

CHAPTER 1039
LIQUOR PAYMENT BY CHECKS
H. F. 357

AN ACT relating to the acceptance of checks by vendors of state liquor stores.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section one hundred twenty-three point twenty-four (123.24), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

1. In the conduct and management of state liquor stores, the director is empowered to employ a person who shall be known as a "vendor" who shall, subject to the directions of the director, observe all provisions of this chapter and the rules and regulations of the department. No vendor of any state liquor store shall sell alcoholic liquor to any person except for cash or traveler's check.

Sec. 2. Section one hundred twenty-three point twenty-four (123.24), unnumbered paragraph two (2), Code 1979, is amended by striking the paragraph and inserting in lieu thereof the following:

2. a. Notwithstanding the preceding paragraph, a vendor may accept from a class "A", "B", "C" or "D" liquor control licensee, a cashier's check which shows the licensee is the remitter or a check issued by the licensee, in payment of alcoholic liquor purchased for resale. In the event a check is subsequently dishonored, the vendor shall cause a notice of nonpayment and penalty to be served upon the licensee or upon any person in charge of the licensed premises. The notice shall state that if payment or satisfaction for the dishonored check is not made within ten days of the service of notice, the licensee's liquor control license shall be suspended by the procedures of section one hundred twenty-three point thirty-nine (123.39) of the Code. The notice of nonpayment and penalty shall be in a form prescribed by the director, and shall be served by a peace officer.

b. If upon notice and hearing under the procedures specified in section one hundred twenty-three point thirty-nine (123.39) of the Code and pursuant to the provisions of chapter seventeen A (17A) concerning a contested case hearing, the director determines that the licensee failed to satisfy the obligation for which the check was issued within ten days after the notice of nonpayment and penalty was served on the licensee as provided in paragraph a of this subsection, the director shall suspend the licensee's liquor control license for not less than three days but not more than thirty days.

Approved April 21, 1980