

**EIGHTY-FIFTH GENERAL ASSEMBLY
2014 REGULAR SESSION
DAILY
SENATE CLIP SHEET**

MARCH 17, 2014

SENATE FILE 2272

S-5066

1 Amend Senate File 2272 as follows:
2 1. Page 17, after line 24 by inserting:
3 <DIVISION ____
4 FRANCHISE TAXES
5 Sec. ____ Section 422.60, Code 2014, is amended by
6 adding the following new subsection:
7 NEW SUBSECTION. 12. a. The taxes imposed under
8 this division shall be reduced by a solar energy system
9 tax credit equal to fifty percent of the federal energy
10 credit related to solar energy systems provided in
11 section 48 of the Internal Revenue Code, not to exceed
12 fifteen thousand dollars.
13 b. The taxpayer may claim the credit pursuant to
14 this subsection according to the same requirements,
15 conditions, and limitations as provided pursuant to
16 section 422.11L.
17 Sec. ____ EFFECTIVE UPON ENACTMENT. This division
18 of this Act, being deemed of immediate importance,
19 takes effect upon enactment.
20 Sec. ____ RETROACTIVE APPLICABILITY. This division
21 of this Act applies retroactively to January 1, 2014,
22 for tax years beginning on or after that date.>
23 2. Title page, line 1, by striking <technical>
24 3. Title page, line 4, after <income taxes,> by
25 inserting <franchise taxes,>
26 4. By renumbering as necessary.

By PAM JOCHUM

S-5066 FILED MARCH 13, 2014

HOUSE FILE 475

S-5062

1 Amend House File 475, as passed by the House, as
2 follows:

3 1. Page 1, line 1, by striking <2013> and inserting
4 <2014>

5 2. Page 1, by striking lines 12 through 24 and
6 inserting:

7 <1. A peace officer may make a written application
8 to a magistrate for the issuance of a search warrant
9 to authorize the placement, tracking, monitoring, or
10 removal of a global positioning device, supported by
11 a peace officer's oath or affirmation, which includes
12 facts, information, and circumstances tending to
13 establish sufficient grounds for granting the peace
14 officer's application, and probable cause for believing
15 the grounds exist.

16 2. The application shall describe the person,
17 place, or thing to be tracked or monitored by a
18 global positioning device, or the removal of such a
19 device from a person, place, or thing with sufficient
20 specificity to enable an independent reasonable person
21 with reasonable effort to ascertain and identify the
22 person, place, or thing. If the magistrate issues the
23 search warrant, the magistrate shall endorse on the
24 application the name and address of all persons upon
25 whose sworn testimony the magistrate relied to issue
26 the warrant together with the abstract of each witness'
27 testimony, or the witness' affidavit. However, if the
28 grounds for issuance are supplied by an informant, the
29 magistrate shall identify only the peace officer to
30 whom the information was given. The application or
31 sworn testimony supplied in support of the application
32 must establish the credibility of the informant or the
33 credibility of the information given by the informant.
34 The magistrate may in the magistrate's discretion
35 require that a witness upon whom the applicant relies
36 for the information appear personally and be examined
37 concerning the information.

38 3. Upon a finding of probable cause to issue such a
39 warrant, the magistrate shall issue a warrant, signed
40 by the magistrate with the magistrate's name of office,
41 directed to any peace officer, commanding that the
42 peace officer place, track, monitor, or remove the
43 global positioning device.>

COMMITTEE ON JUDICIARY
ROBERT M. HOGG, CHAIRPERSON

S-5062 FILED MARCH 13, 2014

HOUSE FILE 514

S-5064

1 Amend House File 514, as passed by the House, as
2 follows:

3 1. By striking everything after the enacting clause
4 and inserting:

5 <Section 1. Section 631.1, Code 2014, is amended by
6 adding the following new subsection:

7 NEW SUBSECTION. 9. The district court sitting in
8 small claims has concurrent jurisdiction of an action
9 to determine ownership of goods under section 714.28
10 relating to claims against purchased or pledged goods
11 held by pawnbrokers, regardless of the value of the
12 items in dispute.

13 Sec. 2. NEW SECTION. 714.28 Claims against
14 purchased or pledged goods held by pawnbrokers.

15 1. As used in this section, unless the context
16 otherwise requires:

17 a. "*Claimant*" means a person who claims that the
18 person's property was misappropriated.

19 b. "*Conveying customer*" means a person who delivers
20 property into the custody of a pawnbroker, either by
21 pawn, sale, consignment, or trade.

22 c. "*Misappropriated*" means stolen, embezzled,
23 converted, or otherwise wrongfully appropriated against
24 the will of the rightful owner.

25 2. To obtain possession of purchased or pledged
26 goods held by a pawnbroker which a claimant claims to
27 have been misappropriated, the claimant must notify
28 the pawnbroker by certified mail, return receipt
29 requested, or in person evidenced by signed receipt,
30 of the claimant's claim to the purchased or pledged
31 goods. The notice must contain a complete and accurate
32 description of the purchased or pledged goods and must
33 be accompanied by a legible copy of the applicable
34 law enforcement agency's report documenting the
35 misappropriation of the property. If the claimant and
36 the pawnbroker do not resolve the right to possession
37 within ten days after the pawnbroker's receipt of the
38 notice, the claimant may petition the district court
39 sitting in small claims to order the return of the
40 property, naming the pawnbroker as a defendant, and
41 shall serve the pawnbroker with a copy of the petition.
42 The pawnbroker shall hold the property described in the
43 petition until the right to possession is resolved by
44 the parties or by the court.

45 3. If, after notice and a hearing, the court finds
46 that the property was misappropriated and orders the
47 return of the property to the claimant, both of the
48 following shall apply:

49 a. The claimant may recover from the pawnbroker the
50 costs of the action.

S-5064

1 b. If the conveying customer was convicted in a
2 separate criminal proceeding of theft or dealing in
3 stolen property involving the misappropriated property,
4 the court shall order the conveying customer to repay
5 the pawnbroker the full amount that the conveying
6 customer received from the pawnbroker for the property,
7 plus all applicable pawn service charges. As used
8 in this paragraph, "convicted" includes a plea of
9 no contest to the charges or any agreement in which
10 adjudication is withheld.

11 4. If the court finds that the claimant failed
12 to comply with the requirements of this section or
13 otherwise finds against the claimant, the claimant
14 shall be liable for the defendant's costs.>

15 2. Title page, by striking lines 1 through 3 and
16 inserting <An Act specifying procedures for resolving
17 claims against purchased or pledged goods held by
18 pawnbrokers.>

COMMITTEE ON COMMERCE
MATT McCOY, CHAIRPERSON

S-5061

1 Amend House File 2109, as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting clause
4 and inserting:

5 <Section 1. Section 142A.6, subsection 6, paragraph
6 d, Code 2014, is amended to read as follows:

7 d. For the purpose of this subsection,
8 manufacturer, distributor, wholesaler, retailer, and
9 distributing agent mean as defined in section 453A.1
10 or 453A.42.

11 Sec. 2. Section 232C.4, subsection 3, Code 2014, is
12 amended to read as follows:

13 3. An emancipated minor shall remain subject
14 to voting restrictions under chapter 48A, gambling
15 restrictions under chapter 99B, 99D, 99F, 99G, or 725,
16 alcohol restrictions under chapter 123, compulsory
17 attendance requirements under chapter 299, and
18 cigarette tobacco, tobacco products, simulated smoking
19 devices, and cigarette restrictions under chapter 453A.

20 Sec. 3. Section 321.216C, Code 2014, is amended to
21 read as follows:

22 321.216C Use of driver's license or nonoperator's
23 identification card by underage person to obtain
24 cigarettes or tobacco, tobacco products, simulated
25 smoking devices, or cigarettes.

26 A person who is under the age of eighteen, who
27 alters or displays or has in the person's possession
28 a fictitious or fraudulently altered driver's license
29 or nonoperator's identification card and who uses
30 the license or card to violate or attempt to violate
31 section 453A.2, subsection 2, commits a simple
32 misdemeanor punishable as a scheduled violation under
33 section 805.8A, subsection 4. The court shall forward
34 a copy of the conviction to the department.

35 Sec. 4. Section 453A.1, subsections 19 and 21, Code
36 2014, are amended to read as follows:

37 19. "*Place of business*" is construed to mean and
38 include any place where cigarettes or simulated smoking
39 devices are sold or where cigarettes or simulated
40 smoking devices are stored within or without the state
41 of Iowa by the holder of an Iowa permit or kept for the
42 purpose of sale or consumption; or if sold from any
43 vehicle or train, the vehicle or train on which or from
44 which such cigarettes or simulated smoking devices are
45 sold shall constitute a place of business.

46 21. "*Retailer*" shall mean and include every person
47 in this state who shall sell, distribute, or offer for
48 sale for consumption or possess for the purpose of
49 sale for consumption, cigarettes or simulated smoking
50 devices irrespective of quantity or amount or the

1 number of sales.

2 Sec. 5. Section 453A.1, Code 2014, is amended by
3 adding the following new subsection:

4 NEW SUBSECTION. 23A. "Simulated smoking device"
5 means any product containing or delivering nicotine
6 or any other similar substance intended for human
7 consumption that can be used by a person to simulate
8 smoking including through inhalation of vapor or
9 aerosol from the product. "Simulated smoking device"
10 includes any component part of such product whether or
11 not sold separately. "Simulated smoking device" does
12 not include any product that has been approved by the
13 United States food and drug administration for sale as
14 a tobacco cessation product and is being marketed and
15 sold solely for that approved purpose.

16 Sec. 6. Section 453A.2, subsections 1, 2, 3, and 8,
17 Code 2014, are amended to read as follows:

18 1. A person shall not sell, give, or otherwise
19 supply any tobacco, tobacco products, simulated smoking
20 devices, or cigarettes to any person under eighteen
21 years of age.

22 2. A person under eighteen years of age shall not
23 smoke, use, possess, purchase, or attempt to purchase
24 any tobacco, tobacco products, simulated smoking
25 devices, or cigarettes.

26 3. ~~Possession of cigarettes or tobacco, tobacco~~
27 ~~products, simulated smoking devices, or cigarettes~~
28 ~~by an individual under eighteen years of age does~~
29 ~~not constitute a violation under this section if the~~
30 ~~individual under eighteen years of age possesses the~~
31 ~~cigarettes or tobacco, tobacco products, simulated~~
32 ~~smoking devices, or cigarettes as part of the~~
33 ~~individual's employment and the individual is employed~~
34 ~~by a person who holds a valid permit under this chapter~~
35 ~~or who lawfully offers for sale or sells cigarettes or~~
36 ~~tobacco, tobacco products, simulated smoking devices,~~
37 ~~or cigarettes.~~

38 8. a. A person shall not be guilty of a violation
39 of this section if conduct that would otherwise
40 constitute a violation is performed to assess
41 compliance with ~~cigarette and tobacco, tobacco~~
42 ~~products, simulated smoking devices, or cigarette~~ laws
43 if any of the following applies:

44 (1) The compliance effort is conducted by or under
45 the supervision of law enforcement officers.

46 (2) The compliance effort is conducted with the
47 advance knowledge of law enforcement officers and
48 reasonable measures are adopted by those conducting the
49 effort to ensure that use of ~~cigarettes or tobacco,~~
50 tobacco products, simulated smoking devices, or

1 cigarettes by individuals under eighteen years of age
2 does not result from participation by any individual
3 under eighteen years of age in the compliance effort.

4 b. For the purposes of this subsection, "*law*
5 *enforcement officer*" means a peace officer as defined
6 in section 801.4 and includes persons designated under
7 subsection 4 to enforce this section.

8 Sec. 7. Section 453A.4, subsection 1, Code 2014, is
9 amended to read as follows:

10 1. If a person holding a permit under this chapter
11 or an employee of such a permittee has a reasonable
12 belief based on factual evidence that a driver's
13 license as defined in section 321.1, subsection
14 20A, or nonoperator's identification card issued
15 pursuant to section 321.190 offered by a person who
16 wishes to purchase ~~cigarettes or~~ tobacco, tobacco
17 products, simulated smoking devices, or cigarettes is
18 altered or falsified or belongs to another person,
19 the permittee or employee may retain the driver's
20 license or nonoperator's identification card. Within
21 twenty-four hours, the card shall be delivered to the
22 appropriate city or county law enforcement agency of
23 the jurisdiction in which the permittee's premises are
24 located, and the permittee shall file a written report
25 of the circumstances under which the card was retained.
26 The local law enforcement agency may investigate
27 whether a violation of section 321.216, 321.216A, or
28 321.216C has occurred. If an investigation is not
29 initiated or probable cause is not established by the
30 local law enforcement agency, the driver's license or
31 nonoperator's identification card shall be delivered
32 to the person to whom it was issued. The local law
33 enforcement agency may forward the card with the
34 report to the state department of transportation for
35 investigation, in which case, the state department of
36 transportation may investigate whether a violation of
37 section 321.216, 321.216A, or 321.216C has occurred.
38 The state department of transportation shall return
39 the card to the person to whom it was issued if an
40 investigation is not initiated or probable cause is not
41 established.

42 Sec. 8. Section 453A.5, subsection 1, Code 2014, is
43 amended to read as follows:

44 1. The alcoholic beverages division of the
45 department of commerce shall develop a tobacco
46 compliance employee training program not to exceed
47 two hours in length for employees and prospective
48 employees of retailers, as defined in sections 453A.1
49 and 453A.42, to inform the employees about state and
50 federal laws and regulations regarding the sale of

1 ~~cigarettes and tobacco, tobacco products, simulated~~
2 ~~smoking devices, and cigarettes~~ to persons under
3 eighteen years of age and compliance with and the
4 importance of laws regarding the sale of ~~cigarettes and~~
5 ~~tobacco, tobacco products, simulated smoking devices,~~
6 ~~and cigarettes~~ to persons under eighteen years of age.

7 Sec. 9. Section 453A.13, subsection 1, Code 2014,
8 is amended to read as follows:

9 1. Permits required. Every distributor,
10 wholesaler, cigarette vendor, and retailer, now engaged
11 or who desires to become engaged in the sale or use of
12 cigarettes, upon which a tax is required to be paid,
13 and every retailer now engaged or who desires to become
14 engaged in selling, offering for sale, or distributing
15 simulated smoking devices shall obtain a state or
16 retail ~~cigarette~~ permit as a distributor, wholesaler,
17 cigarette vendor, or retailer, as the case may be.

18 Sec. 10. Section 453A.13, subsection 2, paragraph
19 a, Code 2014, is amended to read as follows:

20 a. The department shall issue state permits to
21 distributors, wholesalers, and cigarette vendors
22 subject to the conditions provided in this division.
23 Cities may issue retail permits to ~~dealers~~ retailers
24 within their respective limits. County boards of
25 supervisors may issue retail permits to ~~dealers~~
26 retailers in their respective counties, outside of the
27 corporate limits of cities.

28 Sec. 11. Section 453A.13, subsections 6, 9, and 10,
29 Code 2014, are amended to read as follows:

30 6. No sales without permit. ~~No~~ A distributor,
31 wholesaler, cigarette vendor, or retailer shall not
32 sell any cigarettes or simulated smoking devices until
33 such application has been filed and the fee prescribed
34 paid for a permit and until such permit is obtained and
35 only while such permit is unrevoked and unexpired.

36 9. Permit - form and contents. Each permit issued
37 shall describe clearly the place of business for which
38 it is issued, shall be nonassignable, consecutively
39 numbered, designating the kind of permit, and shall
40 authorize the sale of cigarettes or simulated smoking
41 devices in this state subject to the limitations and
42 restrictions herein contained. The retail permits
43 shall be upon forms furnished by the department or on
44 forms made available or approved by the department.

45 10. Permit displayed. The permit shall, at all
46 times, be publicly displayed by the distributor,
47 wholesaler, or retailer at the place of business so
48 as to be easily seen by the public and the persons
49 authorized to inspect the place of business. The
50 proprietor or keeper of any building or place where

1 ~~cigarettes and other~~, simulated smoking devices, or
2 tobacco products are kept for sale, or with intent to
3 sell, shall upon request of any agent of the department
4 or any peace officer exhibit the permit. A refusal or
5 failure to exhibit the permit is prima facie evidence
6 that the cigarettes, simulated smoking devices,
7 tobacco, or other tobacco products are kept for sale or
8 with intent to sell in violation of this division.

9 Sec. 12. Section 453A.15, subsection 4, Code 2014,
10 is amended to read as follows:

11 4. Every permit holder or other person shall, when
12 requested by the department, make additional reports as
13 the department deems necessary and proper and shall at
14 the request of the department furnish full and complete
15 information pertaining to any transaction of the permit
16 holder or other person involving the purchase or sale
17 or use of cigarettes or simulated smoking devices, or
18 the purchase of cigarette stamps.

19 Sec. 13. Section 453A.36, subsections 6, 7, and 11,
20 Code 2014, are amended to read as follows:

21 6. Any sales of ~~cigarettes or tobacco~~, tobacco
22 products, simulated smoking devices, or cigarettes
23 made through a cigarette vending machine are subject
24 to rules and penalties relative to retail sales of
25 ~~cigarettes and tobacco~~, tobacco products, simulated
26 smoking devices, and cigarettes provided for in this
27 chapter. Cigarettes shall not be sold through any
28 cigarette vending machine unless the cigarettes have
29 been properly stamped or metered as provided by this
30 division, and in case of violation of this provision,
31 the permit of the dealer authorizing retail sales of
32 cigarettes shall be revoked. Payment of the permit fee
33 as provided in section 453A.13 authorizes a cigarette
34 vendor to sell ~~cigarettes or tobacco~~, tobacco products,
35 simulated smoking devices, and cigarettes through
36 vending machines. However, ~~cigarettes or tobacco,~~
37 tobacco products, simulated smoking devices, and
38 cigarettes shall not be sold through a vending machine
39 unless the vending machine is located in a place
40 where the retailer ensures that no person younger than
41 eighteen years of age is present or permitted to enter
42 at any time. ~~Cigarettes or Tobacco~~, tobacco products,
43 simulated smoking devices, and cigarettes shall not
44 be sold through any cigarette vending machine if
45 such products are placed together with any nontobacco
46 product, other than matches, in the cigarette vending
47 machine. This section does not require a retail permit
48 holder to buy a cigarette vendor's permit if the retail
49 permit holder is in fact the owner of the cigarette
50 vending machines and the machines are operated in the

1 location described in the retail permit.

2 7. a. It shall be unlawful for a person other than
3 a ~~holder of a~~ retailer as defined in section 453A.1
4 or 453A.42 who holds a valid retail permit to sell
5 tobacco, tobacco products, simulated smoking devices,
6 or cigarettes at retail.

7 b. ~~No~~ A state permit holder shall not sell or
8 distribute cigarettes at wholesale to any person in the
9 state of Iowa who does not hold a permit authorizing
10 the retail sale of cigarettes or who does not hold a
11 state permit as a manufacturer, distributing agent,
12 wholesaler, or distributor.

13 11. Violation of this section by the holder
14 of a retailer's, distributor's, wholesaler's or
15 manufacturer's permit shall be grounds for the
16 revocation of such permit.

17 Sec. 14. Section 453A.36A, subsection 1, Code 2014,
18 is amended to read as follows:

19 1. ~~Beginning January 1, 1999, except~~ Except as
20 provided in section 453A.36, subsection 6, a retailer
21 shall not sell or offer for sale ~~cigarettes or tobacco,~~
22 tobacco products, in a quantity of less than a carton,
23 simulated smoking devices, or cigarettes through the
24 use of a self-service display.

25 Sec. 15. Section 453A.39, Code 2014, is amended to
26 read as follows:

27 453A.39 ~~Tobacco product,~~ tobacco products, simulated
28 smoking devices, and cigarette samples - restrictions
29 - administration.

30 1. A manufacturer, distributor, wholesaler,
31 retailer, or distributing agent, or agent thereof,
32 shall not give away ~~cigarettes or tobacco,~~ tobacco
33 products, simulated smoking devices, or cigarettes
34 at any time in connection with the manufacturer's,
35 distributor's, wholesaler's, retailer's, or
36 distributing agent's business or for promotion of the
37 business or product, except as provided in subsection
38 2.

39 2. a. All cigarette samples shall be shipped only
40 to a distributor that has a permit to stamp cigarettes
41 or little cigars with Iowa tax. All cigarette samples
42 must have a cigarette stamp. The manufacturer shipping
43 samples under this section shall send an affidavit
44 to the director stating the shipment information,
45 including the date shipped, quantity, and to whom
46 the samples were shipped. The distributor receiving
47 the shipment shall send an affidavit to the director
48 stating the shipment information, including the date
49 shipped, quantity, and from whom the samples were
50 shipped. These affidavits shall be duly notarized and

1 submitted to the director at the time of shipment and
2 receipt of the samples. The distributor shall pay the
3 tax on samples by separate remittance along with the
4 affidavit.

5 b. A manufacturer, distributor, wholesaler,
6 retailer, or distributing agent or agent thereof
7 shall not give away any ~~cigarettes or tobacco~~, tobacco
8 products, simulated smoking devices, or cigarettes
9 to any person under eighteen years of age, or within
10 five hundred feet of any playground, school, high
11 school, or other facility when such facility is being
12 used primarily by persons under age eighteen for
13 recreational, educational, or other purposes.

14 c. Proof of age shall be required if a reasonable
15 person could conclude on the basis of outward
16 appearance that a prospective recipient of a sample may
17 be under eighteen years of age.

18 Sec. 16. Section 453A.42, subsections 1, 2, 8, 9,
19 10, 11, 13, and 16, Code 2014, are amended to read as
20 follows:

21 1. "*Business*" means any trade, occupation,
22 activity, or enterprise engaged in for the purpose of
23 selling or distributing tobacco, tobacco products, or
24 simulated smoking devices in this state.

25 2. "*Consumer*" means any person who has title
26 to or possession of tobacco, tobacco products, or
27 simulated smoking devices in storage, for use or other
28 consumption in this state.

29 8. "*Place of business*" means any place where
30 tobacco, tobacco products, or simulated smoking
31 devices are sold or where tobacco, tobacco products, or
32 simulated smoking devices are manufactured, stored, or
33 kept for the purpose of sale or consumption, including
34 any vessel, vehicle, airplane, train, or vending
35 machine.

36 9. "*Retail outlet*" means each place of business
37 from which tobacco, tobacco products, or simulated
38 smoking devices are sold to consumers.

39 10. "*Retailer*" means any person engaged in the
40 business of selling tobacco, tobacco products, or
41 simulated smoking devices to ultimate consumers.

42 11. "*Sale*" means any transfer, exchange, or barter,
43 in any manner or by any means whatsoever, for a
44 consideration, and includes and means all sales made by
45 any person. It includes a gift by a person engaged in
46 the business of selling tobacco, tobacco products, or
47 simulated smoking devices for advertising, as a means
48 of evading the provisions of this division, or for any
49 other purposes whatsoever.

50 13. "*Storage*" means any keeping or retention of

1 tobacco, tobacco products, or simulated smoking devices
2 for use or consumption in this state.

3 16. "Use" means the exercise of any right or
4 power incidental to the ownership of tobacco, tobacco
5 products, or simulated smoking devices.

6 Sec. 17. Section 453A.45, subsection 3, Code 2014,
7 is amended to read as follows:

8 3. Every retailer and subjobber shall procure
9 itemized invoices of all tobacco, tobacco products,
10 and simulated smoking devices purchased. The invoices
11 shall show the name and address of the seller and the
12 date of purchase. The retailer and subjobber shall
13 preserve a legible copy of each invoice for three years
14 from the date of purchase. Invoices shall be available
15 for inspection by the director or the director's
16 authorized agents or employees at the retailer's or
17 subjobber's place of business.

18 Sec. 18. Section 453A.47A, subsections 1, 2, 4, 5,
19 and 10, Code 2014, are amended to read as follows:

20 1. Permits required. A person shall not engage
21 in the business of a retailer of tobacco, tobacco
22 products, or simulated smoking devices at any place of
23 business without first having received a permit as a
24 ~~tobacco products~~ retailer.

25 2. No sales without permit. A retailer shall
26 not sell any tobacco, tobacco products, or simulated
27 smoking devices until an application has been filed and
28 the fee prescribed paid for a permit and until such
29 permit is obtained and only while such permit is not
30 suspended, unrevoked, or unexpired.

31 4. Retailer – cigarettes and tobacco, tobacco
32 products, and simulated smoking devices. A retailer,
33 as defined in section 453A.1, who holds a permit under
34 division I of this chapter is not required to also
35 obtain a retail permit under this division. However,
36 if a retailer, as defined in section 453A.1, only holds
37 a permit under division I of this chapter and that
38 permit is suspended, revoked, or expired, the retailer
39 shall not sell any ~~cigarettes or~~ tobacco, tobacco
40 products, or simulated smoking devices during the time
41 which the permit is suspended, revoked, or expired.

42 5. Separate permit. A separate retail permit
43 shall be required of a distributor or subjobber if
44 the distributor or subjobber sells tobacco, tobacco
45 products, or simulated smoking devices at retail.

46 10. Records and reports of retailers.

47 a. The director shall prescribe the forms necessary
48 for the efficient administration of this section
49 and may require uniform books and records to be used
50 and kept by each retailer or other person as deemed

1 necessary.

2 b. Every retailer shall, when requested by the
3 department, make additional reports as the department
4 deems necessary and proper and shall at the request of
5 the department furnish full and complete information
6 pertaining to any transaction of the retailer involving
7 the purchase or sale or use of tobacco, tobacco
8 products, or simulated smoking devices.

9 Sec. 19. Section 805.8C, subsection 3, Code 2014,
10 is amended to read as follows:

11 3. ~~Smoking violations~~ Violations related to smoking,
12 tobacco, tobacco products, simulated smoking devices,
13 and cigarettes.

14 a. For violations described in section 142D.9,
15 subsection 1, the scheduled fine is fifty dollars,
16 and is a civil penalty, and the criminal penalty
17 surcharge under section 911.1 shall not be added to
18 the penalty, and the court costs pursuant to section
19 805.9, subsection 6, shall not be imposed. If the
20 civil penalty assessed for a violation described in
21 section 142D.9, subsection 1, is not paid in a timely
22 manner, a citation shall be issued for the violation
23 in the manner provided in section 804.1. However, a
24 person under age eighteen shall not be detained in a
25 secure facility for failure to pay the civil penalty.
26 The complainant shall not be charged a filing fee.

27 b. For violations of section 453A.2, subsection 1,
28 by an employee of a retailer, the scheduled fine is as
29 follows:

30 (1) If the violation is a first offense, the
31 scheduled fine is one hundred dollars.

32 (2) If the violation is a second offense, the
33 scheduled fine is two hundred fifty dollars.

34 (3) If the violation is a third or subsequent
35 offense, the scheduled fine is five hundred dollars.

36 c. For violations of section 453A.2, subsection
37 2, the scheduled fine is as follows and is a civil
38 penalty, and the criminal penalty surcharge under
39 section 911.1 shall not be added to the penalty, and
40 the court costs pursuant to section 805.9, subsection
41 6, shall not be imposed:

42 (1) If the violation is a first offense, the
43 scheduled fine is fifty dollars.

44 (2) If the violation is a second offense, the
45 scheduled fine is one hundred dollars.

46 (3) If the violation is a third or subsequent
47 offense, the scheduled fine is two hundred fifty
48 dollars.

49 Sec. 20. APPLICATION TO EXISTING PRODUCTS. Nothing
50 in this Act shall be construed to prohibit the

1 department of revenue from collecting taxes imposed
2 on cigarettes or tobacco products subject to taxation
3 under chapter 453A prior to July 1, 2014.

4 Sec. 21. CODE EDITOR DIRECTIVE. The Code
5 editor shall modify the title of chapter 453A to
6 read "Cigarette and Tobacco Taxes and Regulation of
7 Simulated Smoking Devices".>

8 2. Title page, lines 1 and 2, by striking <vapor
9 products and alternative nicotine products> and
10 inserting <simulated smoking devices>

COMMITTEE ON HUMAN RESOURCES
AMANDA RAGAN, CHAIRPERSON

S-5063

1 Amend House File 2289, as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting clause
4 and inserting:

5 <Section 1. Section 716.7, subsection 2, paragraph
6 a, subparagraph (3), Code 2014, is amended to read as
7 follows:

8 (3) Entering upon or in property for the purpose or
9 with the effect of unduly interfering with the lawful
10 use of the property by others, including interference
11 using visual, auditory, or photographic means that
12 intrudes upon legitimate privacy interests in, on, or
13 around private property that is not normally open to
14 the public or in, on, or around property to which the
15 public is not typically invited.

16 Sec. 2. Section 716.7, subsection 2, paragraph
17 a, Code 2014, is amended by adding the following new
18 subparagraph:

19 NEW SUBPARAGRAPH. (7) Using an unmanned aerial
20 vehicle or other technology in order to observe a
21 person without consent or authorization for the purpose
22 of unduly invading the privacy of the person under
23 circumstances in which a reasonable person would not
24 expect to be observed.

25 Sec. 3. NEW SECTION. 808.15 Unmanned aerial
26 vehicle – information – admissibility.

27 Information obtained as a result of the use of an
28 unmanned aerial vehicle is admissible as evidence in
29 a criminal or civil proceeding, if the information is
30 obtained pursuant to the authority of a search warrant,
31 or is otherwise admissible if the information is
32 obtained in a manner that is consistent with state and
33 federal constitutional law.

34 Sec. 4. UNMANNED AERIAL VEHICLE – USE –
35 PROHIBITION – REPORT.

36 1. Except as otherwise provided, a state agency
37 or an agency of a political subdivision of this state
38 shall not use an unmanned aircraft system before July
39 1, 2015, except in an emergency situation. An unmanned
40 aerial vehicle used pursuant to this subsection shall
41 not be weaponized.

42 2. This section does not apply to the national
43 guard while engaged in the official capacity of
44 the national guard, or to a public or private Iowa
45 postsecondary educational institution or research
46 organization authorized by the federal government to
47 use an unmanned aerial vehicle for research purposes.

48 3. The department of public safety, in consultation
49 with the attorney general, state and local agencies,
50 and other interested organizations, shall develop model

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1 guidelines for the use of unmanned aerial vehicles
2 by law enforcement agencies, and shall report such
3 guidelines to the general assembly no later than
4 December 31, 2014.>

5 2. Title page, line 1, after <to> by inserting
6 <trespassing and>

COMMITTEE ON JUDICIARY
ROBERT M. HOGG, CHAIRPERSON

S-5063 FILED MARCH 13, 2014

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1 Amend House File 2296, as passed by the House, as
2 follows:

3 1. By striking everything after the enacting clause
4 and inserting:

5 <Section 1. Section 556.9, Code 2014, is amended to
6 read as follows:

7 556.9 Miscellaneous personal property held for
8 another person – wages – gift certificates.

9 1. a. All intangible personal property, not
10 otherwise covered by this chapter, including any income
11 or increment earned on the property and deducting any
12 lawful charges, that is held or owing in this state in
13 the ordinary course of the holder's business and has
14 remained unclaimed by the owner for more than three
15 years after it became payable or distributable is
16 presumed abandoned. ~~However, unpaid~~

17 b. Unpaid wages, including wages represented by
18 payroll checks or other compensation for personal
19 services owing in the ordinary course of the holder's
20 business that remain unclaimed by the owner for more
21 than one year after becoming payable are presumed
22 abandoned.

23 c. Except as provided in subsection 2, funds
24 represented by a gift certificate balance that has
25 not been presented within five years from the date
26 of issuance of the gift certificate are presumed
27 abandoned.

28 2. a. An issuer of a gift certificate shall not
29 deduct from the face value of the gift certificate any
30 charge imposed due to the failure of the owner of the
31 gift certificate to present the gift certificate in a
32 timely manner, unless a valid and enforceable written
33 contract exists between the issuer and the owner of the
34 gift certificate pursuant to which the issuer regularly
35 imposes such charges and does not regularly reverse or
36 otherwise cancel them.

37 b. Notwithstanding the time limitation in
38 subsection 1, a gift certificate redeemable for
39 merchandise only that is not subject to an expiration
40 date and that is not subject to a deduction from
41 the face value of the gift certificate for failure
42 of the owner of the gift certificate to present the
43 gift certificate in a timely manner, or subject to
44 any other charge or service fee, which card remains
45 unpresented, shall continue in force and be eligible
46 for presentation for an indefinite period of time, and
47 shall not be subject to a presumption of abandonment.

48 c. For purposes of this ~~subsection~~ section,
49 "gift certificate" means a merchandise certificate or
50 electronic gift card conspicuously designated as a gift

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1 certificate or electronic gift card, and generally
2 purchased by a buyer for use by a person other than the
3 buyer.

4 Sec. ____ . APPLICABILITY. Section 556.9, subsection
5 2, paragraph b, as enacted in this Act, applies to gift
6 certificates redeemable for merchandise only that are
7 sold after July 1, 2014.>

8 2. Title page, line 2, after <certificates> by
9 inserting <, and providing applicability provisions>

COMMITTEE ON COMMERCE
MATT McCOY, CHAIRPERSON



SF 2180 – Economic Development Program Changes (LSB 5291SV)
Analyst: Jeff Robinson (Phone: (515) 281-4614) (jeff.robinson@legis.iowa.gov)
Fiscal Note Version – New

Description

Division I of [Senate File 2180](#) will allow Venture Capital Tax Credits issued to investors in qualified businesses to claim the tax credit in the year it is received. Under current law, the investor must wait three years to redeem the tax credit. Division I applies retroactively to January 1, 2014.

Section 21 of Division III directs that loan and other repayments from the former Iowa Value Fund (repealed in 2011) are to be deposited to an Economic Development Authority fund and used for the purposes of the Strategic Investment Fund. Section 21 is effective retroactive to July 1, 2013.

Background – Iowa Values Fund

The Iowa Values Fund was repealed effective June 30, 2012, in section 14 of House File 648 (Infrastructure and Capital Projects Appropriations Act of 2011). [House File 638](#) (Infrastructure and Capital Projects Act of 2013) amended the 2011 legislation, directing that any unobligated money in the Iowa Values Fund as of July 1, 2013, must be transferred to the Rebuild Iowa Infrastructure Fund (RIIF). In December 2013, \$31.1 million was transferred from the Iowa Values Fund to the RIIF.

Section 20(1) of HF 590 (Economic Development Authority Act of 2011) provides that any money remaining in a fund under control of the Department of Economic Development on the effective date of the Act (July 1, 2011) is to remain available to the Authority. Section 20(3) of HF 590 provides that financial assistance agreements entered into under Iowa Code chapter [15G](#) (including the Iowa Values Fund) prior to the effective date of the Act are to be administered by the Authority according to the provisions of Iowa Code chapter 15G.

Up until the date of its repeal, the Iowa Values Fund was the main economic incentive fund of the Economic Development Authority. The Fund provided a source of grant and loan economic incentives, using state appropriations and loan repayments as the primary funding sources. Since its repeal, the Fund has been maintained and is active in the State accounting system, with previously agreed to incentive payments being made out of the Fund, and loan repayments, interest, and other income deposited to the Fund.

As of February 21, 2014, \$48.1 million remains in the Iowa Values Fund. The majority of the current balance is encumbered for specific economic development projects and will be disbursed once the projects meet their award requirements. Should an award recipient fail to meet the requirements of the assistance agreement, the encumbered money will become unencumbered.

Since the beginning of FY 2014, through February 21, 2014, \$3.6 million in repayments, royalties, interest, and miscellaneous income has been deposited in the Iowa Values Fund. Over the next four years, repayments and other revenue for the Fund will equal \$7.5 million to

\$10.0 million or more. Section 21 of this Bill will allow the Authority to transfer the income stream of repayments, royalties, interest, and other income that is accruing to the repealed Iowa Values Fund to any Fund established under the provisions of [Iowa Code section 15.106A\(1\)\(o\)](#).

Section 21 of this Bill does not address what happens to any of the current \$48.1 million Iowa Values Fund balance that has become unencumbered since July 1, 2013, or that becomes unencumbered in the future.

Assumptions

- The removal of the three-year wait period for Venture Capital Tax Credit redemption applies only to tax credits awarded on or after January 1, 2014.
- Venture Capital Tax Credit awards are subject to a \$2.0 million per year cap. Accelerating the redemption timeframe only impacts the timing of the redemptions.

Fiscal Impact

Division I of this Bill, which alters the redemption of qualified business Venture Capital Tax Credits, has a General Fund fiscal impact through a change in the timing of tax credit redemptions. The change makes the tax credits redeemable upon receipt, as opposed to three years after award. The following table provides the net fiscal impact of Division I.

Qualified Business Venture Capital Tax Credits	
Impact of removing the three-year wait period	
In millions of Dollars	
	General Fund Revenue
FY 2015	\$ -0.7
FY 2016	-1.3
FY 2017	-1.5
FY 2018	-0.9
FY 2019	-0.3
FY 2020 - FY 2025	4.7

The Iowa Values Fund is a repealed State fund that continues to operate in the State accounting system. The unencumbered portion of the balance as of July 1, 2013, was transferred to the RIF in December 2013. However, loan repayments and other income continue to be deposited to the Fund and there currently exists no Code authority to expend the revenue when it becomes available. There also is no existing Code authority directing what may happen to any existing encumbered funds should those funds become unencumbered.

Enactment of Section 21 of this Bill will allow the Authority to transfer the revenue stream out of the Iowa Values Fund. Any of the encumbered funds that are currently in the Iowa Values Fund that become unencumbered at a later date will remain in the Iowa Values Fund.

Sources

Economic Development Authority
Department of Revenue

/s/ Holly M. Lyons

March 13, 2014

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.



SF 2325 – Department of Transportation (DOT) Omnibus Policy Bill (LSB 5308SV)
Analyst: Adam Broich (Phone: (515) 281-8223) (adam.broich@legis.iowa.gov)
Fiscal Note Version – New

Description

Senate File 2325 updates several Iowa Code chapters to comply with federal law, reorganizes Iowa Code chapters **307** and **307A**, and makes several other provisions. Changes include the following:

Division One adopts the following provisions:

- This Bill prohibits the establishment, operation or maintenance of a junkyard within 1,000 feet of the nearest edge of any road on the national highway system. This Bill exempts existing junkyards and allows exceptions. This change adopts requirements from Moving Ahead for Progress in the 21st Century Act (MAP-21) for establishing **control of junkyards**.
- Redefines “primary highways” to include all highways on the national highway system and all highways on the federal aid primary system as it existed in June 1, 1991. The change will expand the DOT authority to regulate outdoor advertising along interstates and primary highways. This change adopts requirements of MAP-21 for establishing **control of outdoor advertising**.

Division Two reorganizes duties of the DOT (Iowa Code chapter **307**) and State Transportation Commission (Iowa Code chapter **307A**). Duties performed by the Commission are moved to Iowa Code chapter 307A, and the DOT duties are moved to Iowa Code chapter 307. Corresponding references are updated.

Division Three adopts several of the following amendments:

- Allows the discharge of a security interest noted on an Iowa vehicle title in statewide computers upon the presentation of a valid certificate of title without the security interest from another jurisdiction.
- Exempts farmers and farm employees from commercial driver’s licenses requirements covered vehicles. This Bill adopts the definition of farm vehicles as defined in MAP-21.
- Describes new colored lights used as official traffic control signals.
- Extends the number of days from 10 to 30 to return a certificate of title and claim a refund of the registration fee for aircraft.
- Eliminates the requirement for a quarterly Road Use Tax Fund efficiency report.

Division Four adopts the following amendments:

- Establishes a two-year special dealer plate for vehicles, owned by the dealer and continuously for sale, that haul a load or tow a trailer. The fee for this plate is \$750.
- Amends disclosure requirements for vehicles sold by motor vehicle dealers to convey if a vehicle has had repairs, replaced parts, or adjustments exceeding 4.0% of the manufacturer’s suggested retail price (MSRP). The MSRP replaces a previous method for determining the car’s value.

- Exempts the purchase of vehicles loaned to customers by dealerships from the fee for new registration. These vehicles are often loaned when the customer's car is being serviced or repaired.
- Allows licensed motor vehicle dealers to sell used motor trucks with a gross vehicle weight exceeding 26,001 pounds on a consignment basis. The vehicle must be purchased by a corporation or business entity.

Background

The MAP-21 Act expanded the definition of the National Highway System to include new routes. Currently, these routes and advertising along these routes are not under the jurisdiction of the DOT. Similarly, MAP-21 requires states to be responsible for junkyard control along segments recently added to the primary highway system.

Assumptions

Continued noncompliance with MAP-21 will reduce federal funding for highways. The DOT stated that current law may result in a 10.0% reduction in federal funding for failure to control advertising, and a reduction of 7.0% for failure to control junkyards. Current estimates assume unchanged spending from Federal Fiscal Year (FFY) 2014 to FFY 2015.

The DOT states that expanding the definition of the primary highway system will require 250 additional signs to apply for permits. The DOT anticipates hiring an additional temporary employee (Transportation Aide) to inventory junkyards on added miles. The impact of allowing an additional 20 days to claim a registration refund for aircraft is unknown, but anticipated to be minimal.

Division Four creates new special dealer license plates, and exempts vehicles loaned to customers by dealerships from the fee for new registration. Potential utilization of the new special dealer license plates is unknown. This is a new plate, and there is no data that predicts demand for the plate. Similarly, the number of vehicles purchased by dealerships to be loaned to customers is unknown.

Fiscal Impact

[SF 2325](#) will maintain current federal funding levels. Without this legislation, the DOT estimates that noncompliance with the control of advertising requirement will reduce federal revenue by an estimated \$46.9 million in FFY 2015. Noncompliance with the control of junkyard provisions will reduce federal funding by an estimated \$32.8 million in FFY 2015.

Establishing control of outdoor advertising will require the approval of approximately 250 sign permits by DOT for each year. Sign owners will be required to pay a \$100 application fee and an annual permit renewal fee of \$15. This will increase revenue to the Highway Beautification Fund by \$25,000 in FY 2015 and \$3,750 each year after. The DOT intends to hire a temporary employee that will work approximately 26 weeks, and cost \$12,400 each fiscal year.

The creation of a new dealer plate will increase revenue to the Road Use Tax Fund by an unknown amount. Exempting vehicles purchased by dealerships to be loaned to customers will reduce revenue to the Road Use Tax Fund by an unknown amount.

Sources

Iowa DOT
LSA Calculations

/s/ Holly M. Lyons

March 13, 2014

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
