

February 14, 1951.  
Passed on File.

**Senate File 334**  
By DOUD, COLBURN, LYNES,  
AUGUSTINE, MERCER.

Passed Senate, Date.....  
Vote: Ayes..... Nays.....  
Passed House, Date .....  
Vote: Ayes..... Nays.....  
Approved .....

# A BILL FOR

An Act relating to the rule making power conferred upon the Iowa liquor control commission and for amending Sections one hundred twenty-three point five (123.5) and one hundred twenty-three point seventeen (123.17), Code 1950.

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

1 Section 1. Section one hundred twenty-three point five  
2 (123.5), Code 1950, is hereby amended by adding thereto the  
3 following:

4 "23. Monopoly state shall mean any state or states that  
5 exercise exclusive control of the purchase and resale of  
6 alcoholic liquors.

7 (a) A Class A-I store shall be one the gross amount of  
8 whose business aggregates a sum between four hundred fifty  
9 thousand dollars (\$450,000.00) and two million dollars  
10 (\$2,000,000.00) during the preceding fiscal year.

11 (b) A Class A-II store shall be one the gross amount of  
12 whose business aggregates a sum between two hundred seventy-five  
13 thousand dollars (\$275,000.00) and four hundred fifty thousand  
14 dollars (\$450,000.00) during the preceding fiscal year.

15 (c) A Class B-I store shall be one the gross amount of  
16 whose business aggregates a sum between one hundred ninety  
17 thousand dollars (\$190,000.00) and two hundred seventy-five  
18 thousand dollars (\$275,000.00) during the preceding fiscal year.

19 (d) A Class B-II store shall be one the gross amount of  
20 whose business aggregates a sum between one hundred fifteen  
21 thousand dollars (\$115,000.00) and one hundred ninety thousand  
22 dollars (\$190,000.00) during the preceding fiscal year.

23 (e) A Class C store shall be one the gross amount of  
24 whose business aggregates a sum between sixty-five thousand  
25 dollars (\$65,000.00) and one hundred fifteen thousand dollars  
26 (\$115,000.00) during the preceding fiscal year.

27 (f) A Class D store shall be any store whose aggregate  
28 business amounts to less than sixty-five thousand dollars  
29 (\$65,000.00) during the preceding fiscal year.

30 (g) Allocated whiskey is such as is obtainable only in  
31 limited quantities.

32 (h) Unallocated whisky is such as is obtainable without  
33 limitation in amount.”

1 Sec. 2. Section one hundred twenty-three point seventeen  
2 (123.17), Subsection two c (2c), Code 1950, be and is hereby  
3 repealed.

1 Sec. 3. Section one hundred twenty-three point seventeen  
2 (123.17), Code 1950, is hereby amended by adding thereto  
3 the following:

4 “The foregoing powers conferred upon the liquor control

5 commission by subsections one (1) and two (2) hereof shall be  
6 exercised and be subject to the following mandatory directions,  
7 to-wit:

8 1. No initial purchases of any item of liquor or wine  
9 may be made until the supplier has made a formal presentation  
10 at an 'open hearing', which hearing shall be held twice in  
11 each year on the first Tuesday in May and the first Tuesday  
12 in November. At such hearing the applicants and their respective  
13 applications for new listings for liquor and wine for the state  
14 retail stores shall be reviewed and determined.

15 2. The initial purchase authorized on a new listing  
16 shall not aggregate more than one-half the average stock  
17 inventory in the system of all brands of this type classification.

18 3. The commission may not at any one time purchase more  
19 than ten cases of specific brands of distilled spirits or  
20 wines for any retail stores if such distilled spirits or wines  
21 are not sold in more than five of the seventeen monopoly states.  
22 This limitation shall not be applicable to products produced,  
23 bottled, or manufactured in the state of Iowa.

24 4. The most current month's sales of any product shall  
25 measure the extent of purchases for replenishment of the  
26 warehouse stock. The stock in the warehouse of any item, shall  
27 not be less than three weeks' supply and not more than eight  
28 weeks' supply. Within these limitations the commission shall  
29 establish the procedure to avoid overstocking or understocking  
30 in the warehouse, and with the approval of the budget and

31 financial control committee establish the volume of purchasing  
32 in the case of an emergency.

33 5. The commission shall not at any time make additional  
34 purchases of specific brands of liquor or wine when the stock  
35 in warehouse and store represents more than twelve weeks' supply.

36 6. The commission must discontinue buying any item of  
37 liquor or wine which within a twelve-month period, does not  
38 have an average monthly case volume equivalent to 10% of the  
39 average monthly sale of all brands under this liquor or wine  
40 type classification.

41 7. The retail price shall be determined by applying a  
42 uniform markup on the delivered cost not to exceed 40% for  
43 distilled spirits and 50% for wine.

44 8. Only items that have 'short fills', 'damaged labels',  
45 or that are discontinued because of a lack of consumer demand,  
46 may be sold at less than the uniform markup as fixed by  
47 statute. The commission shall not make any future purchases  
48 within a period of two years where a supplier refuses to make  
49 adjustments for unsaleable merchandise or disposition of  
50 merchandise that does not have good customers' acceptance.

51 9. All whisky, bonded, straight or blend, not allocated,  
52 purchased by the commission must be stocked in Class A, B,  
53 or Class C retail stores.

54 10. The most current weeks' sales shall be the measure  
55 for stocking individual stores. Individual stores shall be  
56 stocked on a uniform basis, maintaining a minimum of four

57 weeks' supply but not more than twelve weeks of any item.

58 11. A newly listed item on which there has been no sales  
59 experience to establish a criterion in the initial stocking  
60 of stores should be stocked in each individual store in an  
61 amount representing 50% of the average stock inventory of all  
62 brands in such type classification.

63 12. To insure adherence to the provisions of the liquor  
64 control act the commission is required to make the following  
65 weekly and monthly releases to suppliers, news services, and  
66 newspapers requesting such information:

67 (a) Release a weekly statistical report within fifteen  
68 days after the period covered by the report showing by supplier,  
69 by brand, the current week's case sales, the inventory in  
70 stores, warehouse, and total inventory in the system.

71 (b) Release a monthly report representing a recapitulation  
72 of the weekly reports within fifteen days after the close of such  
73 period.

74 (c) Release within fifteen days after the close of the  
75 monthly period a report showing by supplier, by brand, by each  
76 retail store, the current month's sales and inventory of each  
77 brand in each store as of end of the period covered by the  
78 report.

79 (d) Each week after liquor purchases are authorized by  
80 the commission a release must be prepared showing the case  
81 purchases made, by supplier, by brand, the case inventory in  
82 stores and warehouse and the most current week's sales of each  
83 brand available on the date the purchase order was initiated.