharge.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 423H.1 Definitions.

2 As used in this chapter, unless the context otherwise
3 requires:

4 1. "*Live adult entertainment facility*" means a striptease
5 club or other business that serves or permits the consumption
6 of alcohol on the premises of the business during at least
7 thirty days in a calendar year, offers or provides activities
8 by employees, agents, or contractors of the business that
9 involve nude or partially clothed persons that, when considered
10 as a whole, appeal primarily to an interest in nudity or sex.

11 2. "*Nude or partially clothed person*" means any of the
12 following

13 a. A person who is entirely unclothed.

14 b. A person who is partially clothed in such a way that
15 leaves uncovered or visible through less than fully opaque
16 clothing any portion of the female breast below the top of
17 the areola of the breast, or any portion of the genitals or
18 buttocks.

19 3. "*Operator*" means a person who owns or operates a live
20 adult entertainment facility in this state.

21 Sec. 2. NEW SECTION. 423H.2 Surcharge — collection —
22 enforcement — remittance.

23 1. a. Beginning January 1, 2020, and every year thereafter,
24 an annual surcharge shall be assessed against each live adult
25 entertainment facility in an amount that equals the product of
26 five dollars multiplied by the number of customers admitted to
27 the operator's live adult entertainment facility during the
28 calendar year.

29 b. A live adult entertainment facility shall keep and make
30 available records, receipts, invoices, and other pertinent
31 papers relating to the number of customers entering the
32 facility each calendar year as the director of the department
33 of revenue shall require, in the form that the director shall
34 require, for as long as the director has the authority to
35 examine and determine the surcharge due.

1 2. This section shall not be construed as requiring the
2 surcharge to be paid by each customer of the live adult
3 entertainment facility.

4 3. Beginning January 15, 2021, and every January 15
5 thereafter, the surcharge as calculated under subsection 1
6 is due and payable, and shall be paid by the operator to the
7 department of revenue on forms prescribed by the department of
8 revenue.

9 4. Revenues from the surcharge shall be deposited into
10 the human trafficking and child exploitation prevention fund
11 created in section 710B.1.

12 5. If the operator does not pay the surcharge, the operator
13 shall also pay interest on the surcharge at the rate in effect
14 under section 421.7 for each month counting each fraction
15 of a month as an entire month, computed from the date the
16 annual tax deposit form was required to be filed. The penalty
17 and interest shall be paid to the department of revenue and
18 disposed of in the same manner as provided in subsection 4.
19 Unpaid surcharges, penalties, and interest may be enforced in
20 the same manner as the taxes imposed under chapter 423.

21 Sec. 3. NEW SECTION. 710B.1 **Human trafficking and child**
22 **exploitation prevention fund.**

23 1. The department of revenue shall annually remit all
24 surcharge revenue collected under section 423H.2 to the
25 treasurer of state in the manner prescribed by the treasurer of
26 state.

27 2. A human trafficking and child exploitation prevention
28 fund is created in the state treasury as a separate fund
29 under the control of the department of justice. All moneys
30 deposited or paid into the fund pursuant to subsection 1 are
31 appropriated and made available to the department to be used
32 to provide grants to governmental and nongovernmental entities
33 and individuals involved with upholding community standards of
34 decency, strengthening families, or developing, expanding, or
35 strengthening programs for child victims of human trafficking,

1 to be used for any of the following:

2 *a.* Rape kit testing.

3 *b.* Physical and mental health services.

4 *c.* Temporary and permanent housing or shelter.

5 *d.* Employment, education, and job training.

6 *e.* Training for first responders and educational campaigns
7 for the public to increase awareness to prevent, and to protect
8 victims of, human trafficking, domestic violence, prostitution,
9 child abuse, and rape.

10 *f.* For medical examination costs pursuant to section 915.41,
11 for the department of justice's prosecutor-based victim service
12 coordination, including the duties defined in sections 910.3
13 and 910.6, for the awarding of funds to programs that provide
14 services and support to victims of domestic abuse pursuant to
15 chapter 236, for victims of sexual abuse as provided in chapter
16 236A, for reimbursement to the Iowa law enforcement academy for
17 domestic abuse and human trafficking training, for the support
18 of an automated victim notification system pursuant to section
19 915.10A, for training for victim service providers, for victim
20 service programming, to provide training concerning homicide,
21 domestic assault, sexual assault, stalking, harassment, and to
22 conduct outreach, awareness, and training on human trafficking
23 pursuant to section 710A.6.

24 *g.* Family counseling.

25 *h.* Creative arts that do not contain or promote obscene
26 material.

27 *i.* Border security.

28 *j.* State agency support programs assisting victims of human
29 trafficking.

30 *k.* To support the governor's initiatives on human
31 trafficking, programs upholding community standards of decency,
32 and state security.

33 *l.* Human trafficking enforcement programs.

34 3. Notwithstanding section 8.33, any balance in the fund on
35 June 30 of any fiscal year shall not revert to the general fund

1 of the state.

2

EXPLANATION

3

The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

4

5 This bill relates to live adult entertainment facilities,
6 including creating a human trafficking and child sexual
7 exploitation prevention fund, and providing for the assessment
8 of a surcharge.

9 The bill provides that beginning January 1, 2020, and every
10 year thereafter, an annual surcharge shall be assessed against
11 each live adult entertainment facility in an amount that
12 equals the product of \$5 multiplied by the number of customers
13 admitted to the operator's live adult entertainment facility
14 during the calendar year.

15 The bill provides that beginning January 15, 2021, and every
16 January 15 thereafter, the surcharge as calculated under the
17 bill is due and payable, and shall be paid by the operator to
18 the department of revenue on forms prescribed by the department
19 of revenue.

20 The bill requires the live adult entertainment facility to
21 keep records, receipts, invoices, and other pertinent papers
22 relating to the number of customers entering the facility each
23 calendar year, and open such records for inspection as the
24 director of the department of revenue requires.

25 The bill specifies that revenues from the surcharge shall
26 be deposited into the human trafficking and child exploitation
27 prevention fund created in the bill.

28 The bill defines "live adult entertainment facilities",
29 "nude or partially clothed person", and "operator".

30 The bill creates a human trafficking and child exploitation
31 prevention fund under the control of the department of justice.
32 All moneys deposited or paid into the fund are appropriated
33 and made available to the department of justice to be used to
34 provide grants to governmental and nongovernmental entities
35 and individuals involved with upholding community standards of

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1 decency, strengthening families, or developing, expanding, or
2 strengthening programs for child victims of human trafficking
3 to be used for any of the activities as detailed in the bill.