

FILED FEB 11 1975

SENATE FILE 153

BY COMMITTEE ON WAYS AND MEANS

Substituted for H.R. 218 3/4

Passed Senate, Date 2-13-75 (p. 203) Passed House, Date 3-4-75 (503)
Vote: Ayes 48 Nays 0 Vote: Ayes 91 Nays 1
Approved 3-18-75

A BILL FOR

- 1 An Act relating to the disposition of seized cigarettes.
- 2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 3

SENATE FILE 153
FISCAL NOTE

Date Prepared: February 5, 1975

Requested by: Senate Committee on Ways and Means
Prepared in regard to Senate File 153 - Disposition of
cigarettes seized due to violation. Following is the
fiscal effect in dollars of the legislative proposal as
required by Joint Rule 16.

Senate File 153 changes the procedures for the disposition
of seized or confiscated cigarettes. Under present laws
the Department of Revenue must furnish stamps to be
affixed to each package of cigarettes before sale at public
auction. Under this bill cigarettes without stamps will be
sold to the highest bidder among licensed distributors.

It is estimated that Senate File 153 would have an
insignificant effect on revenues from the imposition
of this change. During the past eighteen months, only
about 2,500 packages have been seized and these were
released by the judge to the rightful owner.
SOURCE: DEPARTMENT OF REVENUE

LEGISLATIVE FISCAL DIRECTOR

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1 Section 1. Section ninety-eight point thirty-two (98.32),
2 subsection five (5), Code 1975, is amended to read as follows:

3 5. In the event the cigarettes seized hereunder and sought
4 to be sold upon forfeiture shall be unstamped, ~~the officers~~
5 ~~selling the same shall be furnished by the department,~~
6 ~~sufficient stamps which shall be affixed to the cigarettes~~
7 ~~prior to the sale thereof~~ the cigarettes shall be sold by
8 the director or his designee to the highest bidder among the
9 licensed distributors in this state after written notice has
10 been mailed to all such distributors. If there is no bidder
11 or in the opinion of the director the quantity of cigarettes
12 to be sold is insufficient or for any other reason such
13 disposition of the cigarettes is impractical, the cigarettes
14 shall be destroyed or disposed of in a manner as determined
15 by the director. The proceeds of such sales shall be paid
16 into the state treasury.

17 Sec. 2. Section seven hundred fifty-one point twenty-eight
18 (751.28), Code 1975, is repealed.

19 EXPLANATION

20 This bill changes the procedures for the disposition of
21 seized or confiscated cigarettes. Under present law, the
22 department of revenue must furnish stamps to be affixed to
23 each package of cigarettes before sale at public auction.
24 Under this bill, cigarettes without stamps will be sold to
25 the highest bidder among licensed distributors. If no bids
26 are made, or if the quantity of cigarettes to be sold is
27 insufficient to warrant a sale, the cigarettes may be disposed
28 of or destroyed at the discretion of the director.

29 The bill also repeals a provision of law which exempts
30 an officer from stamping cigarettes seized with a search
31 warrant before such cigarettes are sold.

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SENATE FILE 153

AN ACT
RELATING TO THE DISPOSITION OF SEIZED CIGARETTES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section ninety-eight point thirty-two (98.32), subsection five (5), Code 1975, is amended to read as follows:

5. In the event the cigarettes seized hereunder and sought to be sold upon forfeiture shall be unstamped, ~~the officers selling the same shall be furnished by the department, sufficient stamps which shall be affixed to the cigarettes prior to the sale thereof~~ the cigarettes shall be sold by the director or his designee to the highest bidder among the licensed distributors in this state after written notice has been mailed to all such distributors. If there is no bidder or in the opinion of the director the quantity of cigarettes to be sold is insufficient or for any other reason such disposition of the cigarettes is impractical, the cigarettes shall be destroyed or disposed of in a manner as determined by the director. The proceeds of such sales shall be paid into the state treasury.

Sec. 2. Section seven hundred fifty-one point twenty-eight (751.28), Code 1975, is repealed.

ARTHUR A. NEU
President of the Senate

DALE M. COCHRAN
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 153, Sixty-sixth General Assembly.

CLARK R. RASMUSSEN
Secretary of the Senate

Approved March 18, 1975

ROBERT D. RAY
Governor