

Reported Recommending.....
Ind. Postponed.....
Passed House.....
Failed to Pass House.....
Passed Senate.....
Failed to Pass Senate.....

House File 415

February 26, 1941.
Liquor Control.

By NELSON.

A BILL FOR

An Act to repeal all of Chapter ninety-three and two-tenths (93.2), Code, 1939, relating to the tax and restrictions upon the sale of beer and malt liquors, and to enact a substitute therefor, providing for definitions of terms relative to the powers and duties of the state permit board, and definitions of beers and malt liquors classes of permits; providing for a tax on beer and malt liquors, and the collection of said tax; providing for the regulation of classes of beer permits and the requirements to obtain said permits; and to require permits and bonds for dealers in beer and malt liquors; to provide for the enforcement and administration of said act; and to define certain unlawful acts relating to the manner of sale, distribution and solicitation for the sale of beer and malt liquors; to provide penalties for violation of the law by permit holders; to provide penalties for violation of the law by minors; to provide for the regulation and sale of beer and malt liquors on the part of breweries; and to provide penalties for the violation of the provisions of this act.

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

- 1 Section 1. Chapter ninety-three and two-tenths (93.2),
- 2 Code, 1939, is hereby repealed.
- 1 Sec. 2. This act shall be known as the state beer
- 2 chapter.
- 1 Sec. 3. The following words, terms and phrases, when

2 used in this chapter, shall, for the purpose of this chap-
3 ter, have the meanings respectively ascribed to them.

4 (a) "Beer and malt liquors" for the purpose of this
5 Chapter shall mean, any liquid capable of being used for
6 beverage purposes made by the fermentation of an infusion in
7 potable water of barley, malt and hops, with or without un-
8 malted grains or deconticated and degerminated grains contain-
9 ing not more than four per centum of alcohol by weight.

10 (b) "Regulation" shall mean any reasonable rule or or-
11 dinance adopted by the council or board of any city, town
12 or county, or the state tax commission, not in conflict with
13 the provisions of any of the statutes of the state.

14 (c) "Permit board" shall mean the state permit board
15 composed of the chairman of state tax commission, auditor of
16 state and secretary of state.

17 (d) "Brewer" shall mean any person, firm or corporation
18 who shall manufacture beer for the purpose of sale, barter,
19 exchange or transportation.

20 (e) "Wholesaler" shall mean any person, firm or corpora-
21 tion, other than a brewer or bottler, who shall sell, barter,
22 exchange, offer for sale, have in possession with intent to
23 sell, deal or traffic in, beer, provided however, that, no
24 wholesaler shall be permitted to sell for consumption upon the
25 premises.

26 (f) "Retailer" shall mean any person, who shall sell,
27 barter, exchange, offer for sale or have in possession with

28 intent to sell, any beer for consumption on the premises where
29 sold.

30 (g) "Person" as used in this chapter shall mean and
31 include, any corporation, firm, co-partnership and association.

32 (h) "Place of Business" shall mean and include any place
33 where beer is sold or where beer is stored or kept for the
34 purpose of sale or consumption; or if sold from any vehicle
35 or train, the vehicle or train on which or from which such
36 beer is sold shall constitute a place of business.

37 (i) "Attorney General" shall mean the attorney general
38 of the state of Iowa, or his duly authorized assistants.

39 (j) "State tax commission". The state tax commission
40 shall mean the state tax commission of the state of Iowa or
41 its duly authorized assistants.

42 (k) Class "A" permit, shall mean and allow the holder
43 thereof to manufacture and/or sell at wholesale, beer
44 defined in this Chapter; provided, however, that nothing
45 herein contained shall prohibit the holder of a Class "A"
46 permit from manufacturing beer of a higher alcoholic content
47 for shipment outside this state. Class "A" permits to be
48 issued by the state tax commission.

49 (1) Class "B" permits, shall mean, permits issued by cities
50 and towns including cities under special charter, authorizing
51 the holder thereof to sell beer for consumption off the
52 premises.

53 (m) Class "C" permit, shall mean, permits issued by

54 cities and towns including cities under special charter, auth-
55 orizing the holder thereof to sell beer for consumption off
56 the premises.

57 (n) "State permit" shall mean a permit to be issued by
58 the state permit board, in addition to the class B or C per-
59 mit issued by the city or town or board of supervisors.

60 (o) "Brewers permit and bond", shall mean, a permit is-
61 sued by the state tax commission authorizing an out of state
62 brewery to do business in this state.

1 Sec. 4. No beer shall be sold in this state after July 1st,
2 1941, unless made from sixty-six and two-thirds ($66 \frac{2}{3}$) per
3 cent or more of barley malt.

1 Sec. 5. It shall be unlawful for any person to man-
2 ufacture for sale or sell beer unless a permit is first
3 obtained as provided for in this chapter.

1 Sec. 6. In addition to the annual permit fee to be paid
2 by all Class "A" permittees, under the provisions of this
3 chapter, there shall be levied and collected from such per-
4 mittees on all beer manufactured for sale and/or sold in this
5 state at wholesale and on all beer imported into this state
6 for sale at wholesale, and sold in this state at wholesale,
7 a tax of one and twenty-four hundredths (1.24) dollars for
8 every barrel containing thirty-one gallons, and at a like
9 rate for any other quantity or for the fractional parts of
10 a barrel. Provided, however, no tax shall be levied or col-
11 lected on beer shipped outside this state by a class "A" per-

12 mittee or sold by one class "A" permittee to another class
13 "A" permittee.

1 Sec. 7. Every person holding a class "A" permit shall on
2 or before the tenth day of each calendar month, commencing on
3 the tenth (10th) day of the calendar month following the month
4 in which such person is issued a permit, make a report under
5 oath to the state tax commission upon forms to be furnished
6 by it for such purpose, showing the exact number of barrels
7 of beer or fractional parts thereof, sold by such permit
8 holder during the preceding calendar month. Such report shall
9 also state the name and address of the several purchases of
10 such beer and such other information as the state tax commis-
11 sion may require, and such permit holder shall at the time of
12 filing said report, pay to the state tax commission the amount
13 of tax due at the rate fixed in accordance with the provisions
14 of this chapter. A penalty of ten (10) per cent of the amount
15 of the tax shall be added thereto if the report is not filed
16 and tax paid to the commission by said tenth day of the calen-
17 dar month. A separate report shall be required for each place
18 of business operating under a class "A" permit.

1 Sec. 8. Each class "A" permits shall keep proper books
2 of account and records showing the amount of beer sold by him,
3 and to whom, which books of account shall be at all times
4 open to inspection by the state tax commission or its author-
5 ized representatives at each individual place operating un-
6 der a class "A" permit. Each "B" and "C" permittee shall

7 keep proper books of account and records showing each pur-
8 chase of beer made by him and the date and the amount of each
9 purchase and the name of the person from whom each purchase
10 was made, which books of account and records shall be at all
11 times open to inspection by the state tax commission or its
12 authorized representative.

1 Sec. 9. Every class "A" permittee having more than one
2 place of business shall be required to have a separate li-
3 cense, keep records as required and report for and from each
4 separate place of business maintained by such permittee where-
5 in such beer is stored, warehoused or sold.

1 Sec. 10. Every person holding a class "B" or class "C" per-
2 mit having more than one place of business wherein such beer
3 is sold shall be required to have a separate license and keep
4 records as required for each separate place of business ex-
5 cept as otherwise herein provided.

1 Sec. 11. Any brewery not located in the State of Iowa
2 shall, in order to do business in this state, obtain from
3 the state permit board, a brewer's permit. Said brewery
4 shall file monthly reports with the state tax commission
5 showing to whom and the amount of each individual sale of
6 beer made in the state of Iowa. Said brewery shall, as
7 one of the requisites of doing business in the state of
8 Iowa, file with the state tax commission a bond in the
9 amount of five thousand dollars (\$5,000.00) for the proper
10 observance of the state beer law. The bond shall be filed

11 herein, and shall also be required of said brewery before
12 there shall be issued to it a brewer's permit. Said brewery,
13 for said permit, shall pay a fee of one hundred dollars (\$100.00).

1 Sec. 12. Permits for the manufacture and sale, or sale
2 of beer shall be divided into three classes and shall be
3 known as class "A", "B" or "C" permits except as otherwise
4 provided in this chapter.

1 Sec. 13. In order to promote uniform compliance with the
2 provisions of this chapter there is hereby created a state
3 permit board to be composed of the chairman of the state tax
4 commission, the secretary of state and the auditor of state,
5 which board shall have the power and authority to make and
6 publish such rules and regulations not inconsistent with this
7 act necessary and advisable for its detailed administration
8 to enforce the provisions thereof. The state permit board
9 is hereby authorized to appoint an assistant whose sole duty
10 shall be to administer and enforce the provisions of this
11 chapter including the collection of all taxes provided for
12 herein. In such enforcement the state permit board may call
13 to its aid the attorney general, the special agents of the
14 state, the sheriff and his deputy or deputies of any county
15 and the police department of every city including the day and
16 night marshal of any incorporated town, and county attorney,
17 and any neglect, misfeasance or malfeasance shown by any
18 peace officer included in this section will be sufficient
19 cause for his removal as provided for by the statutes of

20 the state. The state permit board is further authorized to
21 appoint such clerks or additional help as may be needed to
22 carry out the provisions of this chapter. The permit board
23 shall serve without additional compensation. The state per-
24 mit board shall issue state permits and shall have the power
25 to revoke the same upon hearing as provided in this chapter
26 and to review actions of the city or town councils, including
27 cities under special charter, and boards of supervisors in
28 refusing to revoke permits as hereinafter provided. The per-
29 mit board shall meet on the first Monday of every month for
30 a regular meeting and upon call at any time. The majority
31 of its members shall constitute a quorum but no final action
32 shall be taken in the revocation of a permit without a majority
33 vote.

1 Sec. 14. The state permit board may review the action of
2 any city or town council, including special charter cities,
3 and boards of supervisors, in any case where a hearing has
4 been had relative to the cancellation or revocation of a
5 permit and it appears from the records of the hearing held by
6 said city or town council or board of supervisors, that the
7 permit has not been revoked or cancelled, and it appears from
8 an investigation made by the state permit board that there
9 is reasonable ground to believe that such permit holder has
10 been guilty of violation of the provisions of this chapter,
11 and upon such hearing the permit board shall make a finding,
12 after hearing the facts with reference to the grounds for the

13 revocation of such permit, and by a majority vote shall deter-
14 mine whether or not such permit shall be revoked and make an
15 order accordingly, and, said finding shall be final. If the
16 state permit board finds from investigation that a review of
17 the action of any city or town council, including special
18 charter cities and boards of supervisors, shall be had, or
19 that such governing bodies have failed to take action, the
20 state permit board shall thereupon fix a date for the hearing
21 thereof and shall notify the permit holder of such hearing
22 by registered mail of the date fixed for hearing and the date
23 set for the hearing shall not be less than seven (7) days from
24 the mailing of the notice. Such notice shall be mailed to
25 the permittee at the postoffice address where his place of
26 business is conducted under his permit. All such hearings
27 shall be held at the seat of government, at Des Moines. In
28 the preparation and conduct of the hearing the board shall have
29 power to require by subpoena the testimony of witnesses and
30 the production of papers or documents and any member of the
31 board may sign subpoenas, administer oaths and affirmations,
32 examine witnesses, and receive evidence. The fees and mileage
33 of such witnesses shall be the same as prescribed by law in
34 the trial of civil cases and the permittee in all such hear-
35 ings shall have the opportunity to be heard in person and
36 by counsel. All parties to any hearing before the board
37 shall have the right to the attendance of witnesses at such
38 hearings upon making request therefor to the board and de-

39 signing the person or persons sought to be subpoenaed.
40 In case of disobedience to a subpoena the board may invoke
41 the aid of any court of competent jurisdiction in requiring
42 the attendance and testimony of witnesses and the production
43 of papers or documents and court may issue an order requiring
44 the persons to appear before the board and give evidence or
45 to produce papers as the case may be, and any failure to obey
46 such orders of the court may be punished by the court for
47 contempt thereof. Testimony may be taken by deposition as
48 in civil cases and any person may be compelled to appear
49 and testify as in civil actions in the courts of this state.
50 Any person who shall neglect and refuse to attend and testi-
51 fy or answer any lawful question or produce documentary evi-
52 dence if it is in his power to do so, in obedience to a sub-
53 poena or lawful requirement by such board, shall be guilty of
54 a misdemeanor and upon conviction thereof by a court of
55 competent jurisdiction shall be punished in accordance with
56 the provisions of section twelve thousand eight hundred ninety-
57 four (12,894).
58 Like hearings may also be had in cases where a verified pe-
59 tition signed by at least ten (10) taxpayers has first been
60 presented to the city or town council, including special char-
61 ter cities or the boards of supervisors, as the case may be,
62 or where the state permit board from its investigation asks
63 that a hearing be had on the revocation of a permit, and in
64 the event the city or town council, including special charter

65 cities and board of supervisors, neglects or refuses to have
66 such hearing, the matter may be presented to the state permit
67 board upon such verified petition in writing, signed by at
68 least ten (10) taxpayers of the jurisdiction for which the
69 permit was granted, or the state permit board may upon its
70 own motion conduct such hearing, and the same procedure as
71 in this section provided shall apply with reference to notice
72 of hearing witnesses, testimony and contempt proceedings for
73 failure to appear, and the board shall make a finding in
74 such cases, which finding shall be binding on the permit
75 holder and also on the city or town councils, including
76 special charter cities or boards of supervisors as the case
77 may be. Upon proper application of an applicant or a permit
78 holder to the state permit board and upon investigation by the
79 state permit board, it is deemed advisable, the state permit
80 board may review the action of any city or town council in-
81 cluding special charter cities, and boards of supervisors
82 in any case where an applicant has made proper application
83 and filed the necessary bond and the city council or board
84 of supervisors has refused to grant such permit without
85 showing just cause therefor. The state permit board may also
86 review actions of city councils; including special charter
87 cities, and boards of supervisors in any case where a permit
88 has been revoked or cancelled without a hearing in which the
89 permit holder may have had the opportunity to defend his
90 rights.

1 Sec. 15 Power is hereby granted to the state tax
2 commission to issue the class "A" permit, provided for in this
3 chapter and to revoke the same for causes herein stated.
4 Subject to the provisions of this chapter, any dining car
5 company, sleeping car company, railroad company or railway
6 company may make application to the state tax commission for
7 a special class "B" permit and the state tax commission may
8 issue a permit to any such company which shall authorize the
9 holder thereof to keep for sale and sell on any dining car,
10 sleeping car, buffet car, or observation car operated by
11 such applicant in through or across the state, beer con-
12 taining no greater content of alcohol by weight than is law-
13 ful under this chapter for consumption in such cars. Power
14 is hereby granted to cities and towns including cities under
15 special charters to issue the class "B" permits and class "C"
16 permits within their respective limits and to revoke same
17 for causes herein stated or in the event the place of business
18 of the permit holder is conducted in a disorderly manner.
19 Power is hereby granted to boards of supervisors to issue
20 class "B" and "C" permits in their respective counties in
21 villages platted prior to January 1st, 1934, and to clubs
22 defined in Section seventeen (17), and to revoke same for
23 causes herein provided, or in the event the place of business
24 of the permit holder is conducted in a disorderly manner.
25 Each applicant applying for a class "B" or "C" permit,
26 shall, in addition to procuring a permit from a city or town

27 council, or board of supervisors, as provided in this chapter,
28 obtain a state permit from the state permit board upon appli-
29 cation made to the board and upon payment of a fee to be filed
30 with city or town council or board of supervisors. Upon the
31 issuance of a permit by a city or town council, or board of
32 supervisors such council or board shall immediately forward
33 to the state permit board a copy of the permit issued together
34 with the application and fee for the state permit. The state
35 permit board shall promptly issue a state permit to all appli-
36 cants to whom a permit has been issued by a city or town
37 council or by a board of supervisors, which shall expire at
38 the same time as the permit issued by said council or board
39 and shall forthwith certify to such council or board as to
40 the issuance of each permit. Upon the revoking of a permit
41 by any city or town council or board of supervisors, such
42 council or board shall certify to the state permit board
43 the action so taken and thereupon the state permit board shall
44 unless an appeal is taken by the permit holder immediately
45 cancel its permit to such permit holder and such action of
46 the state permit board and other granting authority shall be
47 final.

1 Sec. 16. Cities and towns, including cities under special
2 charter shall upon proper application, issue to a club within
3 their respective limits a class "B" permit for the sale of
4 beer for consumption on the premises subject to the provisions
5 of this chapter. The board of supervisors of any county shall

6 issue class "B" permits to clubs located in such counties
7 outside of the limits of cities and incorporated towns. No
8 club shall be granted a class "B" permit under this chapter:

9 (a) If the buildings occupied are not wholly within the
10 territorial limits of the city, town or special charter city
11 to which such application is made: provided, however, that
12 a golf or country club whose buildings are located outside
13 the territorial limits of the city, town, or special char-
14 ter city, may be issued a class "B" permit by the local board
15 of supervisors, that all of the permit fees authorized under
16 this paragraph shall be collected and retained by the county
17 which such golf or country club is located and credited to
18 the general fund of said county and provided, further, that
19 such golf or country club shall comply with the restrictions
20 contained in the succeeding paragraphs of this section.

21 (b) If it is a proprietary club, or operated for pe-
22 cuniary profit.

23 (c) Unless it is incorporated under the laws of the
24 state of Iowa and its charter is in full force and ef-
25 fect, and/or excepting regularly chartered branches of
26 nationally incorporated organizations.

27 (d) Unless such club has a permanent local member-
28 ship of not less than fifty adult members.

29 (e) Unless the application for such permit is approved
30 by a majority of the bona fide members who are present at
31 a regular meeting, or a special meeting called to consider

32 the same.

33 (f) Unless it was in operation as a club on the first
34 day of January, A. D.; 1934, or being thereafter formed was
35 in continuous operation as a club for at least two years
36 immediately prior to the date of its application for a
37 class "B" permit.

1 Sec. 17. Every club desirous of obtaining a class "B"
2 permit shall make a written application therefor, executed
3 by its president, and attested by its secretary or other
4 similar officers performing the duties usually performed
5 by a president or secretary which application shall state
6 under oath:

7 (a) The name of the club and the location of the premises
8 occupied by it.

9 (b) The names of the officers of said club.

10 (c) That the buildings occupied by said club are wholly
11 within the corporate limits of the city or town to which such
12 application is made.

13 (d) The purposes for which such club was formed and is
14 maintained, and the number of bona fide members thereof reg-
15 ularly paying dues.

16 (e) That the application for such permit was approved
17 by a majority of the bona fide members of such club present
18 at a regular meeting or at a special meeting called to con-
19 sider the same. Every club making application for a class
20 "B" permit shall furnish a bond with good and sufficient

21 sureties to be approved by the authorities issuing the per-
22 mit, conditioned upon the faithful observance of this
23 chapter. Such bond shall be in the sum of one thousand
24 dollars (\$1,000.00).

1 Sec. 18. The application for such permit shall be in
2 such form and contain such information as may be required by
3 the state tax commission. Each such permit shall be good through-
4 out the state as a state permit. Only one such permit shall
5 be required for all cars operated in this state by such appli-
6 cant, but a duplicate of such permit issued, as herein provided,
7 shall be posted in each car in which such beverages are sold;
8 and no further permit shall be required or tax levied for the
9 privilege of selling beverages for consumption in such cars.
10 As a condition precedent to the issuing of any permit
11 hereunder, the applicant shall give bond to the state tax
12 commission, with good and sufficient sureties thereon to be
13 approved by the state tax commission, conditioned upon the
14 faithful performance of this chapter in the penal sum of
15 one thousand dollars (\$1,000.00).

1 Sec. 19. A class "A" permit shall be issued by the auth-
2 ority so empowered in this chapter to any person who:

3 (a) Submits a written application for a permit, which
4 application shall state under oath:

5 (1) The name and place of residence of the applicant and
6 the length of time he has lived at such place of residence.

7 (2) That the applicant is the actual owner of the

8 business to be conducted under this permit.

9 (3) If the owner of business is not to manage the
10 business himself, the name and address of the manager of the
11 business to be operated under the permit.

12 (b) That he is a citizen of the state of Iowa.

13 (c) The place of birth of the applicant, and if the
14 applicant is a naturalized citizen, the time and place of such
15 naturalization.

16 (d) The location of the place or building where the
17 applicant intends to operate.

18 (e) The name of the owner of the building and if such
19 owner is not the applicant, that such applicant is the actual
20 lessee of the premises.

21 (4) The applicant must establish that he is a person
22 of good moral character.

23 (a) That the place or building where he intends to
24 operate conforms to all laws, health and fire regulations,
25 applicable thereto, and is a safe and proper place or building.

26 (b) Furnishes a bond in the form prescribed and to
27 be furnished by the state tax commission, with good and suf-
28 ficient sureties to be approved by the state tax commission
29 conditioned upon the faithful observance of this chapter, in
30 the sum of five thousand dollars (\$5,000.00).

1 Sec. 20. Except as otherwise provided in this chapter
2 a class "B" permit shall be issued by the authority so
3 empowered in this chapter who :

4 (a) Submits a written application for a permit, which ap-
5 plication shall state under oath:

6 (1) The name and place of residence of the applicant,
7 and the length of time he has lived at such place of resi-
8 dence.

9 (2) That the applicant is the actual owner of the business
10 to be conducted under this permit.

11 (3) If owner of business is not to manage business
12 himself, the name and address of the manager of the business
13 to be operated under the permit.

14 (4) That he is a citizen of the state of Iowa.

15 (5) The place of birth of the applicant, and if the
16 applicant is a naturalized citizen, the time and place of such
17 naturalization.

18 (6) The location of the place or building where the ap-
19 plicant intends to operate.

20 (7) The name of the owner of the building and if such
21 owner is not the applicant, that such applicant is the
22 actual lessee of the premises.

23 (8) That the place of business for which the permit is
24 sought is and will continue to be equipped with sufficient
25 tables and seats to accommodate twenty-five (25) persons at
26 one time, and is located within a business district or an
27 area now or hereafter zoned as a business district.

28 (9) The applicant must establish that he is a person
29 of good moral character.

30 (10) That the place or building where he intends to
31 operate conforms to all laws, health and fire regulations
32 applicable thereto, and is a safe and proper place or build-
33 ing.

34 (11) Furnishes a bond in the form prescribed and to
35 be furnished by the state tax commission with good and suf-
36 ficient sureties to be approved by the authorities to which
37 application is submitted, conditioned upon the faithful
38 observance of this chapter, in the sum of one thousand dol-
39 lars (\$1,000.00).

1 Sec. 21. Except as otherwise noted in this chapter,
2 a class "C" permit shall be issued by the authority so em-
3 powered in this chapter to any person who:

4 (a) Submits a written application for a permit, which
5 application shall state under oath:

6 (1) The name and place of residence of the applicant
7 and the length of time he has lived at such place of resi-
8 dence.

9 (2) That he is a citizen of the state of Iowa.

10 (3) The place of birth of the applicant and if the ap-
11 plicant is a naturalized citizen, the time and place of such
12 naturalization.

13 (4) The location of the place or building where the ap-
14 plicant intends to operate.

15 (5) The name of the owner of the building and if such
16 owner is not the applicant that such applicant is the actual

17 lessee of the premises.

18 (6) The applicant must establish that he is a person
19 of good moral character.

20 (7) That the place or building where he intends to op-
21 perate conforms to all laws, health and fire regulations ap-
22 plicable thereto and is a safe and proper place or building.

23 (8) The applicant must furnish a bond in the form pre-
24 scribed and to be furnished by the state tax commission, with
25 good and sufficient sureties to be approved by the authori-
26 ties to which such application is submitted, conditioned
27 upon the faithful observance of this chapter, in the sum of
28 one thousand dollars (\$1,000.00).

1 Sec. 22. Any person holding a class "A" permit issued
2 by the state tax commission, as in this chapter provided, shall
3 be authorized to manufacture and sell, or sell at wholesale,
4 beer for consumption off the premises, such sale or sales
5 within the state to be made only to persons holding subsis-
6 ting class "A", "B", or "C" permits issued in accordance with
7 the provisions of this chapter. Beer sold under the provisions
8 of this chapter shall be delivered only from the warehouse
9 of a class "A" permit holder.

1 Sec. 23. Subject to the provisions of this chapter, any
2 person holding a class "B" permit, issued as herein provided,
3 shall be authorized to purchase beer only from class "A"
4 permit holders, and to sell beer for consumption on or off
5 the premises; provided, however, that unless otherwise pro-

6 vided in this chapter, no sale of beer shall be made for
7 consumption on the premises unless food is served and con-
8 sumed therewith, and unless such place where such service
9 is made is equipped with tables and seats sufficient to ac-
10 commodate not less than twenty-five persons (25) at one
11 time. It shall be unlawful for any licensee hereunder to
12 give away beer, or to promote the sale of beer by the gift
13 of any lunch, meal, or articles of food, except pretzels,
14 cheese or crackers.

1 Sec. 24. Any person holding a class "C" permit issued
2 as herein provided, shall be allowed to purchase beer only
3 from class "A" permit holders and to sell beer for consump-
4 tion off the premises, provided, however, that such sales
5 when made shall be in original containers only and that
6 no sale or delivery shall be made between the hours of one
7 o'clock (1:00) A. M. and six o'clock (6:00) A. M., and
8 no sale or delivery on Sunday.

1 Sec. 25. All permits provided for in this chapter shall
2 expire at the end of one year from the date of issuance, and
3 may be renewed for a like period upon application being made
4 therefor to the proper authorities as in this chapter provided.
5 Permits hereunder defined shall be issued only to persons who
6 are citizens of the state of Iowa, who are of good moral
7 character and repute, provided, however, that in this section
8 of a corporation the word "citizen" as used in this section
9 shall be construed to mean a corporation organized and ex-

10 isting or permitted and authorized to do business under the
11 laws of this state.

1 Sec. 26. All class "B" permits issued to golf or country
2 clubs, shall expire on July 1st after the date of issuance.

1 Sec. 27. Hotels holding class "B" permits may serve beer
2 to their guests either in the dining room or dining rooms or to
3 any guests duly registered at such hotel in the rooms of such
4 guests.

1 Sec. 28. It is expressly provided, any provision of this
2 chapter to the contrary notwithstanding, that cities and
3 towns, including cities under special charter, and boards
4 of supervisors, shall have the power and authority to revoke
5 any permit issued under their authority for a violation of any
6 of the provisions of this chapter, or any ordinance adopted
7 by a city or town under the provisions hereof, or any rule
8 or regulation adopted by a board of supervisors, or for
9 any cause which, in the judgment of the governing body, may
10 be inimical to or prevent the carrying out of the intent and
11 purposes of this chapter. Any permit revoked as in this
12 chapter provided shall not be renewed or a new permit shall
13 not be granted to the same person for a period of one year
14 from the date of revocation; further, the governing body may
15 refuse to issue a permit effective on the same premises to
16 any other person for a period of one year from the date of
17 revocation. Cities and towns, including cities under special
18 charter shall adopt ordinances for the enforcement of this

19 chapter, and shall further adopt ordinances, providing for
20 the limitation of class “B” permits, as follows:

21 (a) Allowing only one class “B” permit to be issued upon
22 application meeting the requirements of this chapter, for
23 each five hundred population (500), or fractional part
24 thereof, up to twenty-five hundred (2500), and allowing only
25 one (1) additional permit for each seven hundred fifty (750)
26 population or fractional part thereof, over and above twenty-
27 five hundred (2500), provided, however, that in towns having
28 a population of one thousand (1,000) or less, two (2) permits
29 shall be allowed if proper application is made therefor in
30 accordance with the requirements of the provisions of said
31 chapter, and said city and town councils are further empowered
32 to adopt ordinances, subject to the express provisions of
33 section twenty-nine (29), for the fixing of the hours during
34 which beer may be sold and consumed in the places of business
35 of class “B” permittees, and further providing that subject
36 to the express provisions of said section twenty-nine (29) no
37 sale or consumption of beer shall be allowed on the premises
38 of a class “B” permittee, as above provided, between the
39 hours of one o’clock (1:00) A. M. and six o’clock (6:00) A.
40 M.; and for the location of premises of class “B” permittees;
41 and for the prohibiting or regulation of dancing in places
42 where beer is sold; and are empowered to adopt ordinances,
43 not in conflict with the provisions of this chapter, govern-
44 ing any other activities or matters which may affect the sale

45 and distribution of beer under class "B" permits and the wel-
46 fare and morals of the community involved. In determining
47 the number of permits to be issued under the provisions of
48 this section, class "B" permits issued to clubs and hotels
49 as contemplated in this chapter, shall be excluded from the
50 limitation as to number, as in this section provided.

1 Sec. 29. Subject to the express provisions of section
2 twenty-three (23) no beer shall be sold or consumed in the
3 places of business of class "B" permittees located outside
4 of a city or town between the hours of one o'clock (1:00)
5 a. m., and six o'clock (6:00) a. m., except clubs as contem-
6 plated in section sixteen (16). Boards of supervisors are
7 authorized and empowered, subject to the above, to fix open-
8 ing and closing hours and are further authorized and empowered
9 to adopt rules and regulations for the prohibiting or regula-
10 tion of dancing in places where beer is sold; and are empowered
11 to adopt rules and regulations, not in conflict with the pro-
12 visions of this chapter, governing any other activities or
13 matters which may affect the sale and distribution of beer
14 under class "B" permits and the welfare and morals of the
15 community involved.

1 Sec. 30. No person, firm or corporation shall bottle beer
2 within the state of Iowa, except class "A" permittees who have
3 complete equipment for bottling beer and who have received
4 the approval of the local board of health as to sanitation,
5 and it shall be the duty of local boards of health to inspect

6 the premises and equipment of class "A" permittees who desire
7 to bottle beer.

1 Sec. 31. All bottles, kegs, barrels, or other original
2 containers in which beer is sold in this state shall bear a
3 label on the outside thereof, stating as follows: "This beer
4 does not contain more than four (4) per centum of alcohol
5 by weight." The label on any bottle, keg, barrel or other
6 container, in which beer is offered for sale in this state,
7 representing the alcoholic content of such beer as being in
8 excess of four (4) per centum by weight shall be conclusive
9 evidence as to the alcoholic content of the beer contained
10 therein.

1 Sec. 32. It shall be unlawful for any person or persons
2 to be either directly or indirectly interested in more than
3 one (1) class of permits.

1 Sec. 33. No person engaged in the business of manufac-
2 turing, bottling, or wholesaling beer, not any jobber nor any
3 agent of such person shall directly or indirectly supply, fur-
4 nish, give or pay for any furnishings, fixtures or equipment
5 used in the storage, handling, serving or dispensing of beer
6 or food within the place of business of another permittee auth-
7 orized under the provisions of this chapter to sell beer at
8 retail; nor shall he directly or indirectly pay for any such
9 permit nor directly or indirectly be interested in the owner-
10 ship, conduct, or operation of the business of another permittee
11 authorized under the provisions of this chapter to sell beer at

12 retail.

1 Sec. 34. No brewery or holder of a permit under the pro-
2 visions of this chapter shall exhibit or display on the premises
3 any signs or posters containing the words “bar”, “barrooms”,
4 “saloon” or words of like import. It shall be unlawful for
5 any brewery to conduct an advertising campaign by any means
6 whatsoever to further the sale of its beer where free beer
7 is offered as an inducement to the consumer to purchase said
8 breweries products. Nor shall any such beer be sold or deliv-
9 ered to any person between the hours of twelve o’clock (12:00)
10 of the following Monday morning.

1 Sec. 35. No person except parent or guardian shall fur-
2 nish to any minor under twenty-one (21) years of age by gift,
3 sale, or otherwise, any beer. No person shall directly or
4 indirectly by himself or agent sell, barter, or give to any
5 minor under twenty-one (21) years of age any beer in any
6 form whatsoever, except upon the written order of his parent
7 or guardian or the person in whose custody he is. Minors
8 are prohibited from serving beer in the place of business of
9 any permit holder in which the business of selling beer con-
10 stitutes more than fifty (50) per cent of the gross business
11 transacted therein.

1 Sec. 36. Any person who shall violate any of the provisions
2 of Section thirty-five (35) shall for the first offense be
3 punished by a fine of not less than twenty-five (25) dollars
4 or by imprisonment in the county jail for not more than thirty

5 (30) days. For a second or any subsequent violation such
6 person shall be punished by a fine of not less than one
7 hundred dollars (\$100.00) or imprisonment in the county
8 jail for not less than one (1) month or more than six (6)
9 months or by both such fines and imprisonment.

1 Sec. 37. Any minor under twenty-one (21) years of age in
2 any place other than at the home of his parents or parent shall
3 be in the possession of beer, shall be required at the request
4 of the permit board, any peace officer, juvenile court officer,
5 truant officer or teacher in any school to give information
6 as to where he or she obtained such beer.

1 Sec. 38. Any minor under twenty-one (21) years of age
2 refusing to give information as required by Section thirty-
3 seven (37) shall be guilty of a misdemeanor and if
4 eighteen (18) years of age or over, shall be punished by a
5 fine not exceeding five dollars (\$5.00) or by imprisonment
6 in the county jail not exceeding five (5) days or by both
7 such fine and imprisonment. If such minor shall be under the
8 age of eighteen (18) years, he or she shall be certified by
9 the magistrate or justice of the peace before whom the case
10 is tried, to the juvenile court of the county for such action
11 as said court shall deem proper. If any minor having been
12 convicted of violating Section thirty-seven (37) shall give
13 information which shall lead to the arrest of the person or
14 persons having violated any of the provisions of Section
15 thirty-five (35) and shall give evidence as a witness in any

16 proceedings that may be prosecuted against said person or
17 persons, the court in its discretion may suspend sentence
18 against the offending minor.

1 Sec. 39. If a permit holder under the provisions of this
2 chapter, is convicted of a felony or is convicted of a sale
3 of beer contrary to the provisions of this chapter or is
4 convicted of bootlegging, or who is guilty of the possession,
5 sale or dispensing of wines or spirits in violation of the
6 law, or who shall allow the mixing or adding of alcohol to
7 beer or any other beverage on the premises of class "B" per-
8 mittees or who shall be guilty of the violation of this chap-
9 ter as amended, or of any ordinances enacted by any city or
10 town as provided for in this chapter, his permit shall be
11 revoked by the authorities issuing same, and he shall not
12 again be allowed to secure a permit for the distribution or
13 sale of beer nor shall he be an employee of any person engaged
14 in the manufacture, distribution or sale of beer.

1 Sec. 40. It shall be unlawful for the holder of any class
2 "B" or class "C" permit issued under the provisions of this
3 chapter to sell beer, except beer purchased from a person
4 holding a subsisting class "A" permit issued in accordance
5 with the provisions of this chapter and/or on which the tax
6 provided in section six (6) has been paid. Provided, however,
7 the provisions of this section shall not apply to the holders
8 of special class "B" permits issued under section eighteen (18)
9 for sales in cars engaged in interstate commerce. It shall

10 be unlawful for any person not holding a class "A" permit to
11 import beer into this state for the purpose of sale or resale.

1 Sec. 41. The authorities empowered by this chapter to
2 issue permits shall make a thorough investigation to determine
3 the fitness of the applicant and the truth of the statements
4 made in and accompanying the application, and the decision
5 of such authority on the application shall be rendered within
6 thirty (30) days after the application is received.

1 Sec. 42. The annual permit fee for a class "A" permit
2 shall be two hundred fifty dollars (\$250.00). The annual per-
3 mit for a class "B" permit except class "B" permits issued
4 to hotels and clubs as contemplated in this chapter, and
5 golf or country clubs, shall be fixed by the authorities em-
6 powered by this chapter to issue permits, but the amount of
7 said permit fee shall not be less than one hundred dollars
8 (\$100.00), nor more than three hundred dollars (\$300.00).
9 For a golf or country club, as defined in section seventeen
10 (17) the license may be granted for a period of six (6)
11 months, for which the license fee shall be fifty dollars
12 (\$50.00). The class "B" permits to be issued under the pro-
13 visions of this chapter to hotels, shall be as follows:

14 (a) Hotels, having two hundred fifty (250) guest rooms
15 or more, shall pay an annual permit fee of two hundred
16 fifty dollars (\$250.00).

17 (b) Hotels, having more than one hundred (100) and less
18 than two hundred fifty (250) guest rooms shall pay an annual

19 permit fee of one hundred fifty dollars (\$150.00).

20 (c) Hotels, having one hundred (100) guest rooms or less
21 shall pay an annual permit fee of one hundred dollars (\$100.00).

22 (d) The permit fee for class "C" permits shall be not less than
23 one hundred dollars (\$100.00) and not more than three hundred
24 dollars (\$300.00). The annual permit fee for special class
25 "B" permits, issued under section eighteen (18) shall be
26 one hundred dollars (\$100.00) and three dollars (\$3.00) for
27 each duplicate thereof, which fees shall be paid into the state
28 tax commission. The state tax commission shall issue dupli-
29 cates of such permits from time to time as applied for by each
30 such company.

1 Sec. 43. The revenue obtained from permit fees, other than
2 state permit fees, and the barrel tax collected under the pro-
3 visions of this chapter shall be distributed, as follows:

4 (a) All permit fees collected under the provisions of
5 this chapter by any municipality shall be retained by each
6 municipality and allocated to its general fund.

7 (b) All permit fees collected under the provisions of
8 this chapter by the state permit board shall be placed in
9 a special fund by the state tax commission to be used by the
10 state permit board for the purpose of enforcing the pro-
11 visions of this chapter.

12 (c) All license fees and taxes collected by the state
13 tax commission shall accrue to the Emergency Relief Fund
14 allocated in the 48th General Assembly.

1 Sec. 44. No liquor for beverage purposes having an al-
2 coholic content greater than four (4) per cent by weight,
3 shall be used, or kept for any purpose in the place of
4 business of class "B" permittees, or on the premises of such
5 class "B" permittees, at any time. A violation of any provision
6 of this section shall be grounds for revocation of the permit.
7 This section shall not apply in any manner or in any way, to
8 drug stores regularly and continuously employing a registered
9 pharmacist, from having alcohol in stock for medicinal and
10 compounding purposes.

1 Sect 45. Whoever shall violate any provision of this
2 act for which a fine and/or imprisonment is not elsewhere
3 specifically provided or who manufactures for sale or sells
4 beer without a permit as provided herein or who makes a
5 false statement concerning any material fact in submitting
6 any application for a permit or for a renewal of a permit,
7 or in any hearing concerning the revocation thereof, shall
8 be punished by a fine of not less than three hundred dollars
9 (\$300.00) nor more than one thousand dollars (\$1,000.00),
10 or by imprisonment in the county jail for not less than three
11 (3) months nor more than one (1) year or by both such fine and
12 imprisonment. It is hereby made unlawful for any per-
13 son to use or consume beer upon the public streets or
14 highways, or in automobiles or other vehicles on said
15 streets or highways, and any person violating this provision
16 of this chapter shall be fined not to exceed one hundred

17 dollars (\$100.00) or imprisonment in the county jail not
18 to exceed thirty (30) days.

1 Sec. 46. If any clause, sentence, paragraph or section
2 of this chapter shall be adjudged by any court of competent
3 jurisdiction to be invalid, such judgment shall not affect,
4 impair or invalidate the remainder of the chapter, and it is
5 the policy and purpose of this chapter to regulate and super-
6 vise the sale of beer in the interest of the public.

EXPLANATION OF H. F. 415

This bill is offered as a substitute for the present beer law. There is embodied in this bill the recommendations and suggestions of the Superintendent of the Beer Revenue Department, and the State Tax Commission. These recommendations are made as a result of a two-year study of situations and conditions from a regulatory viewpoint of beer parlors.

Whereas, the old bill did not provide for any control of breweries shipping beer into the State of Iowa, this bill places the control of such shipping into the hands of the state permit board. At the present time, the sole authority to regulate and revoke licenses of beer parlors is in the hands of cities and towns and boards of supervisors. This bill would give the state permit board regulatory powers over and actions and decisions of cities and towns and boards of supervisors.

Many of the illegal practices now observed on the part of beer parlors will be corrected under this bill. This bill is intended to create a state beer department which will function not only in tax collections, but in law enforcement, and if properly administered will clean up a condition existing today which is a menace to society.

Experience with the present law proves that there are many loopholes. Little or no revision of these laws has been made since their enactment in 1934. This bill also provides penalties for minors as well as penalties for the beer parlor operator who harbors the minor.

Many other provisions of this bill will give to the state of Iowa, a beer law with teeth in it, and should in the opinion of these authors clean up the beer tavern situation in the state of Iowa.