

FILED MAR 1 '01

SENATE FILE 327  
BY SCHUERER

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to the sales and use tax exemption for the sales  
2 of clothing and footwear and including effective and  
3 applicability dates.

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

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SF 327  
WAYS & MEANS

1 Section 1. Section 422.45, subsection 59, Code 2001, is  
2 amended to read as follows:

3 59. a. The gross receipts from the sale of an article of  
4 clothing or footwear designed to be worn on or about the human  
5 body if ~~all-of-the-following-apply-~~

6 ~~{1}--The~~ the sales price of the article is less than one  
7 hundred dollars.

8 ~~{2}--The-sale-takes-place-during-a-period-beginning-at~~  
9 ~~12:01-a.m.-on-the-first-Friday-in-August-and-ending-at~~  
10 ~~midnight-on-the-following-Saturday-~~

11 b. This subsection does not apply to any of the following:

12 (1) Special clothing or footwear that is primarily  
13 designed for athletic activity or protective use and that is  
14 not normally worn except when used for the athletic activity  
15 or protective use for which it is designed.

16 (2) Accessories, including jewelry, handbags, luggage,  
17 umbrellas, wallets, watches, and similar items carried on or  
18 about the human body, without regard to whether worn on the  
19 body in a manner characteristic of clothing.

20 (3) The rental of clothing or footwear.

21 Sec. 2. 2000 Iowa Acts, chapter 1212, section 2, is  
22 repealed.

23 Sec. 3. EFFECTIVE AND APPLICABILITY DATES. Section 1 of  
24 this Act, being deemed of immediate importance, takes effect  
25 upon enactment and applies to sales made on or after July 1,  
26 2001.

27 EXPLANATION

28 During the 2000 legislative session legislation was enacted  
29 that provides for a sales and use tax exemption for clothing  
30 and footwear purchased on the first Friday and Saturday of  
31 August in each year. The exemption only applies if the  
32 article of clothing or footwear purchased costs less than  
33 \$100. The exemption does not apply to special clothing or  
34 footwear that is primarily designed for athletic or protective  
35 use, to accessories such as jewelry, watches, luggage,

1 handbags, wallets, and similar items or to the rental of  
2 clothing or footwear. The exemption applies to local sales  
3 and services taxes.

4 This bill makes that sales and use tax exemption passed in  
5 2000 applicable to sales throughout the year beginning with  
6 sales made on or after July 1, 2001. The extended exemption  
7 takes effect upon enactment and applies to sales made on or  
8 after July 1, 2001.

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**SEVENTY-NINTH GENERAL ASSEMBLY**  
**2000 REGULAR SESSION**  
**DAILY**  
**SENATE CLIP SHEET**  
MARCH 13, 2001

**HOUSE FILE 327**  
**FISCAL NOTE**

**REQUESTED BY:**  
**SENATOR MADDOX**

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The estimate for **House File 327** as passed by the House 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.

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House File 327 as passed by the House amends Section 710.10, Code of Iowa, by changing the name of enticing a child away to enticing a minor away, and changes the penalties. The Bill increases the penalty from a Class D to a Class C felony in cases where sexual abuse or sexual exploitation of a minor was intended. The Bill increases the penalty from an aggravated misdemeanor to a Class D felony in cases where a minor under 16 years of age is enticed away. House File 327 as amended by the House creates an aggravated misdemeanor for attempting to entice a minor away. The Bill increases the penalty from a serious misdemeanor to an aggravated misdemeanor or a Class D felony for purchasing or possessing media depicting minors in prohibited sexual acts. The Bill facilitates prosecution and conviction of people who use the Internet to entice or attempt to entice minors. A graduated system of penalties is imposed for this offense. House File 327 as passed by the House adds enticing a minor away under the age of 13 to the list of sexually predatory offenses.

**ASSUMPTIONS**

1. Charge, conviction, and sentencing patterns and trends will not change over the projection period.
2. Prisoner length of stay, revocation rates, and other corrections' practices and policies will not change over the projection period.
3. The law will become effective July 1, 2001. A lag effect of six months is assumed, from the effective date of the change in the law to the date of first entry of affected offenders into the correctional system.
4. The analysis is based on information obtained from the Justice Data Warehouse, which includes statewide court information. Conviction and penalty information is based on FY 2000 data.
5. The correctional impact and fiscal impact cannot be determined for the provisions of the Bill relating to prosecution and conviction of using the Internet to entice or attempt to entice away a minor. There may be additional charges and convictions due to this clarification; however, due to insufficient information, an accurate estimate cannot be provided. However, if law enforcement does prioritize for the apprehension of these offenders, then there will be additional convictions beyond what is shown in this fiscal note, and the likelihood of an impact on prisons will increase.

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6. Average jail terms are based on the average jail term imposed for all aggravated misdemeanors.
7. During FY 2000, two people were convicted of a Class D felony for enticing away a child, and three people were convicted of an aggravated misdemeanor for enticement. All of the convicted offenders received probation, with one person being required to serve time in a Community-Based Corrections (CBC) residential facility.
8. Neither of the two Class D felony convictions that occurred during FY 2000 had been charged with sexual abuse or sexual exploitation. Therefore, there is no correctional impact associated with the increased penalty (from Class D to Class C felony) in cases where sexual abuse or sexual exploitation of a minor was intended.
9. Based on 1999 Iowa Incident-Based Crime information, there will be no Class D felony convictions due to increasing the penalty from an aggravated misdemeanor to a Class D felony in cases where the minor is under the age of 16. There will be one additional aggravated misdemeanor conviction annually under this provision. This person will be placed on probation.
10. There were seven people convicted in FY 2000 of purchasing or possessing media depicting minors in prohibited sexual acts. Under the Bill, these people will now be convicted of an aggravated misdemeanor rather than a serious misdemeanor. These convicted offenders will already be on probation.
11. The marginal cost per day for county jails will not exceed \$25 per offender. The average length of stay for serious misdemeanors is 30 days. The average length of stay in jail for aggravated misdemeanors is 41 days.
12. The marginal cost per day for probation or parole is \$1.55 per offender. The average length of stay for street supervision is 9 months for a serious misdemeanor and 19 months for an aggravated misdemeanor.
13. The median cost per case for aggravated misdemeanors and Class D felonies is \$1,000 to defend. The marginal cost per case for serious misdemeanors is \$750.
14. Court costs vary by type of offense charged as well as contested versus uncontested cases. Trial costs for an aggravated misdemeanor case range from \$173 to \$3,700. Trial costs for a serious misdemeanor case range from \$190 to \$2,800. These costs include expenses for the Clerk of Court, court attendant, court reporter, jurors, and judges; i.e., Magistrates, District Associate Judges, and District Court Judges.
15. The Department of Public Safety indicates there is no impact on the Sex Offender Registry workload under House File 327 as passed by the House.

**CORRECTIONAL IMPACT**

It is estimated there will be two additional jail admissions during FY 2002, and three additional admissions each year thereafter. On an annual basis, there will be one additional aggravated misdemeanor case for attempting to entice a minor away. The seven serious misdemeanor convictions for purchasing or possessing media depicting minors in prohibited sexual acts will become seven aggravated misdemeanor convictions.

There will be one additional admission to probation under House File 327 as passed by the House. Convicted offenders already on probation will serve a longer sentence. The Bill will not have a correctional impact on the State prison system.

**FISCAL IMPACT**

The fiscal impact of House File 327 as passed by the House is as follows:

**State General Fund:**

	FY 2002	FY 2003
	_____	_____
Parole/Probation Costs	\$ 3,000	\$ 3,000
Indigent Defense Costs	2,000	3,000
Judicial Branch Costs	5,000	5,000
	_____	_____
Total General Fund Cost	\$10,000	\$11,000
	_____	_____
	_____	_____

**Local Government:**

County Jails	\$ 2,000	\$ 4,000
	_____	_____
	_____	_____

**SOURCES**

Criminal and Juvenile Justice Planning Division, Department of Human Rights  
 Department of Corrections  
 Supreme Court  
 State Public Defender's Office

(LSB 1124HV.2, BAL)

FILED MARCH 12, 2001

BY DENNIS PROUTY, FISCAL DIRECTOR