

Raecker, Chair

HSB 193

JUDICIARY

succeeded By

HOUSE FILE _____

3/HF

BY (PROPOSED COMMITTEE ON _____)

JUDICIARY BILL BY

CHAIRPERSON LARSON)

Larson

Boderer

Passed House, Date _____

Passed Senate, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act defining as a fraudulent practice certain creation or use
2 of retail sales receipts or universal price code labels, and
3 applying penalties.

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

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1 ~~Section 714.8~~ Section 714.8, Code 1999, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 17. Manufactures, creates, reproduces,
4 alters, possesses, uses, transfers, or otherwise contributes
5 to the production or use of a fraudulent retail sales receipt
6 or universal price code label with intent to defraud another
7 person.

8 For purposes of this subsection:

9 a. "Retail sales receipt" means a document intended to
10 evidence payment for goods or services.

11 b. "Universal price code label" means the unique ten-digit
12 bar code placed on the packaging of an item that may be used
13 for purposes including but not limited to tracking inventory,
14 maintaining price information in a computerized database, and
15 serving as proof of purchase of a particular item.

16 EXPLANATION

17 This bill defines certain acts related to the creation,
18 possession, or use of fraudulent retail sales receipts or
19 universal price code labels (also known as UPCs) to be
20 fraudulent practices under the Code, when done with intent to
21 defraud another person.

22 Fraudulent practices are penalized within the Code
23 according to five degrees, depending upon the amount of moneys
24 or value of property at issue. At one end of the range,
25 fraudulent practice in the first degree involves moneys or
26 property valued in excess of \$10,000, and is punished as a
27 class "C" felony. A class "C" felony is punishable by
28 confinement for no more than 10 years and a fine of at least
29 \$500 but not more than \$10,000. At the other end of the
30 range, fraudulent practice in the fifth degree involves moneys
31 or property not valued in excess of \$100, and is punished as a
32 simple misdemeanor. A simple misdemeanor is punishable by
33 confinement for no more than 30 days or a fine of at least \$50
34 but not more than \$100.

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S-3/16/99 Judiciary
S-3/30/99 Amend/Do Pass
W/S-3198

MAR 3 1999

Place On Calendar

HOUSE FILE **498**
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO HSB 193)

Passed House, ^(P.678) Date 3/16/99 Passed Senate, Date 4/12/99 ^(P.1057)
Vote: Ayes 95 Nays 0 Vote: Ayes 49 Nays 0
Repassed ^{Approved} 4-15-99 May 10, 1999
^{Vote} 92-0

A BILL FOR

1 An Act defining as a fraudulent practice certain creation or use
2 of retail sales receipts or universal price code labels, and
3 applying penalties.

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

HOUSE FILE 498

S-3198

1 Amend House File 498, as passed by the House, as
2 follows:
3 1. Page 1, line 4, by inserting after the word
4 "otherwise" the following: "knowingly".
5 2. Page 1, line 7, by inserting after the word
6 "person" the following: "engaged in the business of
7 retailing".

By COMMITTEE ON JUDICIARY
ANDY MCKEAN, Chairperson

adopted 4/12/99 (P.1056)

S-3198 FILED MARCH 30, 1999

SENATE AMENDMENT TO HOUSE FILE 498

H-1550

1 Amend House File 498, as passed by the House, as
2 follows:
3 1. Page 1, line 4, by inserting after the word
4 "otherwise" the following: "knowingly".
5 2. Page 1, line 7, by inserting after the word
6 "person" the following: "engaged in the business of
7 retailing".

RECEIVED FROM THE SENATE

H-1550 FILED APRIL 12, 1999

House Concurred 4/15/99 (P.1345)

498

1 Section 1. Section 714.8, Code 1999, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 17. Manufactures, creates, reproduces,
4 alters, possesses, uses, transfers, or otherwise contributes
5 to the production or use of a fraudulent retail sales receipt
6 or universal price code label with intent to defraud another
7 person.

8 For purposes of this subsection:

9 a. "Retail sales receipt" means a document intended to
10 evidence payment for goods or services.

11 b. "Universal price code label" means the unique ten-digit
12 bar code placed on the packaging of an item that may be used
13 for purposes including but not limited to tracking inventory,
14 maintaining price information in a computerized database, and
15 serving as proof of purchase of a particular item.

16 EXPLANATION

17 This bill defines certain acts related to the creation,
18 possession, or use of fraudulent retail sales receipts or
19 universal price code labels (also known as UPCs) to be
20 fraudulent practices under the Code, when done with intent to
21 defraud another person.

22 Fraudulent practices are penalized within the Code
23 according to five degrees, depending upon the amount of moneys
24 or value of property at issue. At one end of the range,
25 fraudulent practice in the first degree involves moneys or
26 property valued in excess of \$10,000, and is punished as a
27 class "C" felony. A class "C" felony is punishable by
28 confinement for no more than 10 years and a fine of at least
29 \$500 but not more than \$10,000. At the other end of the
30 range, fraudulent practice in the fifth degree involves moneys
31 or property not valued in excess of \$100, and is punished as a
32 simple misdemeanor. A simple misdemeanor is punishable by
33 confinement for no more than 30 days or a fine of at least \$50
34 but not more than \$100.

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**HOUSE FILE 498
FISCAL NOTE**

The estimate for House File 498 is hereby submitted as a fiscal note pursuant to Joint Rule 17 and as a correctional impact statement pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

SUMMARY

House File 498 defines the creation, possession, or use of a fraudulent retail sales receipt or universal price code label as fraudulent. Fraudulent acts are punishable, depending on the amount of damages, anywhere from a Class C felony to a simple misdemeanor.

BACKGROUND

A Class C felony is punishable by confinement for no more than 10 years and a fine of at least \$500 but not more than \$10,000. A simple misdemeanor is punishable by confinement for no more than 30 days or a fine of at least \$50 but not more than \$100.

ASSUMPTIONS

1. Information is not available to estimate how many additional fraud cases (if any) would occur.
2. To the extent that current law does not facilitate the successful prosecution of cases of this type, a correctional impact on prisons, probation, and jail may be realized.

CORRECTIONAL IMPACT

The correctional impact of House File 498 cannot be estimated due to insufficient information.

FISCAL IMPACT

The fiscal impact of House File 498 cannot be estimated due to insufficient information.

(LSB 2475hv, CRS)

FILED MARCH 15, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR

HOUSE FILE 498

AN ACT

DEFINING AS A FRAUDULENT PRACTICE CERTAIN CREATION OR USE OF
RETAIL SALES RECEIPTS OR UNIVERSAL PRICE CODE LABELS, AND
APPLYING PENALTIES.

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

Section 1. Section 714.8, Code 1999, is amended by adding
the following new subsection:

NEW SUBSECTION. 17. Manufactures, creates, reproduces,
alters, possesses, uses, transfers, or otherwise knowingly
contributes to the production or use of a fraudulent retail
sales receipt or universal price code label with intent to
defraud another person engaged in the business of retailing.

For purposes of this subsection:

- a. "Retail sales receipt" means a document intended to
evidence payment for goods or services.
- b. "Universal price code label" means the unique ten-digit
bar code placed on the packaging of an item that may be used
for purposes including but not limited to tracking inventory,

House File 498, p. 2

maintaining price information in a computerized database, and
serving as proof of purchase of a particular item.

RON J. CORBETT
Speaker of the House

MARY E. KRAMER
President of the Senate

I hereby certify that this bill originated in the House and
is known as House File 498, Seventy-eighth General Assembly.

Approved May 12, 1999

ELIZABETH ISAACSON
Chief Clerk of the House

THOMAS J. VILSACK
Governor

HF 498