

State Government
Lura, Chairperson
Nystrom
Slater

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SENATE FILE 378

BY TIEDEN AND MILLER of
Des Moines

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

A BILL FOR

1 An Act relating to the private sale, control, distribution, and
2 taxation of wine containing more than five percent but
3 not more than seventeen percent alcohol by weight, declaring
4 certain acts relating to wine to be unlawful and prescribing
5 penalties.

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

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1 Section 1. Section 123.1, Code 1981, is amended to read
2 as follows:

3 123.1 PUBLIC POLICY DECLARED. This chapter shall be cited
4 as the "Iowa Beer, wine, and Liquor Control Act", and shall
5 be deemed an exercise of the police power of the state, for
6 the protection of the welfare, health, peace, morals, and
7 safety of the people of the state, and all its provisions
8 shall be liberally construed for the accomplishment of that
9 purpose, ~~and it.~~ It is declared to be public policy that
10 the traffic in alcoholic liquors is so affected with a public
11 interest that it should be regulated to the extent of
12 prohibiting all traffic in them, except as provided in this
13 chapter.

14 Sec. 2. Section 123.2, Code 1981, is amended to read as
15 follows:

16 123.2 GENERAL PROHIBITION. It ~~shall be~~ is unlawful to
17 manufacture for sale, sell, offer or keep for sale, possess,
18 or transport alcoholic liquor, wine, or beer except upon the
19 terms, conditions, limitations, and restrictions enumerated
20 in this chapter.

21 Sec. 3. Section 123.3, subsections 4, 7, 8, and 10, Code
22 1981, are amended to read as follows:

23 4. "Local authority" means the city council of any
24 incorporated city in this state, or the county board of
25 supervisors of any county in this state, which is empowered
26 by this chapter to approve or deny applications for retail
27 beer or wine permits and liquor control licenses; empowered
28 to recommend that such permits or licenses be granted and
29 issued by the department; and empowered to take such other
30 actions ~~as are~~ reserved to them by this chapter.

31 7. "Wine" means any beverage containing more than five
32 percent but not more than seventeen percent of alcohol by
33 weight obtained by the fermentation of the natural sugar
34 contents of fruits or other agricultural products.

35 8. "Alcoholic liquor", "alcoholic beverage" or "intoxi-

1 cating liquor" means ~~and includes~~ the varieties of liquor
 2 defined in subsections 5, and 6, and 7, beverages made as
 3 described in subsection 9 which beverages contain more than
 4 five percent of alcohol by weight but which are not wine as
 5 defined in subsection 7, and every other liquid or solid,
 6 patented or not, containing spirits or ~~wine~~ every beverage
 7 obtained by the process described in subsection 7 containing
 8 more than seventeen percent alcohol by weight, and susceptible
 9 of being consumed by a human being, for beverage purposes.
 10 Alcohol manufactured in this state for use as fuel pursuant
 11 to an experimental distilled spirits plant permit or its
 12 equivalent issued by the federal bureau of alcohol, tobacco
 13 and firearms is not an "alcoholic liquor".

14 10. "Person" means any individual, association, partner-
 15 ship, corporation, club, hotel or motel, or municipal corpo-
 16 ration owning or operating a bona fide airport, marina, park,
 17 coliseum, auditorium, or recreational facility in or at which
 18 the sale of alcoholic liquor, wine, or beer is only an inci-
 19 dental part of ~~such~~ the ownership or operation.

20 Sec. 4. Section 123.3, subsection 11, paragraph c, Code
 21 1981, is amended to read as follows:

22 c. He or she is not prohibited by ~~the provisions of~~ section
 23 123.40 from obtaining a liquor control license or a wine or
 24 beer permit.

25 Sec. 5. Section 123.3, subsections 13, 17, 19, 20, 25,
 26 26, 27, and 31, Code 1981, are amended to read as follows:

27 13. "Permit" or "license" means an express written autho-
 28 rization issued by the department for the manufacture or sale,
 29 or both, of alcoholic liquor, wine, or beer.

30 17. "Distillery", "winery", and "brewery" means not only
 31 the premises ~~wherein~~ where alcohol or spirits ~~is~~ are distilled,
 32 ~~or~~ rectified wine is fermented, or beer is brewed, but in
 33 addition means a person owning, representing, or in charge
 34 of such premises and the operations conducted ~~thereon~~ there,
 35 including the blending and bottling or other handling and

1 preparation of alcoholic liquor, wine, or beer in any form.

2 19. "Importer" means the person ~~transporting-or-ordering,~~
3 ~~authorizing,-or-arranging~~ who transports or orders, autho-
4 rizes, or arranges the transportation of alcoholic liquor,
5 wine, or beer into this state whether ~~such~~ the person is a
6 resident of this state or not.

7 20. "Import" means the transporting or ordering or ar-
8 ranging the transportation of alcoholic liquor, wine, or beer
9 into this state whether by a resident of this state or not.

10 25. The prohibited "sale" of alcoholic liquor, wine, or
11 beer under this chapter includes soliciting for sales, taking
12 orders for sales, keeping or exposing for sale, delivery or
13 other trafficking for a valuable consideration promised or
14 obtained, and procuring or allowing procurement for any other
15 person.

16 26. "Wholesaler" means any person, other than a vintner,
17 brewer or bottler of beer or wine, who shall sell, barter,
18 exchange, offer for sale, have in possession with intent to
19 sell, deal or traffic in, alcoholic liquor, wine, or beer.
20 ~~No~~ A wholesaler shall ~~be-permitted-to~~ not sell for consumption
21 upon the premises.

22 27. "Retailer" means any person who shall sell, barter,
23 exchange, offer for sale, or have in possession with intent
24 to sell any alcoholic liquor for consumption on the premises
25 where sold, or beer or wine for consumption either on or off
26 the premises where sold.

27 31. "Licensed premises" or "premises" means all rooms,
28 enclosures, contiguous areas, or places susceptible of precise
29 description satisfactory to the director where alcoholic
30 beverages, wine, or beer is sold or consumed under authority
31 of a liquor control license, wine permit, or beer permit.
32 A single licensed premise may consist of multiple rooms,
33 enclosures, areas or places if they are wholly within the
34 confines of a single building or contiguous grounds.

35 Sec. 6. Section 123.3, Code 1981, is amended by adding

1 the following new subsection:

2 NEW SUBSECTION. "Retail wine permit" means a class "B"
3 or class "C" wine permit issued under this chapter.

4 Sec. 7. Section 123.4, Code 1981, is amended to read as
5 follows:

6 123.4 DEPARTMENT CREATED--PLACE OF BUSINESS. ~~There-is~~
7 ~~hereby-created-an~~ An Iowa beer and liquor control department
8 is created to administer and enforce the laws of this state
9 concerning beer, wine, and alcoholic liquor. The principal
10 place of business of the department shall be provided the
11 department by the authority designated by law to provide such
12 quarters or offices to state departments or agencies.

13 Sec. 8. Section 123.14, subsections 1 and 3, Code 1981,
14 are amended to read as follows:

15 1. The division of beer and liquor law enforcement of
16 the department of public safety, created pursuant to section
17 80.25, ~~shall-be~~ is the primary beer, wine, and liquor law
18 enforcement authority for this state.

19 3. The division of beer and liquor law enforcement shall
20 ~~be-allowed~~ have full access to all records, reports, audits,
21 tax reports and all other documents and papers in the
22 department pertaining to liquor licensees and wine and beer
23 permittees and their business.

24 Sec. 9. Section 123.15, Code 1981, is amended to read
25 as follows:

26 123.15 HEARING BOARD ESTABLISHED. ~~There-is-hereby-created~~
27 a A three-member hearing board is created for the purpose
28 of conducting departmental hearings relating to controversies
29 concerning the issuance, suspension, or revocation of special
30 liquor permits, liquor control licenses, wine permits, and
31 beer permits authorized under this chapter. One member shall
32 be appointed by the council from its membership, which member
33 may be periodically replaced by appointment of another council
34 member; one member shall be the attorney general or ~~his~~ the
35 attorney general's designee; and one member shall be the

1 commissioner of public safety or ~~his~~ the commissioner's
2 designee. The hearing board shall establish and adopt rules
3 and procedures for conducting departmental hearings under
4 this chapter.

5 Sec. 10. Section 123.16, subsection 2, paragraph b, Code
6 1981, is amended to read as follows:

7 b. The granting or refusing of liquor licenses and per-
8 mits, wine permits, and beer permits, and the suspension or
9 revocation of ~~such~~ the licenses and permits.

10 Sec. 11. Section 123.18, Code 1981, is amended to read
11 as follows:

12 123.18 FAVORS FROM LICENSEE OR PERMITTEE. No A person
13 responsible for the administration or enforcement of this
14 chapter shall not accept or solicit donations, gratuities,
15 political advertising, gifts, or other favors, directly or
16 indirectly, from any liquor control licensee, wine permittee,
17 or beer permittee. A violation of this section shall subject
18 the violator to the general penalties provided by this chapter.

19 Sec. 12. Section 123.19, subsection 1, Code 1981, is
20 amended to read as follows:

21 1. Any manufacturer, distiller, ~~vintner~~, or importer of
22 alcoholic beverages shipping, selling, or having alcoholic
23 beverages brought into this state for resale by the state
24 shall, as a condition precedent to the privilege of so traf-
25 ficking in alcoholic liquors in this state, annually make
26 application for and shall hold a distiller's certificate of
27 compliance which shall be issued by the director for such
28 purpose. No brand of alcoholic liquor shall be sold by the
29 department in this state unless the manufacturer, distiller,
30 ~~vintner~~, importer, and all other persons participating in
31 the distribution of ~~such~~ that brand in this state have obtained
32 ~~such~~ a certificate. ~~Such~~ The certificate of compliance shall
33 expire at the end of one year from the date of issuance and
34 shall be renewed for a like period upon application to the
35 director unless otherwise suspended or revoked for cause.

1 Each application for a certificate of compliance or renewal
2 thereof shall be made in such a manner and upon such forms
3 ~~as shall be~~ prescribed by the director and shall be accompanied
4 by a fee of fifty dollars payable to the department. How-
5 ever, ~~the provisions of~~ this subsection need not apply to
6 a manufacturer, distiller, ~~vintner~~, or importer who ships
7 or sells in this state no more than eleven gallons or its
8 case equivalent during any fiscal year as a result of "spe-
9 cial orders" which might be placed, as defined and allowed
10 by departmental rules adopted under this chapter.

11 Sec. 13. Section 123.21, subsections 6, and 10, Code 1981,
12 are amended to read as follows:

13 6. Providing for the issuing issuance and distributing
14 distribution of price lists showing which show the price to
15 be paid by purchasers for each brand, class, or variety of
16 liquor kept for sale under this chapter. Provide for the
17 filing or posting of prices charged in sales between class
18 "A" beer and wine permit holders and retailers, as provided
19 in this chapter, and establish or control such the prices
20 ~~as may be~~ based on minimum standards of fill, quantity, or
21 alcoholic content for each individual sale of intoxicating
22 liquor, wine, or beer as deemed necessary for retail or con-
23 sumer protection.

24 10. Prescribing the time, manner, means, and method by
25 which distillers, ~~vintners~~, vendors, or others authorized
26 under this chapter may deliver or transport alcoholic liquors
27 and prescribing the time, manner, means, and methods by which
28 alcoholic liquor may be lawfully conveyed, carried, or trans-
29 ported.

30 Sec. 14. Section 123.22, unnumbered paragraph 1, Code
31 1981, is amended to read as follows:

32 The department shall have the sole and exclusive right
33 of importation, into the state, of all forms of alcoholic
34 liquor, except as otherwise provided in this chapter, and
35 no person shall ~~se~~ import any such alcoholic liquor, except

1 that an individual of legal age may import and have in his
2 or her possession an amount of alcoholic liquor not exceeding
3 one quart or, in the case of alcoholic liquor personally
4 obtained outside the United States, one gallon for personal
5 consumption only in a private home or other private
6 accommodation. No distillery shall sell any alcoholic liquor
7 within the state to any person but only to the department,
8 except as otherwise provided in this chapter. It is the
9 intent of this section to vest in the department exclusive
10 control within the state both as purchaser and vendor of all
11 alcoholic liquor sold by distilleries within the state or
12 imported therein, except beer and wine, and except as otherwise
13 provided in this chapter.

14 Sec. 15. Section 123.27, subsection 2, Code 1981, is
15 amended by striking the subsection.

16 Sec. 16. Section 123.29, subsection 4, paragraph c, Code
17 1981, is amended to read as follows:

18 c. That neither the applicant, if he the applicant is
19 an individual, nor any members of the firm or officers of
20 the corporation, if the applicant is not an individual, has
21 been convicted of any violation of the laws of this state
22 with reference to the sale of alcoholic liquors, wine, or
23 beer within the three years preceding the date of the
24 affidavit.

25 Sec. 17. Section 123.30, subsection 3, paragraphs a, b,
26 c, and d, Code 1981, are amended to read as follows:

27 a. CLASS "A". A class "A" liquor control license may
28 be issued to a club and shall authorize the holder to pur-
29 chase alcoholic liquors from only the department, and native
30 wines from native wine manufacturers, and to sell ~~such~~ liquors,
31 wine, and beer, to bona fide members and their guests by the
32 individual drink for consumption on the premises only.

33 b. CLASS "B". A class "B" liquor control license may
34 be issued to a hotel or motel and shall authorize the holder
35 to purchase alcoholic liquors from only the department, and

1 native wines from native wine manufacturers, and to sell such
 2 liquors, wine, and beer, to patrons by the individual drink
 3 for consumption on the premises only, however, wine and beer
 4 may also be sold for consumption off the premises. Each
 5 license shall be effective throughout the premises described
 6 in the application.

7 c. CLASS "C". A class "C" liquor control license may
 8 be issued to a commercial establishment but must be issued
 9 in the name of the individuals who actually own the entire
 10 business and shall authorize the holder to purchase alcoholic
 11 liquors from only the department, and native wines from native
 12 wine manufacturers, and to sell such liquors, wine, and beer,
 13 to patrons by the individual drink for consumption on the
 14 premises only, however, wine and beer may also be sold for
 15 consumption off the premises.

16 A special class "C" liquor control license may be issued
 17 and shall authorize the holder ~~ex-holders~~ to purchase wine
 18 ~~containing-not-more-than-seventeen-percent-alcohol-by-weight~~
 19 ~~from-the-department-only~~, and to sell such wine, and beer,
 20 to patrons by the individual drink for consumption on or off
 21 ~~the premises only, however, beer may also be sold for~~
 22 ~~consumption off the premises~~. The license issued to holders
 23 of a special class "C" license shall clearly state on its
 24 face "~~alcoholic liquors~~, limited to wine and beer only."

25 d. CLASS "D". A class "D" liquor control license may
 26 be issued to a railway corporation, to an air common carrier,
 27 and to passenger-carrying boats or ships for hire with a ca-
 28 pacity of twenty-five persons or more operating in inland
 29 or boundary waters, and shall authorize the holder to sell
 30 or furnish alcoholic beverages, wine, and beer to passengers
 31 for consumption only on trains, watercraft as described here-
 32 in, or aircraft, respectively. Each such license shall be
 33 valid throughout the state as a state license. Only one such
 34 license shall be required for all trains, watercraft, or air-
 35 craft operated in the state by the licensee.

1 Sec. 18. Section 123.32, subsections 1, 2, and 4, Code
2 1981, are amended to read as follows:

3 1. FILING OF APPLICATION. An application for a class
4 "A", class "B", or class "C" liquor control license, and for
5 a retail beer permit as provided in sections 123.128 and
6 123.129, or for a retail wine permit as provided in this
7 chapter, accompanied by the required fee and bond, shall be
8 filed with the appropriate city council if the premises for
9 which the license or permit is sought are located within the
10 corporate limits of a city, or with the board of supervi-
11 sors if the premises for which the license or permit is sought
12 are located outside the corporate limits of a city. An
13 application for a class "D" liquor control license and for
14 a class "A" beer or wine permit, accompanied by the required
15 fee and bond, shall be filed with the department, which shall
16 proceed in the same manner as in the case of an application
17 approved by local authorities.

18 2. ACTION BY LOCAL AUTHORITIES. The local authority shall
19 either approve or disapprove the issuance of a liquor control
20 license or retail wine or beer permit, and shall endorse such
21 its approval or disapproval on the application and shall for-
22 ward ~~same~~ the application along with the required fee and
23 bond to the department. Upon the initial ~~issuance~~-~~of~~
24 application for a liquor control license or retail beer or
25 wine permit, the fact that the local authority determines
26 that no liquor control license or retail beer or wine permit
27 shall be issued shall not be held to be arbitrary, capricious,
28 or without reasonable cause. There ~~shall be~~ is no limit upon
29 the number of liquor control licenses or retail beer or wine
30 permits which may be approved for issuance by local
31 authorities.

32 4. APPEAL TO HEARING BOARD. Any applicant for a liquor
33 control license, a wine permit, or beer permit may appeal
34 from the director's disapproval of an application for a license
35 or permit to the department hearing board, established pursuant

1 to section 123.15, ~~from the director's disapproval of an~~
2 ~~application for a license or permit.~~ If, upon such appeal
3 the hearing board shall ~~determine~~ determines that the local
4 authority acted arbitrarily, capriciously, or without
5 reasonable cause in disapproving the application, or that,
6 where the local authority approved the application, the
7 director's own disapproval should be reversed, it shall order
8 issuance of a license or permit. The same right of appeal
9 to the hearing board shall be afforded a liquor control
10 licensee, wine permittee, or beer permittee, whose license
11 or permit has been suspended or revoked under this chapter,
12 and the hearing board shall reduce the period of suspension
13 or order reinstatement of ~~such~~ the license or permit for good
14 cause shown.

15 Sec. 19. Section 123.34, Code 1981, is amended to read
16 as follows:

17 123.34 EXPIRATION--SEASONAL LICENSE OR PERMIT. All li-
18 quor control licenses, wine permits, and beer permits, unless
19 sooner suspended or revoked, shall expire one year from date
20 of issuance. The director shall cause sixty days' notice
21 of ~~such~~ the expiration to be given to each licensee or
22 permittee in writing. However, the director may issue six-
23 month or eight-month seasonal licenses or class "B" beer or
24 wine permits for a proportionate part of the license or permit
25 fee. No refund shall be made for seasonal licenses or permits.
26 No seasonal license or permit shall be renewed except after
27 a period of two months.

28 Sec. 20. Section 123.35, unnumbered paragraph 1, Code
29 1981, is amended to read as follows:

30 The director shall prescribe simplified application forms
31 for the renewal of liquor control licenses, wine permits,
32 and beer permits, ~~issued under the provisions of~~ this chapter,
33 which may be filed by licensees and permittees in lieu of
34 a detailed renewal application form when qualifications and
35 qualification information have not changed since the original

1 issuance of the license or permit. ~~Such~~ The simplified form
2 shall require the licensee or permittee to verify under oath
3 that the information contained in the original application
4 remains current, and that no reason exists for the department's
5 refusal to renew the license or permit as originally issued.

6 Sec. 21. Section 123.36, subsection 2, Code 1981, are
7 amended to read as follows:

8 2. Class "A" liquor control licenses, the sum of six
9 hundred dollars, except that for class "A" licenses in cities
10 of less than two thousand population, and for clubs of less
11 than two hundred fifty members, the license fee shall be four
12 hundred dollars; however, the fee shall be two hundred dollars
13 for any club which is a post, branch, or chapter of a veterans
14 organization chartered by the Congress of the United States,
15 if ~~such~~ the club does not sell or permit the consumption of
16 alcoholic beverages, wine, or beer on the premises more than
17 one day in any week, and if the application for a license
18 states that ~~such~~ the club does not and will not sell or permit
19 the consumption of alcoholic beverages, wine, or beer on the
20 premises more than one day in any week.

21 Sec. 22. Section 123.36, subsection 5, paragraph c, Code
22 1981, is amended to read as follows:

23 c. For air common carriers, each company shall pay a base
24 annual fee of five hundred dollars and, in addition, shall
25 quarterly remit to the department an amount equal to seven
26 dollars for each gallon of alcoholic liquor sold, given away,
27 or dispensed in or over this state during the preceding
28 calendar quarter. The class "D" license fee and tax for air
29 common carriers ~~shall-be~~ is in lieu of any other fee or tax
30 collected from ~~such~~ the carriers in this state for the
31 possession and sale of alcoholic liquor, wine, and beer.

32 Sec. 23. Section 123.36, subsection 6, Code 1981, is
33 amended to read as follows:

34 6. Any club, hotel, motel, or commercial establishment
35 holding a liquor control license for whom the sale of goods

1 and services other than alcoholic liquor, wine, or beer
2 constitutes fifty percent or more of the gross receipts from
3 the licensed premises, subject to ~~the provisions of~~ section
4 123.49, subsection 2, paragraph "b", may sell and dispense
5 alcoholic liquor and wine to patrons on Sunday for consumption
6 on the premises only, and beer for consumption on or off the
7 premises between the hours of noon and ten p.m. on Sunday.
8 For the privilege of selling beer, wine, and alcoholic liquor
9 on the premises on Sunday the liquor control license fee of
10 the applicant shall be increased by twenty percent of the
11 regular fee prescribed for the license pursuant to this
12 section, and the privilege shall be noted on the liquor control
13 license. The department shall prescribe the nature and the
14 character of the evidence ~~which shall be~~ required of the
15 applicant under this subsection.

16 Sec. 24. Section 123.36, subsection 7, unnumbered paragraph
17 1, Code 1981, is amended to read as follows:

18 Class "C" liquor control licenses which limit sales of
19 alcoholic ~~liquor~~ beverages to wine ~~containing not more than~~
20 ~~seventeen percent alcohol by weight,~~ and beer a sum as follows:

21 Sec. 25. Section 123.37, Code 1981, is amended to read
22 as follows:

23 123.37 POWER TO LICENSE AND LEVY TAXES. The power to
24 establish licenses and permits and levy taxes as imposed in
25 title VI of the Code is vested exclusively with the state.
26 Unless specifically provided, no local authority shall levy
27 a local tax on the sale of alcoholic beverages, wine, or beer,
28 require the obtaining of a special license or permit for such
29 sale on any establishment, or require the obtaining of a li-
30 cense by any person as a condition precedent to ~~his~~ the
31 person's employment in the sale, serving, or handling of
32 alcoholic beverages, wine, or beer, within an establishment
33 operating under a license or permit.

34 Sec. 26. Section 123.38, unnumbered paragraphs 1 and 2,
35 Code 1981, are amended to read as follows:

1 A special liquor permit, liquor control license, wine
2 permit or beer permit ~~shall-be~~ is a purely personal privilege
3 and be is revocable for cause. It ~~shall~~ does not constitute
4 property nor be is it subject to attachment and execution
5 nor be alienable nor assignable, and in any case it shall
6 cease upon the death of the permittee or licensee. However,
7 the director may in ~~his~~ the director's discretion allow the
8 executor or administrator of a permittee or licensee to operate
9 the business of the decedent for a reasonable time not to
10 exceed the expiration date of the permit or license. Every
11 permit or license shall be issued in the name of the applicant
12 and no person holding a permit or license shall allow any
13 other person to use same it.

14 Any ~~such~~ licensee or permittee, or his or her executor,
15 administrator, or any person duly appointed by the court to
16 take charge of and administer the property or assets of the
17 licensee or permittee for the benefit of his or her creditors,
18 may voluntarily surrender ~~such a~~ license or permit to the
19 department ~~and-when~~. When so surrendered the department shall
20 notify the local authority, and the department ~~and-such~~ or
21 the local authority, ~~or-the-local-authority-by-itself-in-the~~
22 ~~case-of-a-retail-beer-permit~~, shall refund to the person so
23 surrendering the license or permit, a proportionate amount
24 of the fee ~~paid~~ received by the department or that local
25 authority for ~~such the~~ license or permit as follows: If
26 surrendered during the first three months of the period for
27 which ~~said the~~ license or permit was issued, the refund shall
28 be three-fourths of the amount of the fee; if surrendered
29 more than three months but not more than six months after
30 issuance, the refund shall be one-half of the amount of the
31 fee; if surrendered more than six months but not more than
32 nine months after issuance, the refund shall be one-fourth
33 of the amount of the fee. No refund shall be made, however,
34 for any special liquor permit, nor for a liquor control
35 license, wine permit, or beer permit surrendered more than

1 nine months after issuance. For purposes of this paragraph,
2 any portion of license or permit fees deposited in the county
3 mental health and institutions fund, shall not be deemed
4 received either by the department or by a local authority.
5 No refund shall be made to any licensee or permittee, upon
6 the surrender of ~~his~~ a license or permit, if there is at the
7 time of ~~said~~ surrender, a complaint filed with the department
8 or local authority, charging ~~him~~ the person with a violation
9 of ~~the provisions of~~ this chapter. If upon a hearing on any
10 such a complaint the license or permit is not revoked or
11 suspended, then the licensee or permittee ~~shall be~~ is eligible,
12 upon surrender of ~~his~~ the license or permit, to receive a
13 refund as ~~herein~~ provided--- But in this section; but if ~~his~~
14 the license or permit is revoked or suspended upon such hearing
15 ~~he shall~~ the licensee or permittee is not be eligible for
16 the refund of any portion of ~~his~~ the license or permit fee.

17 Sec. 27. Section 123.39, Code 1981, is amended to read
18 as follows:

19 123.39 SUSPENSION OR REVOCATION OF LIQUOR LICENSE OR BEER
20 PERMIT. Any liquor control license, wine permit, or beer
21 permit issued under this chapter may, after notice in writing
22 to the license or permit holder and reasonable opportunity
23 for hearing, and subject to section 123.50 where applicable,
24 be suspended for a period not to exceed one year or revoked
25 by the local authority or the director for any of the following
26 causes:

- 27 1. Misrepresentation of any material fact in the
28 application for ~~such~~ the license or permit.
- 29 2. Violation of any of the provisions of this chapter.
- 30 3. Any change in the ownership or interest in the business
31 operated under a class "A", class "B", or class "C" liquor
32 control license, or any wine or beer permit, which change
33 was not previously reported to and approved by the local
34 authority and the department.
- 35 4. An event which would have resulted in disqualification

1 from receiving ~~such~~ the license or permit when originally
2 issued.

3 5. Any sale, hypothecation, or transfer of ~~such~~ the license
4 or permit.

5 6. The failure or refusal on the part of any licensee
6 or permittee to render any report or remit any taxes to the
7 department under this chapter when due.

8 Local authorities ~~shall have the power to~~ may suspend any
9 retail wine or beer permit or liquor control license for a
10 violation of any ordinance or regulation adopted by ~~such~~ the
11 local authority. Local authorities ~~are empowered to~~ may adopt
12 ordinances or regulations for the location of the premises
13 of retail wine or beer and liquor control licensed
14 establishments and ~~are empowered to~~ local authorities may
15 adopt ordinances, not in conflict with ~~the provisions of~~ this
16 chapter and that do not diminish the hours during which beer,
17 wine, or alcoholic beverages may be sold or consumed at retail,
18 governing any other activities or matters which may affect
19 the retail sale and consumption of beer, wine, and alcoholic
20 liquor and the health, welfare and morals of the community
21 involved.

22 When a liquor license or beer permit or wine permit is
23 suspended after a hearing as a result of violations of ~~the~~
24 ~~provisions of~~ this chapter by the licensee, permittee or his
25 or her agents or employees, the premises which were licensed
26 by ~~such~~ the license or permit shall not be relicensed for
27 a new applicant until the suspension has terminated or time
28 of suspension has elapsed, or ninety days have elapsed since
29 the commencement of the suspension, whichever occurs first.
30 However, ~~nothing in~~ this section ~~shall~~ does not prohibit the
31 premises from being relicensed to a new applicant before the
32 suspension has terminated or before the time of suspension
33 has elapsed or before ninety days have elapsed from the
34 commencement of the suspension, if the premises prior to the
35 time of the suspension had been purchased under contract,

1 and the vendor under that contract exercised the person's
2 rights under chapter 656 and sold the property to a different
3 person who is not related to the previous licensee or permittee
4 by marriage or within the third degree of consanguinity or
5 affinity and if the previous licensee or permittee does not
6 have a financial interest in the business of the new applicant.

7 Sec. 28. Section 123.40, Code 1981, is amended to read
8 as follows:

9 123.40 EFFECT OF REVOCATION. Any liquor control licensee,
10 wine permittee, or beer permittee, whose license or permit
11 is revoked under this chapter shall not thereafter be permitted
12 to hold a liquor control license, wine permit, or beer permit
13 in the state of Iowa for a period of two years from the date
14 of ~~such~~ revocation. The spouse and business associates holding
15 ten percent or more of the capital stock or ownership interest
16 in the business of a person whose license or permit has been
17 revoked shall not be issued a liquor control license, wine
18 permit, or beer permit, and no liquor control license, wine
19 permit, or beer permit shall be issued which covers any
20 business in which such person has a financial interest for
21 a period of two years from the date of ~~such~~ revocation. ~~In~~
22 ~~the event~~ If a license or permit is revoked, the premises
23 which had been covered by ~~such~~ the license or permit shall
24 not be relicensed for one year.

25 Sec. 29. Section 123.44, Code 1981, is amended to read
26 as follows:

27 123.44 GIFT OF LIQUORS PROHIBITED. ~~No~~ A manufacturer
28 or wholesaler shall not give away any alcoholic liquor of
29 any kind or description at any time in connection with ~~his~~
30 the business except for testing or sampling purposes only.
31 ~~No~~ A manufacturer, vintner, wholesaler, or importer, organized
32 as a corporation pursuant to the laws of this state or any
33 other state, and who deals in alcoholic liquor, wine, or beer
34 subject to this chapter shall not offer or give anything of
35 value to any council member, official or employee of the

1 department, or directly or indirectly contribute in any manner
2 any money or thing of value to any person seeking a public
3 or appointive office or any recognized political party or
4 a group of persons seeking to become a recognized political
5 party.

6 Sec. 30. Section 123.45, Code 1981, is amended to read
7 as follows:

8 123.45 INTEREST IN LIQUOR REGULATED BUSINESS. ~~No~~ A council
9 member or department ~~employee~~ employees shall not, directly
10 or indirectly, individually, or as a member of a partnership
11 or as shareholder in a corporation, have any interest in
12 dealing in or in the manufacture of alcoholic liquor, wine,
13 or beer ~~nor~~. Council members and department employees shall
14 not receive any kind of profit ~~nor~~ and shall not have any
15 interest in the purchase or sale of alcoholic liquor, wine,
16 or beer, by persons so authorized under this chapter except
17 that this provision shall does not prevent any such member
18 or employee from lawfully purchasing and keeping alcoholic
19 liquor, wine, or beer in his or her possession for personal
20 use.

21 ~~No~~ A person engaged in the business of manufacturing,
22 bottling, or wholesaling alcoholic beverages, wine, or beer,
23 ~~nor~~ any and a jobber or agent of such person, shall not
24 directly or indirectly supply, furnish, give, or pay for any
25 furnishings, fixtures, or equipment used in the storage,
26 handling, serving, or dispensing of alcoholic beverages, wine,
27 beer, or food within the place of business of a licensee or
28 permittee authorized under ~~the provisions of~~ this chapter,
29 to sell at retail; nor shall he such person directly or
30 indirectly extend any credit for alcoholic beverages, wine,
31 or beer or pay for any such license or permit, nor directly
32 or indirectly be interested in the ownership, conduct, or
33 operation of the business of another licensee or permittee
34 authorized under ~~the provisions of~~ this chapter to sell at
35 retail. Any licensee or permittee who ~~shall permit~~ permits

1 or ~~assent~~ assents or ~~be~~ is a party in any way to any such
2 violation or infringement of ~~the provisions of~~ this chapter
3 ~~shall be deemed~~ is guilty of a violation of ~~the provisions~~
4 ~~of~~ this chapter.

5 Sec. 31. Section 123.46, Code 1981, is amended to read
6 as follows:

7 123.46 CONSUMPTION IN PUBLIC PLACES--INTOXICATION. It
8 is unlawful for any person to use or consume alcoholic li-
9 quors, wine, or beer upon the public streets or highways,
10 or alcoholic liquors in any public place, except premises
11 covered by a liquor control license, or to possess or consume
12 alcoholic liquors, wine, or beer on any public school prop-
13 erty or while attending any public or private school related
14 functions, and ~~no~~ a person shall not be intoxicated nor
15 simulate intoxication in a public place. As used in this
16 section "school" means a school or that portion ~~thereof~~ of
17 a school, which provides teaching for any grade from
18 kindergarten through grade twelve. Any person violating any
19 provisions of this section ~~shall be~~ is guilty of a simple
20 misdemeanor.

21 Sec. 32. Section 123.47, Code 1981, is amended to read
22 as follows:

23 123.47 PERSONS UNDER LEGAL AGE. ~~No~~ A person shall not
24 sell, give, or otherwise supply alcoholic liquor, wine, or
25 beer to any person knowing or having reasonable cause to
26 believe ~~him~~ the person to be under legal age, and ~~no~~ a person
27 or persons under legal age shall not individually or jointly
28 have alcoholic liquor, wine, or beer in his or her or their
29 possession or control; except in the case of liquor, wine,
30 or beer given or dispensed to a person under legal age within
31 a private home and with the knowledge and consent of the
32 parent or guardian for beverage or medicinal purposes or as
33 administered to ~~him~~ the person by either a physician or dentist
34 for medicinal purposes and except to the extent that a person
35 under legal age may handle alcoholic beverages, wine, and

1 beer during the regular course of ~~his-er-her~~ the person's
2 employment by a liquor control licensee, or wine or beer
3 permittee under this chapter.

4 Sec. 32. Section 123.49, Code 1981, is amended to read
5 as follows:

6 123.49 MISCELLANEOUS PROHIBITIONS.

7 1. ~~No~~ A person shall not sell, dispense, or give to any
8 intoxicated person, or one simulating intoxication, any
9 alcoholic liquor, wine, or beer.

10 2. ~~No~~ A person or club holding a liquor control license
11 or retail wine or beer permit under this chapter, ~~her-his~~
12 and the person's agents or employees, shall not do any of
13 the following:

14 a. Knowingly permit any gambling, except in accordance
15 with chapter 99B, or knowingly permit solicitation for immoral
16 purposes, or immoral or disorderly conduct on the premises
17 covered by the license or permit.

18 b. Sell or dispense any alcoholic beverage, wine, or beer
19 on the premises covered by the license or permit, or permit
20 the consumption ~~thereon~~ on the premises between the hours
21 of two a.m. and six a.m. on any weekday, and between the hours
22 of two a.m. on Sunday and six a.m. on the following Monday,
23 however, a holder of a liquor control license or retail beer
24 or wine permit granted the privilege of selling alcoholic
25 liquor, wine, or beer on Sunday may sell or dispense ~~such~~
26 the liquor, wine, or beer between the hours of noon and ten
27 p.m. on Sunday.

28 c. Sell alcoholic beverages, wine, or beer to any person
29 on credit, except with a bona fide credit card. This provi-
30 sion ~~shall~~ does not apply to sales by a club to its members
31 nor to sales by a hotel or motel to bona fide registered
32 guests.

33 d. Keep on premises covered by a liquor control license
34 any alcoholic liquor or wine in any container except the
35 original ~~package-purchased-from-the-department-or-from-a~~

1 ~~native-wine-manufacturer~~ container in which purchased, except
2 ~~still-wines-placed-in-dispensing-or-serving-containers-for~~
3 ~~temporary-storage~~ wine and beer served on the premises for
4 immediate consumption, and except mixed drinks or cocktails
5 mixed on the premises for immediate consumption. This
6 prohibition does not apply to common carriers holding a class
7 "D" liquor control license.

8 e. Reuse for packaging alcoholic liquor or wine any
9 container or receptacle used originally for packaging alcoholic
10 liquor or wine; or adulterate, by the addition of any
11 substance, the contents or remaining contents of an original
12 package of an alcoholic liquor or wine; or knowingly possess
13 any original package which has been so reused or adulterated.

14 f. Any Employ a person under eighteen years of age ~~shall~~
15 ~~not-be-employed~~ in the sale or serving of alcoholic liquor,
16 wine, or beer for consumption on the premises where sold.

17 g. Allow any person other than the licensee, permittee,
18 or employees of ~~such~~ the licensee or permittee, to use or
19 keep on the licensed premises any alcoholic liquor in any
20 bottle or other container which is designed for the
21 transporting of such beverages, except as permitted in section
22 123.95. This paragraph ~~shall~~ does not apply to the lodging
23 quarters of a class "B" liquor control licensee or wine or
24 beer permittee, or to common carriers holding a class "D"
25 liquor control license.

26 h. Sell, give, or otherwise supply any alcoholic beverage,
27 wine, or beer to any person, knowing or having reasonable
28 cause to believe ~~him~~ that person to be under legal age, or
29 permit any person knowing or having reasonable cause to believe
30 ~~him~~ that person to be under legal age, to consume any alcoholic
31 beverage, wine, or beer.

32 i. In the case of a retail beer or wine permittee, know-
33 ingly allow the mixing or adding of alcohol or any alcoholic
34 beverage to beer, wine, or any other beverage in or about
35 ~~his~~ the place of business.

1 j. Knowingly permit or engage in any criminal activity
2 on the premises covered by the license or permit.

3 3. No person under legal age shall misrepresent his or
4 her age for the purpose of purchasing or attempting to pur-
5 chase any alcoholic beverage, wine, or beer from any licensee
6 or permittee. If any person under legal age ~~shall misrepre-~~
7 ~~sent~~ misrepresents his or her age, and the licensee or
8 permittee establishes that ~~he made~~ a reasonable inquiry was
9 made to determine whether ~~such the~~ prospective purchaser was
10 over legal age, ~~such the~~ licensee or permittee ~~shall~~ is not
11 be guilty of selling alcoholic liquor, wine, or beer to minors.

12 4. No privilege of selling alcoholic liquor, wine, or
13 beer on Sunday as provided in sections 123.36, subsection
14 6, and 123.134, subsection 5 9, shall be granted to a club
15 or other organization which places restrictions on admission
16 or membership in the club or organization on the basis of
17 sex, race, religion, or national origin. However, the
18 privilege may be granted to a club or organization which
19 places restrictions on membership on the basis of sex, if
20 the club or organization has an auxiliary organization open
21 to persons of the other sex.

22 Sec. 34. Section 123.50, subsections 2 and 3, Code 1981,
23 are amended to read as follows:

24 2. The conviction of any liquor control licensee, wine
25 permittee, or beer permittee for a violation of any of the
26 provisions of section 123.49 ~~shall~~, subject to subsection
27 3 of this section, ~~be~~ is grounds for the suspension or
28 revocation of the license or permit by the department or the
29 local authority. However, if any liquor control licensee
30 is convicted of any violation of subsection 2, paragraphs
31 "a", "d" or "e", of ~~such that~~ that section, or any wine or beer
32 permittee is convicted of a violation of paragraph "a" or
33 "e" of that section, the liquor control license, wine permit,
34 or beer permit shall be revoked and shall immediately be
35 surrendered by the holder, and the bond of the license or

1 permit holder shall be forfeited to the department.

2 3. If any licensee, wine permittee, beer permittee, or
3 employee of ~~such~~ a licensee or permittee ~~shall-be~~ is convicted
4 of a violation of section 123.49, subsection 2, paragraph
5 "h", or if a retail wine or beer permittee shall-be is
6 convicted of a violation of paragraph "i" of ~~such~~ that
7 subsection, the director or local authority shall, in addition
8 to the other penalties fixed for such violations by this
9 section, assess a penalty as follows:

10 a. Upon a first conviction, the violator's liquor con-
11 trol license, wine permit, or beer permit shall be suspended
12 for a period of fourteen days.

13 b. Upon a second conviction within a period of two years,
14 the violator's liquor control license, wine permit, or beer
15 permit shall be suspended for a period of thirty days.

16 c. Upon a third conviction within a period of five years,
17 the violator's liquor control license, wine permit, or beer
18 permit shall be suspended for a period of sixty days.

19 d. Upon a fourth conviction within a period of five years,
20 the violator's liquor control license, wine permit, or beer
21 permit shall be revoked.

22 Sec. 35. Section 123.51, subsection 3, Code 1981, is
23 amended to read as follows:

24 3. No signs or other matter advertising any brand of beer
25 or wine shall be erected or placed upon the outside of any
26 premises occupied by a licensee or permittee authorized to
27 sell beer at retail. This subsection ~~shall~~ does not prohibit
28 the use of signs or other matter inside a fence or similar
29 enclosure which wholly or partially surrounds the licensed
30 premises.

31 Sec. 36. Section 123.55, subsections 8 and 9, Code 1981,
32 are amended to read as follows:

33 8. The number of liquor control licenses, wine permits,
34 and beer permits issued, by class, the number in effect on
35 the last day included in the report, and the number which

1 has been suspended or revoked during the period covered by
2 the report.

3 9. Amount of fees paid to the department from liquor
4 control licenses, wine permits, and beer permits, in gross,
5 and the amount of ~~liquor-control-license~~ fees returned to
6 local subdivisions of government as provided under this
7 chapter.

8 Sec. 37. Section 123.56, Code 1981, is amended by striking
9 the section and inserting in lieu thereof the following:

10 123.56 NATIVE WINES.

11 1. Subject to rules and regulations of the department,
12 manufacturers of native wines from grapes, cherries, other
13 fruits or other fruit juices, vegetables, vegetable juices,
14 dandelions, clover, honey, or any combination of these
15 ingredients, holding a class "A" wine permit as required by
16 this chapter, may sell, keep, or offer for sale and deliver
17 the wine. Sales may be made at retail for off-premises
18 consumption when sold on the premises of the manufacturer.
19 Sales may also be made to class "A", "B", or "C" wine permittees
20 or liquor control licensees as authorized by the class "A"
21 wine permit.

22 2. A manufacturer of native wines shall not sell the wines
23 other than as permitted in this chapter and shall not allow
24 wine sold to be consumed upon the premises of the manufacturer.
25 However, prior to sale native wines may be sampled on the
26 premises where made, when no charge is made for the sampling.
27 A person may manufacture native wine for consumption on the
28 manufacturer's premises, when the wine or any part of it is
29 not manufactured for sale.

30 3. For the purposes of this section "manufacturer" includes
31 only those persons who process in Iowa the fruit, vegetables,
32 dandelions, clover, honey, or any combination of these
33 ingredients, by fermentation into wines.

34 Sec. 38. Section 123.59, Code 1981, is amended to read
35 as follows:

1 123.59 BOOTLEGGING. Any person who, ~~by-himself~~ personally,
2 or through another acting for ~~him~~ the person, shall keep or
3 carry on his or her person, or in a vehicle, or leave in a
4 place for another to secure, any alcoholic liquor, wine, or
5 beer, with intent to sell or dispense of such liquor, wine,
6 or beer, by gift or otherwise in violation of law, or who
7 shall, within this state, in any manner, directly or
8 indirectly, solicit, take, or accept any order for the
9 purchase, sale, shipment, or delivery of ~~such~~ alcoholic liquor,
10 wine, or beer in violation of law, or aid in the delivery
11 and distribution of any alcoholic liquor, wine, or beer so
12 ordered or shipped, or who shall in any manner procure for,
13 sell, or give any alcoholic liquor, wine, or beer to any
14 person under legal age, for any purpose except as authorized
15 and permitted in this chapter, ~~shall-be~~ is a bootlegger and
16 ~~be~~ subject to the general penalties provided by this chapter.

17 Sec. 39. Section 123.60, Code 1981, is amended to read
18 as follows:

19 123.60 NUISANCES. The premises where the unlawful manu-
20 facture or sale, or keeping with intent to sell, use or give
21 away, of alcoholic liquors, wine, or beer is carried on, and
22 any vehicle or other means of conveyance used in transport-
23 ing such liquor, wine, or beer in violation of law, and the
24 furniture, fixtures, vessels and contents, kept or used in
25 connection with such activities are nuisances and shall be
26 abated as provided in this chapter.

27 Sec. 40. Section 123.71, Code 1981, is amended to read
28 as follows:

29 123.71 CONDITIONS. ~~It-no-case-shall-a~~ A bootlegger injunc-
30 tion proceeding, as provided in this chapter, shall not be
31 maintained unless it ~~be~~ is shown to the court that efforts
32 in good faith have been made to discover the base of supplies
33 or place where the defendant charged as a bootlegger conducts
34 ~~his~~ the unlawful business or receives or manufactures the
35 alcoholic liquor, wine, or beer, ~~of~~ which ~~he~~ the defendant

1 is charged with bootlegging.

2 Sec. 41. Section 123.72, Code 1981, is amended to read
3 as follows:

4 123.72 ORDER OF ABATEMENT. If the existence of a nuisance
5 is established in a civil or criminal action, an order of
6 abatement shall be entered as a part of the judgment in the
7 case. ~~Sueh~~ The order shall direct the confiscation of all
8 alcoholic liquor, wine, or beer by the state; the removal
9 from the premises involved of all fixtures, furniture, vessels,
10 or movable property used in any way in conducting the unlaw-
11 ful business; the sale of all ~~sueh~~ removed property as well
12 as any vehicle or other means of conveyance which has been
13 abated, ~~sueh~~ the sale to be conducted in the manner provided
14 for the sale of chattels under execution; and the effective
15 closing of the premises against use for the purpose of manufac-
16 ture, sale, or consumption of alcoholic liquor, wine, or beer
17 for a period of one year, unless sooner released by the court.

18 Sec. 42. Section 123.81, Code 1981, is amended to read
19 as follows:

20 123.81 FORFEITURE OF BOND. If the owner of a property
21 who has filed an abatement bond as provided in this chapter
22 fails to abate the liquor, wine, or beer nuisance on the prem-
23 ises covered by the bond, or fails to prevent the mainte-
24 nance of any liquor, wine, or beer nuisance on ~~said~~ the
25 premises at any time within a period of one year after entry
26 of the abatement order, the court shall, after a hearing in
27 which such fact is established, direct an entry of ~~sueh~~ the
28 violation of the terms of the owner's bond, to be made on
29 the record and the undertaking of ~~his~~ the owner's bond
30 ~~thereupon~~ shall be forfeited.

31 Sec. 43. Section 123.84, Code 1981, is amended to read
32 as follows:

33 123.84 JUDGMENT. If the court after a hearing finds a
34 liquor, wine, or beer nuisance has been maintained on the
35 premises covered by the abatement bond and that liquor, wine,

1 or beer has been sold or kept for sale on the premises con-
2 trary to law within one year from the date of the giving of
3 ~~sueh~~ the bond, then the court shall order the forfeiture of
4 the bond and enter judgment for the full amount of ~~sueh~~ the
5 bond against the principal and sureties ~~thereof~~ on the bond,
6 and the lien on the real estate created pursuant to section
7 123.79 shall be decreed foreclosed and the court shall provide
8 for a special and general execution for the enforcement of
9 ~~sueh~~ the decree and judgment.

10 Sec. 44. Section 123.91, subsections 2 and 3, Code 1981,
11 are amended to read as follows:

12 2. Any provision of the prior laws of this state relating
13 to the intoxicating liquors, wine, or beer which were in force
14 prior to the enactment of this chapter.

15 3. Any provision of the laws of the United States or of
16 any other state relating to intoxicating liquors, wine, or
17 beer, and who is thereafter convicted of a subsequent criminal
18 offense against any provision of this chapter is guilty of
19 the following offenses:

20 a. For the second conviction, a serious misdemeanor.

21 b. For the third and each subsequent conviction, an aggra-
22 vated misdemeanor.

23 Sec. 45. Section 123.92, Code 1981, is amended to read
24 as follows:

25 123.92 CIVIL LIABILITY APPLICABLE TO SALE OR GIFT OF BEER
26 OR INTOXICANTS BY LICENSEES. Every husband, wife, child,
27 parent, guardian, employer or other person who ~~shall-be~~ is
28 injured in person or property or means of support by any
29 intoxicated person or resulting from the intoxication of any
30 ~~sueh~~ person, ~~shall-have~~ has a right of action for all damages
31 actually sustained, severally or jointly, against any licensee
32 or permittee, who ~~shall-sell~~ sells or ~~give~~ gives any beer,
33 wine, or intoxicating liquor to ~~any-sueh~~ a person while he
34 ~~or-she~~ the person is intoxicated, or ~~serve-any-sueh~~ serves
35 a person to a point where ~~sueh~~ the person is intoxicated,

1 ~~for-all-damages-actually-sustained~~. If the injury was caused
2 by an intoxicated person, a permittee or licensee may establish
3 as an affirmative defense that the intoxication did not
4 contribute to the injurious action of the person.

5 Every liquor control licensee and class "B" beer or wine
6 permittee shall furnish proof of financial responsibility
7 either by the existence of a liability insurance policy or
8 by posting bond in ~~such~~ an amount as determined by the
9 department.

10 Sec. 46. Section 123.95, unnumbered paragraph 1, Code
11 1981, is amended to read as follows:

12 It is unlawful for any person to allow the dispensing or
13 consumption of intoxicating liquor, except sacramental wines,
14 wine, and beer, in any establishment unless ~~such~~ the
15 establishment is licensed under this chapter.

16 Sec. 47. Section 123.96, subsections 1 and 2, Code 1981,
17 are amended to read as follows:

18 1. ~~Except-as-provided-by-section-123-567-subsection-4,~~
19 ~~there~~ There is imposed on every person licensed to sell
20 alcoholic beverages for consumption on the premises where
21 sold, a special tax equivalent to fifteen percent of the price
22 established by the department on all alcoholic beverages for
23 general sale to the public. The tax shall be paid by all
24 licensees at the point of purchase from the state on all
25 alcoholic beverages intended or used for resale for consumption
26 on the premises of retail establishments. The tax is in lieu
27 of any other sales tax applied at the state store and shall
28 be shown as a separate item on special sales slips provided
29 by the department for purchases by licensees.

30 2. Except as allowed under section 123.95 ~~and, except~~
31 ~~as-allowed-under-section-123-567-subsection-4,~~ a licensee
32 shall not knowingly keep on the licensed premises nor use
33 for resale purposes any alcoholic liquor on which the special
34 tax has not been paid to the state. The conviction of a
35 violation of this section shall cause the license held to

1 automatically be revoked and the license shall immediately
2 be surrendered by the holder, and the bond of the license
3 holder shall be forfeited to the department.

4 Sec. 48. Section 123.121, unnumbered paragraph 1, Code
5 1981, is amended to read as follows:

6 In any prosecution under this chapter for the unlawful
7 sale of alcoholic liquor, wine, or beer, a sale of alcoholic
8 liquor, wine, or beer which requires a shipment or delivery
9 of ~~such~~ the liquor, wine, or beer, shall be deemed to be made
10 in the county in which ~~such~~ the delivery is made by the carrier
11 to the consignee, his the consignee's agent, or employee.

12 Sec. 49. Chapter 123, division II, Code 1981, is amended
13 by adding the following new section:

14 NEW SECTION. WINE GALLONAGE TAX. There shall be levied
15 and collected from all class "A" wine permittees selling wine
16 on all wine manufactured for sale or sold in this state at
17 wholesale and on all wine imported into this state for sale
18 at wholesale and sold in this state at wholesale, a tax of
19 forty cents for every wine gallon, and at the like rate for
20 any other quantity or for the fractional parts of a wine
21 gallon.

22 A tax shall not be levied or collected on wine shipped
23 outside this state by a class "A" wine permittee or sold by
24 one class "A" wine permittee to another class "A" wine
25 permittee.

26 All revenue derived from the wine tax shall be deposited
27 in the beer and liquor control fund established by section
28 123.53 and shall be distributed as follows:

29 1. Two-thirds of the revenue derived from the wine tax
30 shall be distributed in accordance with subsections 3, 4,
31 5, and 6 of section 123.53. However, the total amount so
32 distributed shall not exceed an amount equal to the funds
33 distributed pursuant to those subsections during the fiscal
34 year ending June 30, 1972, as adjusted by the percent change
35 in the gross sales of the state liquor stores in each year

1 thereafter.

2 2. One-third of the revenue derived from the wine tax
3 shall be distributed in accordance with subsection 7 of section
4 123.53. However, the total amount so distributed shall not
5 exceed an amount equal to the funds distributed pursuant to
6 that subsection during the fiscal year ending June 30, 1972,
7 as adjusted by the percent change in the gross sales of the
8 state liquor stores in each year thereafter.

9 3. The revenue derived from the wine tax remaining in
10 the beer and liquor control fund after the distributions pur-
11 suant to subsections 1 and 2 of this section shall be trans-
12 ferred by the state comptroller to the general fund of the
13 state.

14 All of the provisions of this chapter relating to the
15 administration of the wine tax apply to this section.

16 Sec. 50. Section 123.122, Code 1981, is amended to read
17 as follows:

18 123.122 PERMIT OR LICENSE REQUIRED. ~~No person shall~~ It
19 is unlawful to manufacture for sale or sell beer or wine at
20 wholesale or retail unless a permit is first obtained as
21 provided in this division or, a liquor control license
22 authorizing the retail sale of beer or wine, or both, is first
23 obtained as provided in division I of this chapter. No liquor
24 control license holder shall be required to hold a separate
25 class "B" beer or wine permit or to post a separate bond.

26 Sec. 51. Section 123.123, Code 1981, is amended to read
27 as follows:

28 123.123 EFFECT ON LIQUOR CONTROL LICENSEES. All appli-
29 cable provisions of this division relating to class "B" beer
30 or wine permits ~~shall~~ apply to liquor control licensees in
31 the purchasing, storage, handling, serving, and sale of beer
32 or wine.

33 Sec. 52. Section 123.124, Code 1981, is amended to read
34 as follows:

35 123.124 PERMITS--CLASSES.

1 1. Permits for the manufacture and sale, or sale of beer
2 shall be divided into three classes, and shall be known as
3 either class "A", "B", or "C" beer permits. A class "A" beer
4 permit shall allow the holder to manufacture and sell beer
5 at wholesale. The holder of a class "A" beer permit may
6 manufacture beer of more than five percent of alcohol by
7 weight for shipment outside this state only. However, a class
8 "A" permit does not grant authority to manufacture wine as
9 defined in section 123.3, subsection 7 nor a beverage made
10 as described in section 123.3, subsection 7, containing over
11 seventeen percent of alcohol by weight. A class "B" beer
12 permit shall allow the holder to sell beer at retail for
13 consumption on or off the premises. A class "C" beer permit
14 shall allow the holder to sell beer at retail for consumption
15 off the premises.

16 2. Permits for the manufacture and sale of wine, or sale
17 of wine, shall also be divided into three classes, and shall
18 be known as either class "A", "B", or "C" wine permits. A
19 class "A" wine permit shall allow the holder to manufacture
20 and sell wine at wholesale. All applicants for a class "A"
21 wine permit shall be residents of the state of Iowa for a
22 period of at least two consecutive years immediately prior
23 to making application. If an applicant is a corporation or
24 partnership, the two-year residency requirement applies to
25 each of the officers, directors, and partners of the applicant.
26 The holder of a class "A" wine permit may manufacture a
27 beverage made as described in section 123.3, subsection 7,
28 containing more than seventeen percent alcohol by weight,
29 but only for shipment outside the state or for sale to the
30 Iowa beer and liquor control department. A class "B" wine
31 permit allows the holder to sell wine at retail for consumption
32 on or off the premises. A class "C" wine permit allows the
33 holder to sell wine at retail for consumption off the premises.

34 Sec. 53. Section 123.125, Code 1981, is amended to read
35 as follows:

1 123.125 ISSUANCE OF PERMITS. The director shall issue
2 class "A", "B", and "C" beer permits and wine permits and
3 may suspend or revoke ~~such~~ the permits for cause as provided
4 in this chapter.

5 Sec. 54. Section 123.129, subsection 5, Code 1981, is
6 amended to read as follows:

7 5. States the number of square feet of interior floor
8 space which comprises the retail sales area of the premises
9 for which the permit is sought, except that this provision
10 is not necessary or applicable in obtaining a class "C" wine
11 permit.

12 Sec. 55. Section 123.130, Code 1981, is amended to read
13 as follows:

14 123.130 AUTHORITY UNDER CLASS "A" PERMIT. Any person
15 holding a class "A" beer or wine permit issued by the
16 department ~~shall-be-authorized-to~~ may manufacture and sell,
17 or sell at wholesale, beer or wine as the case may be, for
18 consumption off the premises, such sales within the state
19 to be made only to persons holding ~~subsisting~~ existing class
20 "A", "B" or "C" permits, or liquor control licenses issued
21 in accordance with ~~the-provisions-of~~ this chapter.

22 Sec. 56. Section 123.131, Code 1981, is amended to read
23 as follows:

24 123.131 AUTHORITY UNDER CLASS "B" PERMIT. Subject to
25 ~~the-provisions-of~~ this chapter, any person holding a class
26 "B" beer or wine permit ~~shall-be-authorized-to~~ may sell beer
27 or wine as the case may be, for consumption on or off the
28 premises. However, unless otherwise provided in this chapter,
29 ~~no~~ a sale of beer or wine shall not be made for consumption
30 on the premises unless the place where such service is made
31 is equipped with tables and seats sufficient to accommodate
32 not less than twenty-five persons at one time.

33 Sec. 57. Section 123.132, Code 1981, is amended to read
34 as follows:

35 123.132 AUTHORITY UNDER CLASS "C" PERMIT. Any person

1 holding a class "C" beer or wine permit ~~shall be allowed to~~
2 may sell beer or wine as the case may be, for consumption
3 off the premises. Such sales shall be in original containers
4 only.

5 Sec. 58. Section 123.133, Code 1981, is amended to read
6 as follows:

7 123.133 SALE ON TRAINS--BOND. Subject to ~~the provisions~~
8 ~~of~~ this chapter, any dining car company, sleeping car company,
9 railroad company, or railway company may make application
10 to the director for a special class "B" permit, and the
11 director may issue a permit to ~~any such~~ the company ~~which.~~
12 The permit shall authorize the holder to keep for sale and
13 sell beer or wine as the case may be, on any dining car,
14 sleeping car, buffet car, or observation car operated by ~~such~~
15 the applicant in, through, or across the state. The
16 application for ~~such~~ a permit shall be in ~~such~~ a form and
17 contain ~~such~~ information as ~~may be~~ required by the director.
18 Each ~~such~~ permit shall be good throughout the state as a state
19 permit. Only one ~~such~~ permit shall be required for all cars
20 operated in this state by ~~such~~ the applicant, but a duplicate
21 of ~~such~~ the permit shall be posted in each car in which ~~such~~
22 the beverages are sold; and no further permit shall be required
23 or tax levied for the privilege of selling beer and wine for
24 consumption in such cars. As a condition precedent to the
25 ~~issuing~~ issuance of ~~any such~~ a permit, the applicant shall
26 give bond to the department, with good and sufficient sureties
27 ~~thereon~~ to be approved by the director, conditioned upon
28 faithful compliance with ~~the provisions of~~ this chapter in
29 the penal sum of one thousand dollars.

30 Sec. 59. Section 123.134, Code 1981, is amended to read
31 as follows:

32 123.134 BEER AND WINE FEES--SUNDAY SALES.

33 1. The annual permit fee for a class "A" beer permit shall
34 ~~be~~ is two hundred fifty dollars.

35 2. The annual permit fee for a class "B" beer permit shall

1 be graduated according to population as follows:

2 a. For premises located within the corporate limits of
3 cities with a population of ten thousand and over, three hun-
4 dred dollars.

5 b. For premises located within the corporate limits of
6 cities with a population of at least fifteen hundred but less
7 than ten thousand, two hundred dollars.

8 c. For premises located within the corporate limits of
9 cities with a population of under fifteen hundred, one hun-
10 dred dollars.

11 d. For premises located outside the corporate limits of
12 any city, a sum equal to that charged in the incorporated
13 city located nearest the premises to be operated under the
14 permit, and in case there is doubt as to which of two or more
15 differing corporate limits are the nearest, the permit fee
16 which is the largest shall prevail.

17 3. The annual permit fee for a class "C" beer permit shall
18 be graduated on the basis of the amount of interior floor
19 space which comprises the retail sales area of the premises
20 covered by the permit, as follows:

21 a. Up to one thousand five hundred square feet, ~~the sum~~
22 ~~of~~ seventy-five dollars.

23 b. Over one thousand five hundred square feet and up to
24 two thousand square feet, ~~the sum of~~ one hundred dollars.

25 c. Over two thousand and up to five thousand square feet,
26 ~~the sum of~~ two hundred dollars.

27 d. Over five thousand square feet, ~~the sum of~~ three hun-
28 dred dollars.

29 4. The annual permit fee for a class "A" wine permit is
30 two hundred fifty dollars.

31 5. The annual permit fee for a class "B" wine permit is
32 two hundred dollars.

33 6. The annual permit fee for a class "C" wine permit
34 holder whose food sales represent at least seventy-five percent
35 of the permit holder's total dollar volume shall be graduated

1 on a basis of the amount of interior floor space which com-
2 prises the retail sales area of the premises covered by the
3 permit as follows:

4 a. Up to two thousand five hundred square feet, seventy-
5 five dollars.

6 b. Over two thousand five hundred square feet and up to
7 five thousand square feet, one hundred dollars.

8 c. Over five thousand square feet and up to ten thou-
9 sand square feet, one hundred fifty dollars.

10 d. Over ten thousand square feet and up to twenty thou-
11 sand square feet, two hundred dollars.

12 e. Over twenty thousand square feet, three hundred dollars.

13 7. The annual permit fee for a class "C" wine permit
14 holder whose total food sales represent less than seventy-
15 five percent of the permit holder's total dollar volume is
16 three hundred dollars.

17 4 8. The annual permit fee for a special class "B" beer
18 or wine permit, issued under section 123.133, shall be is
19 one hundred dollars, and three dollars for each duplicate
20 permit, which fees shall be paid to the department. The
21 department shall issue duplicates of such the permits from
22 time-to-time as applied for by each such company.

23 5 9. Any club, hotel, motel, or commercial establishment
24 holding a class "B" beer or wine permit for whom the sale
25 of goods and services other than beer and wine constitutes
26 fifty percent or more of the gross receipts from the licensed
27 premises, subject to the provisions of section 123.49,
28 subsection 2, paragraph "b", may sell and dispense beer or
29 wine as the case may be, to patrons on Sunday for consumption
30 on the premises and for consumption of beer or wine as the
31 case may be off the premises between the hours of noon and
32 ten p.m. Any class "C" beer or wine permittee may sell beer
33 or wine as the case may be, for consumption off the premises
34 between the hours of noon and ten p.m. For the privilege
35 of selling beer or wine on Sunday the beer permit fees of

1 the applicant shall be increased by twenty percent of the
2 regular fees prescribed for the permit pursuant to this section
3 and the privilege shall be noted on the ~~beer~~ permit. The
4 department shall prescribe the nature and character of the
5 evidence which shall be required of the applicant under this
6 subsection.

7 Sec. 60. Section 123.135, Code 1981, is amended to read
8 as follows:

9 123.135 BREWER'S CERTIFICATE OF COMPLIANCE--PENALTIES.

10 1. Any manufacturer, brewer, bottler, importer, or vendor
11 of beer or any agent thereof desiring to ship, sell, or have
12 beer brought into this state for resale by a class "A" beer
13 permittee shall first make application for and shall be issued
14 a brewer's certificate of compliance by the director for ~~such~~
15 that purpose. ~~Such~~ The certificate of compliance shall expire
16 at the end of one year from the date of issuance and shall
17 be renewed for a like period upon application to the director
18 unless otherwise revoked for cause. Each application for
19 a certificate of compliance or renewal ~~thereof~~ shall be
20 accompanied by a fee of one hundred dollars payable to the
21 department. Each holder of a certificate of compliance shall
22 furnish ~~such~~ information and in ~~such~~ a form as the director
23 ~~may-require~~ requires. Any brewer whose plant is located in
24 Iowa and who otherwise holds a class "A" beer permit to sell
25 beer at wholesale ~~shall-be~~ is exempt from the fee, but not
26 ~~of the other~~ terms and conditions, ~~-as-herein-provided~~.

27 2. At the time of applying for a brewer's certificate
28 of compliance, each applicant shall file with the department
29 a list of all class "A" beer permittees with whom it intends
30 to do business and shall designate the geographic area in
31 which its products are to be distributed by ~~such-permittee~~
32 the permittees. The listing of class "A" beer permittees
33 and geographic area as filed with the department may be amended
34 from time to time by the holder of a certificate of compliance.

35 3. All class "A" beer permit holders shall sell only those

1 brands of beer which are manufactured, brewed, bottled,
2 shipped, or imported by a person holding a current certificate
3 of compliance. Any employee or agent working for or
4 representing the holder of a certificate of compliance within
5 this state shall register his or her name and address with
6 the department, which names and addresses shall be filed with
7 the department's copy of the certificate of compliance issued.

8 4. It ~~shall-be~~ is unlawful for any holder of a brewer's
9 certificate of compliance or ~~his~~ the holder's agent, or any
10 class "A" beer permit holder or ~~his~~ the holder's agent, to
11 grant to any retail beer permit holder, directly or indirectly,
12 any rebates, free goods, or quantity discounts on beer which
13 are not uniformly offered to all retail permittees.

14 5. Notwithstanding any other penalties provided by this
15 chapter, any holder of a brewer's certificate of compliance
16 or any class "A" beer permit holder who ~~shall-violate~~ violates
17 any of the provisions of this section ~~shall-be~~ is subject
18 to a ~~fine~~ civil penalty not to exceed one thousand dollars
19 or suspension of ~~his~~ the certificate or permit for a period
20 not to exceed one year or both ~~such~~ civil fine and suspension.

21 6. A manufacturer, vintner, bottler, importer, or ven-
22 dor of wine or an agent thereof desiring to ship, sell, or
23 have wine brought into this state for sale at wholesale by
24 a class "A" permittee shall first make application for and
25 shall be issued a vintner's certificate of compliance by the
26 director for that purpose. The vintner's certificate of
27 compliance shall expire at the end of one year from the date
28 of issuance and shall be renewed for a like period upon
29 application to the director unless otherwise revoked for
30 cause. Each application for a vintner's certificate of
31 compliance or renewal thereof shall be accompanied by a fee
32 of one hundred dollars payable to the department. Each holder
33 of a vintner's certificate of compliance shall furnish the
34 information in the form the director requires. A vintner
35 or wine bottler whose plant is located in Iowa and who

1 otherwise holds a class "A" wine permit to sell wine at
2 wholesale is exempt from the fee, but not the other terms
3 and conditions.

4 7. At the time of applying for a vintner's certificate
5 of compliance, each applicant shall file with the department
6 a list of all class "A" wine permittees with whom it intends
7 to do business and shall designate the geographic area in
8 which its products are to be distributed by the permittees.
9 Vintner's certificate holders may appoint more than one class
10 "A" wine permittee to service the same geographic territory.
11 The listing of class "A" wine permittees and geographic area
12 as filed with the department may be amended from time to time
13 by the holder of the certificate of compliance.

14 8. All class "A" wine permit holders shall sell only those
15 brands of wine which are manufactured, bottled, fermented,
16 shipped, or imported by a person holding a current vintner's
17 certificate of compliance. Any employee or agent working
18 for or representing the holder of a vintner's certificate
19 of compliance within this state shall register his or her
20 name and address with the department. These names and
21 addresses shall be filed with the department's copy of the
22 certificate of compliance issued excepting that this provision
23 does not require the listing of those persons who are employed
24 on the premises of a bottling plant, or winery where wine
25 is manufactured, fermented, or bottled in Iowa or to the
26 listing of those persons who are thereafter engaged in the
27 transporting of the wine.

28 9. It is unlawful for a holder of a vintner's certificate
29 of compliance or his or her agent, or any class "A" wine
30 permit holder or his or her agent, to grant to a retail wine
31 permit holder, or a retail liquor licensee, directly or
32 indirectly, rebates, free goods, or discounts on wine.

33 10. It is unlawful for a holder of a vintner's certificate
34 of compliance or his or her agent who is engaged in the
35 business of selling wine to class "A" wine permittees to

1 discriminate in price, allowance, rebate, refund, commission,
2 discount, or service between class "A" wine permittees
3 authorized to sell wine at wholesale. The term "discriminate"
4 means the granting of more favorable prices, allowances, re-
5 bates, refunds, commissions, discounts, or services to one
6 class "A" wine permit holder than to another.

7 Regardless of an agreement for the sale and distribution
8 of wine between the holder of a vintner's certificate of
9 compliance and a class "A" wine permit holder, the agreement
10 or contract shall not be for a period of less than that period
11 covered by the permit of the designated class "A" wine
12 permittee and the agreement or contract shall not be amended
13 or canceled during that period unless notification is given
14 in writing by the certificate holder to an affected class
15 "A" wine permit holder ninety days prior to the contemplated
16 change in contract or an amendment of assigned geographic
17 territory.

18 11. Signs or other matter advertising any brand of wine
19 shall not be erected or placed upon the outside of premises
20 which are occupied by a licensee or permittee authorized to
21 sell wine at retail.

22 12. Except as provided in this paragraph, a retail
23 permittee authorized to sell wine shall not sell wine for
24 off-premise consumption for less than cost adjusted to the
25 nearest cent. For the purposes of this section, cost shall
26 be determined by the director with the approval of a majority
27 of the members of the Iowa beer and liquor control council
28 and shall be determined by establishing a minimum percentage
29 markup for sales of wine at retail whether in case lot or
30 less. To determine cost, a minimum percentage markup shall
31 be applied to the wholesale price of wine sold by class "A"
32 wine permittees to permittees authorized to sell wine at
33 retail.

34 With prior approval and as prescribed by the director,
35 and upon application to and on forms provided by the depart-

1 ment, the director may authorize retail wine permittees and
2 liquor control licensees to sell wine for off-premise con-
3 sumption below cost for the following reasons:

4 a. Discontinuance of business.

5 b. Discontinuance of a brand or package size of wine that
6 has been in inventory on the retail premises for a period
7 of at least nine months. Any brand or package size of wine
8 discontinued shall not be repurchased at wholesale by the
9 discontinuing retailer for a period of twelve months.

10 c. For other reason of hardship as specified by the
11 applicant and as allowed and approved by the director.

12 13. Regardless of any other penalties provided by this
13 chapter, any holder of a certificate of compliance relating
14 to wine, class "A", "B" or "C" wine permittee or retail liquor
15 licensee, who violates any of the provisions of this sec-
16 tion is subject to a civil fine not to exceed one thousand
17 dollars or subject to suspension of the certificate of
18 compliance, license, or permit for a period not to exceed
19 one year or to both civil fine and suspension.

20 Sec. 61. Section 123.137, Code 1981, is amended to read
21 as follows:

22 123.137 REPORT OF BARREL AND GALLONAGE SALES--PENALTY.
23 Every person holding a class "A" permit shall on or before
24 the tenth day of each calendar month commencing on the tenth
25 day of the calendar month following the month in which ~~sueh~~
26 ~~the~~ person is issued a permit, make a report under oath to
27 the department upon forms to be furnished by the department
28 ~~for-sueh-purpose~~ showing the exact number of barrels of beer,
29 gallons of wine or fractional parts thereof, sold by ~~sueh~~
30 the permit holder during the preceding calendar month. ~~Sueh~~
31 The report shall also state ~~sueh~~ information as the director
32 may require, and ~~sueh~~ permit holders shall at the time of
33 filing ~~said-report~~ pay to the department the amount of tax
34 due at the rate fixed in section 123.136 or in section 49
35 of this Act.

1 A penalty of ten percent of the amount of the tax shall
2 be added ~~thereto~~ if the report is not filed and the tax paid
3 within the time required by this section.

4 Sec. 62. Section 123.138, Code 1981, is amended to read
5 as follows:

6 123.138 BOOKS OF ACCOUNT REQUIRED. Each class "A" per-
7 mittee shall keep proper books of account and records show-
8 ing the amount of beer and wine sold ~~by-him~~, which books of
9 account shall be at all times open to inspection by the di-
10 rector. Each class "B" and class "C" permittee and retail
11 liquor licensee shall keep proper books of account and records
12 showing each purchase of beer and wine made ~~by-him~~, and the
13 date and the amount of each purchase and the name of the per-
14 son from whom each purchase was made, ~~which~~. The books of
15 account and records shall be open to inspection by the director
16 and agents of the division of beer and liquor law enforcement
17 of the department of public safety during normal business
18 hours of the permittee.

19 Sec. 63. Section 123.139, Code 1981, is amended to read
20 as follows:

21 123.139 SEPARATE LOCATIONS--CLASS "A". Every class "A"
22 permittee having more than one place of business ~~shall-be~~
23 is required to have a separate permit for each separate place
24 of business maintained by ~~such~~ the permittee ~~wherein-such~~
25 where beer or wine is stored, warehoused, or sold.

26 Sec. 64. Section 123.140, Code 1981, is amended to read
27 as follows:

28 123.140 SEPARATE LOCATIONS--CLASS "B" OR "C". Every per-
29 son holding a class "B" or class "C" permit having more than
30 one place of business where ~~such~~ beer or wine is sold which
31 places do not constitute a single premises within the meaning
32 of section 123.3, subsection 31 ~~shall-be~~ is required to have
33 a separate license for each separate place of business, except
34 as otherwise provided by this chapter.

35 Sec. 65. Section 123.141, Code 1981, is amended to read

1 as follows:

2 123.141 KEEPING LIQUOR WHERE BEER IS SOLD. No alcoholic
3 liquor for beverage purposes shall be used, or kept for any
4 purpose in the place of business of class "B" permittees,
5 or on the premises of ~~such~~ class "B" permittees, at any time.
6 A violation of any provision of this section ~~shall-be~~ is
7 grounds for suspension or revocation of the permit pursuant
8 to section 123.50, subsection 3. This section ~~shall~~ does
9 not apply in any manner or in any way, to any railway car
10 of any dining car company, sleeping car company, railroad
11 company or railway company, having a special class "B" permit;
12 to the premises of any hotel or motel for which a class "B"
13 permit has been issued, other than that part of ~~such~~ the
14 premises regularly used by the hotel or motel for the principal
15 purpose of selling beer, wine, or food to the general public;
16 or to drug stores regularly and continuously employing a
17 registered pharmacist, from having alcohol in stock for
18 medicinal and compounding purposes.

19 Sec. 66. Section 123.142, Code 1981, is amended to read
20 as follows:

21 123.142 PURCHASE FROM NONPERMIT HOLDER. It ~~shall-be~~ is
22 unlawful for the holder of any class "B" or class "C" permit
23 issued under ~~the-provisions-of~~ this chapter to sell beer and
24 wine, except beer and wine purchased from a person holding
25 ~~a-substisting~~ an existing class "A" permit issued in accordance
26 with ~~the-provisions-of~~ this chapter, and on which the tax
27 provided in section 123.136 or section 49 of this Act, has
28 been paid. However, ~~the-provisions-of~~ this section ~~shall~~
29 does not apply to the holders of special class "B" permits
30 issued under section 123.133 for sales in cars engaged in
31 interstate commerce nor to class "D" liquor control licensees
32 as provided in this chapter.

33 It ~~shall-be~~ is unlawful for any person not holding a class
34 "A" permit to import beer or wine into this state for the
35 purpose of sale or resale.

1 Sec. 67. Section 123.143, subsections 1 and 2, Code 1981,
2 are amended to read as follows:

3 1. All retail beer permit fees collected by any local
4 authority at the time application for the permit is made shall
5 be retained by the local authority. A certified copy of the
6 receipt for the permit fee shall be submitted to the department
7 with the application and the local authority shall be notified
8 at the time the permit is issued. Those amounts retained
9 by the appropriate local authority out of the fee collected
10 for the privilege authorized under section 123.134, subsection
11 5 9, shall be deposited in the county mental health and
12 institutions fund to be used only for the care and treatment
13 of persons admitted or committed to the alcoholic treatment
14 center at Oakdale or any facilities as provided in chapter
15 125.

16 2. All permit fees including all retail class "B" and
17 class "C" wine permit fees, and taxes collected by the depart-
18 ment under this division shall accrue to the state general
19 fund, except as otherwise provided.

20 Sec. 68. Section 123.144, Code 1981, is amended to read
21 as follows:

22. 123.144 BOTTLING BEER. ~~No~~ A person shall not bottle beer
23 within the state of Iowa for purposes other than for individual
24 consumption in a private home, except class "A" beer permittees
25 who have complete equipment for bottling beer and who have
26 received the approval of the local board of health as to
27 sanitation, and ~~it shall be the duty of~~ local boards of health
28 ~~to~~ shall inspect the premises and equipment of class "A" beer
29 permittees who desire to bottle beer.

30 Sec. 69. Section 123.145, Code 1981, is amended to read
31 as follows:

32 123.145 LABELS ON BOTTLES, BARRELS, ETC.--CONCLUSIVE
33 EVIDENCE. The label on any bottle, keg, barrel, or other
34 container in which beer or wine is offered for sale in this
35 state, representing the alcoholic content of ~~such~~ beer as

1 being in excess of five per centum by weight shall-be, or
2 wine as being in excess of seventeen percent is conclusive
3 evidence as to the alcoholic content of the beer beverage
4 contained therein.

5 Sec. 70. Section 123.150, unnumbered paragraph 1, Code
6 1981, is amended to read as follows:

7 Notwithstanding section 123.36, subsection 6, section
8 123.49, subsection 2, paragraph "b", and section 123.134,
9 subsection 5 9, a holder of any class of liquor control license
10 or the holder of a class "B" beer permit may sell or dispense
11 such liquor or beer to patrons for consumption on the premises
12 between the hours of noon on Sunday and two a.m. on Monday
13 when that Monday is New Years Day and beer for consumption
14 off the premises between the hours of noon Sunday and ten
15 p.m. Sunday when that Sunday is the day before New Years Day.
16 A holder of a class "B" or "C" wine permit may sell wine for
17 consumption off the premises between the hours of noon on
18 Sunday and ten p.m. on Sunday when that Sunday is the day
19 before New Years Day. The liquor control license fee or beer
20 or wine permit fee of licensees and permittees permitted to
21 sell or dispense such liquor, wine, or beer on a Sunday when
22 that Sunday is the day before New Years Day shall not be
23 increased because of this privilege.

24 Sec. 71. Section 455C.1, subsection 1, Code 1981, is
25 amended to read as follows:

26 1. "Beverage" means wine as defined in section 123.3,
27 subsection 7, alcoholic liquor as defined in section 123.3,
28 subsection 8, beer as defined in section 123.3, subsection
29 9, mineral water, soda water and similar carbonated soft
30 drinks in liquid form and intended for human consumption.

31 Sec. 72. Section 455C.2, subsection 1, Code 1981, is
32 amended to read as follows:

33 1. Except purchases of alcoholic liquor as defined in
34 section 123.3, subsection 8, or wine as defined in section
35 123.3, subsection 7 by holders of class "A", "B" and "C"

1 liquor control licenses, or class "A", "B" or "C" wine permits,
2 a refund value of not less than five cents shall be paid by
3 the consumer on each beverage container sold in this state
4 by a dealer for consumption off the premises. Upon return
5 of the empty beverage container upon which a refund value
6 has been paid to the dealer or person operating a redemption
7 center and acceptance of the empty beverage container by the
8 dealer or person operating a redemption center, the dealer
9 or person operating a redemption center shall return the
10 amount of the refund value to the consumer.

11

EXPLANATION

12 This bill would place wines containing more than 5% but
13 not more than 17% alcohol by weight under private distribution
14 and sale somewhat the same as beer is handled presently.

15 Wholesalers, and retailers dealing exclusively in wine,
16 would be required to obtain a separate and distinct wine
17 permit. A retail liquor licensee who presently has the
18 privilege of selling wine for on-premise consumption would
19 not need additional authority.

20 Wine containing more than 17% alcohol by weight would
21 continue to be subject to the present alcoholic beverage
22 provisions. Wine containing more than 5% but less than 17%
23 would be imported, wholesaled and retailed through private
24 facilities. Importer's and wholesaler's certificates and
25 permits, respectively, would be approved and issued by the
26 department. Retail permits for the sale of wine would require
27 approval of the local authority.

28 Prohibitions against licensees and beer permittees apply
29 equally to wine permittees, except that the department would
30 have no authority to regulate the transportation of wine.
31 Suspension and revocation procedures respecting a wine permit
32 would be the same as for a liquor license or beer permit.

33 Fees for the issuance of wine permits are of fixed rate
34 except for the class "C" fee which is based upon sales volume
35 and the size of the wine sales area of the outlet.

1 Importers may determine who wholesales wine in given
2 geographic areas, and may select one or more wholesalers for
3 a given area. An importer may not discriminate between
4 wholesalers with whom that importer does business.

5 The department establishes a minimum price for the retail
6 sale of wine by adding a percentage markup to the wholesale
7 price, and a one thousand dollar civil penalty and a one-year
8 license suspension, or both, is attached for selling below
9 the established price. The department may authorize below
10 minimum prices in limited circumstances, such as discontinuance
11 of business.

12 In place of the current state revenue for wine sales, this
13 bill imposes an excise tax of forty cents per gallon on wine
14 sold for retail resale within this state, the tax being
15 collected and paid to the state by the wholesaler. Two-thirds
16 of the gallonage tax is distributed to the cities and one-
17 third to the military service tax fund, subject to the maximum
18 amount so distributable, as provided in section 49 of this
19 bill. Sections 71 and 72 are coordinating amendments to the
20 "bottle bill".

21 The bill would take effect July 1 following its enactment.

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