

February 24, 1961.
Passed on File.

House File 588
By MEYER.

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

A BILL FOR

An Act legalizing liquor by the drink and providing for the
licensing and control of retail sales of liquor by the drink.

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

- 1 Section 1. Section one hundred twenty-three point five (123.5),
- 2 Code 1958, is amended as follows:
 - 3 1. By inserting in line one (1) of subsection nine (9) after
 - 4 the word "License" the words "or 'liquor control license'".
 - 5 2. By adding the following new subsections:
 - 6 "Club" means a corporation or association of individuals
 - 7 organized in good faith for social, recreational, benevolent,
 - 8 charitable, political, patriotic or athletic purposes, but not
 - 9 for private gain, which is the owner, lessor or occupant of a
 - 10 permanent building or part thereof, membership in which entails
 - 11 the prepayment of dues and which has been in continuous operation
 - 12 as a club for not less than two years prior to making application
 - 13 for a license under this Act.
 - 14 "Commercial establishment" means a place of business which is
 - 15 at all times equipped with sufficient tables and seats to
 - 16 accommodate twenty-five persons at one time and is located in a
 - 17 business district within the corporate limits of a city or town
 - 18 and the licensed premises conform to the standards and specifi-
 - 19 cations of the commission.
 - 20 "Licensed premises" means all rooms or enclosures where

21 alcoholic beverages are sold or consumed under authority of a
22 license issued under this Act.

23 "Hotel" means a premise or structure regularly or seasonably
24 kept open in a bona fide manner for the lodging of transient
25 guests, and where there is an establishment where food is regular-
26 ly prepared and served. Such structure shall have at least forty
27 rooms for such guests.

28 "Liquor control license" means a license issued to clubs,
29 commercial establishments or hotels by the commission authorizing
30 sale of liquor by the drink.

1 Sec. 2. Section one hundred twenty-three point sixteen (123.16),
2 Code 1958, is amended as follows:

3 1. By inserting in line one (1) of subsection seven (7) after
4 the word "permits" the words ", liquor control licenses".

5 2. By striking all of subsection eight (8) after the word
6 "chapter" in line three (3) and inserting in lieu thereof a period.

7 3. By adding thereto the following new subsection:

8 "To hear appeals from any order denying an application for a
9 liquor control license."

1 Sec. 3. Section one hundred twenty-three point seventeen
2 (123.17), Code 1958, is amended by striking from lines four (4),
3 five (5) and six (6) of paragraph (f) of subsection two (2) the
4 words ", and such prices shall be uniform throughout the state"
5 and inserting in lieu thereof the words "by the commission".

1 Sec. 4. Section one hundred twenty-three point twenty-two
2 (123.22), Code 1958, is amended as follows:

3 1. By inserting in line four (4) of subsection one (1) after
4 the word "permit" the words "or liquor control license".

5 2. By striking from line two (2) of subsection two (2) the

6 word "person" and inserting in lieu thereof the words "permit
7 holder".

1 Sec. 5. Section one hundred twenty-three point twenty-four
2 (123.24), Code 1958, is amended by inserting in line (1)
3 after the word "sold" the words "by the commission".

1 Sec. 6. Section one hundred twenty-three point twenty-six
2 (123.26), Code 1958, is amended by inserting in line twenty-five
3 (25) after the word "permit" the words "or liquor control
4 license".

1 Sec. 7. Section one hundred twenty-three point twenty-seven
2 (123.27), Code 1958, is amended by adding to paragraph (a) of
3 subsection two (2) the following:

4 "However, no individual permit shall be required for the
5 purchase of alcoholic liquor for consumption on premises covered
6 by a liquor control license."

1 Sec. 8. Section one hundred twenty-three point twenty-eight
2 (123.28), Code 1958, is amended by adding thereto the following
3 new paragraphs:

4 "There shall be paid annually to the commission for a liquor
5 control license the following fees:

6 "For a class A liquor control license, the sum of one thousand
7 dollars.

8 "For a class B liquor control license, the sum of twenty-five
9 hundred dollars.

10 "For a class C liquor control license, the sum of five thousand
11 dollars.

12 "For a class D liquor control license, the sum of one thousand
13 dollars.

14 "In the case of an original license issued for an unexpired

15 portion of a license year, the amount of the fee shall be
16 apportioned on the basis of number of months remaining in the
17 license year.”

1 Sec. 9. Section one hundred twenty-three point twenty-nine
2 (123.29), Code 1958, is amended as follows:

3 1. By inserting in line one (1) after the word “permit” the
4 words “or liquor control license”.

5 2. By inserting in line eight (8) after the word “permittee”
6 the words “or licensee”.

1 Sec. 10. Section one hundred twenty-three point thirty-two
2 (123.32), Code 1958, is amended by adding thereto the following
3 new paragraphs:

4 “Any liquor control license issued under this chapter may, after
5 notice in writing to the license holder and reasonable opportunity
6 for hearing, be suspended or canceled by the commission for any
7 of the following causes:

8 “1. Misrepresentation of any material fact in the application
9 for such license.

10 “2. Violation of any of the provisions of the Iowa liquor
11 control act or regulations of the commission.

12 “3. An event which would have resulted in disqualification from
13 receiving such license when originally issued.”

1 Sec. 11. Section one hundred twenty-three point forty (123.40),
2 Code 1958, is amended by adding thereto the following new
3 paragraph:

4 “No person engaged in the business of manufacturing or
5 wholesaling of alcoholic beverages shall have, through ownership,
6 loan or otherwise, any interest, directly or indirectly, in the
7 business premises or furnishings thereof covered by a liquor

8 control license issued under this chapter.”

1 Sec. 12. Section one hundred twenty-three point forty-two
2 (123.42), Code 1958, is amended by inserting in line four (4)
3 after the word “place,” the words “except premises covered by a
4 liquor control license”.

1 Sec. 13. Section one hundred twenty-three point forty-six
2 (123.46), Code 1958, is amended by adding thereto the following
3 new subsections:

4 “1. No person holding a liquor control license under this
5 chapter, his agents or employees, shall:

6 a. Permit any gaming, solicitation for immoral purposes,
7 immoral or disorderly conduct on the licensed premises.

8 b. Sell or dispense any alcoholic beverages on the licensed
9 premises or permit consumption thereon between the hours of one
10 thirty A.M. and nine A.M. on any week day or from twelve
11 o'clock midnight on Saturday and nine A.M. on the following
12 Monday, or on any general, special or primary election day during
13 the hours that polls are open or during such other periods or
14 days as may be designated by the commission.

15 c. Sell alcoholic beverages to any person on credit, except
16 that this provision shall not apply to sales by a club to its
17 members nor to sales by a hotel to bona fide registered guests.

18 d. Keep on the licensed premises any alcoholic beverage in
19 any container except the original package purchased from the
20 commission, except mixed drinks or cocktails mixed on the premises
21 for immediate consumption.

22 e. Employ any person under the age of twenty-one years of age
23 in the direct handling or selling of liquor on the premises.”

1 Sec. 14. Chapter one hundred twenty-three (123), Code 1958,

2 is amended by adding thereto the following new sections:

3 "1. Liquor control licenses issued under this chapter shall
4 be of the following classes:

5 a. 'Class A'. A class A liquor control license may be issued
6 to a club and shall authorize the holder thereof to purchase
7 liquor at wholesale from the commission only, at prices to be set
8 by the commission and to sell alcoholic beverages so purchased to
9 bona fide members and their guests by the individual drink for
10 consumption on the premises only.

11 b. 'Class B'. A class B liquor control license may be issued
12 to a hotel having a capacity of less than two hundred and shall
13 authorize the holder thereof to purchase liquor at wholesale
14 from the commission only, at prices to be set by the commission
15 and to sell alcoholic beverages so purchased to patrons by the
16 individual drink for consumption on the premises only. Each such
17 license shall be effective throughout the premises described in
18 the application therefor, but a duplicate of such license shall
19 be posted in each room where such beverages are dispensed.

20 c. 'Class C'. A class C liquor control license may be issued
21 to a hotel having a capacity of two hundred or more and shall
22 authorize the holder thereof to purchase liquor at wholesale from
23 the commission only, at prices to be set by the commission and to
24 sell alcoholic beverages so purchased to patrons by the individual
25 drink for consumption on the premises only. Each such license
26 shall be effective throughout the premises described in the
27 application therefor, but a duplicate of such license shall be
28 posted in each room where such beverages are dispensed.

29 d. 'Class D'. A class D liquor control license may be issued
30 to a commercial establishment and shall authorize the holder

31 thereof to purchase liquor at wholesale from the commission only,
32 at prices to be set by the commission and to sell alcoholic
33 beverages so purchased to patrons by the individual drink for
34 consumption on the premises only.

35 "2. When an application for a liquor control license has
36 been disapproved, the commission shall notify the applicant by
37 registered mail.

38 "3. Any applicant who feels aggrieved by a decision of the
39 commission disapproving issuance of a license may, within ten
40 days after receipt of notice of such disapproval, appeal by writ
41 of certiorari to the district court of the county where the
42 premises to be covered by such license are situated.

43 "4. Applications for the original issuance or the renewal
44 of liquor control licenses shall be filed at such time and in
45 such number of copies as the commission shall by regulation
46 prescribe, on forms prescribed by the commission and shall set
47 forth under oath the following information:

48 a. The name and address of the applicant.

49 b. The location of the premises for which a license is sought.

50 c. The name and address of the owner and, in the case of
51 corporations or associations, the officers, directors and all
52 persons owning or controlling ten percent or more of the capital
53 stock.

54 d. A statement whether any person specified in paragraph (3)
55 hereof has ever been convicted of a felony.

56 e. Such other information as the commission shall require.

57 "5. All liquor control licenses issued as provided herein,
58 unless sooner revoked, shall expire on June 30 of each year.

59 "6. No person under the age of twenty-one years of age shall

60 misrepresent his or her age for the purpose of purchasing or
61 attempting to purchase any alcoholic beverage from the holder of
62 a liquor control license.

63 "Whoever violates any of the provisions of this section shall
64 be subject to a fine of one thousand dollars or imprisonment in
65 the county jail for not less than thirty days nor more than one
66 year or both such fine and imprisonment.

67 "The conviction of any liquor control license holder for the
68 violation of any of the provisions of this chapter shall be
69 grounds for the revocation or suspension of the license by the
70 commission."

EXPLANATION OF HOUSE FILE 588

The purpose of this bill is to allow the liquor commission to issue liquor control permits which will allow the holder thereof to serve liquor by the drink. Such licenses are divided into classes and fees are established for the various classes.