

State Government
Carr, Chair
Briles
Welsh

SENATE FILE 126

BY HORN, MILLER of Des Moines,
TIEDEN and CARR

JAN 24 1999

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

A BILL FOR

1 An Act relating to the off-premises sale of alcoholic liquor
2 by class "B" and "C" liquor control licensees.

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

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S.F. 626

1 Section 1. Section 123.3, subsection 27, Code 1983, is
2 amended to read as follows:

3 27. "Retailer" means any person other than the department
4 who shall sell, barter, exchange, offer for sale, or have
5 in possession with intent to sell, at retail any alcoholic
6 liquor ~~for consumption on the premises where sold~~, or beer,
7 for consumption either on or off the premises where sold.

8 Sec. 2. Section 123.23, Code 1983, is amended to read
9 as follows:

10 123.23 STATE LIQUOR STORES. The department shall establish
11 and maintain in any city, which as the director may deem deems
12 advisable, a state liquor store or stores for storage and
13 sale of alcoholic liquor in accordance with ~~the provisions~~
14 ~~of~~ this chapter. The department may, from time to time, as
15 determined by the director, fix the prices of the different
16 classes, varieties, or brands of alcoholic liquor to be sold
17 by the department to consumers.

18 Sec. 3. Section 123.30, subsection 3, paragraphs b and
19 c, Code 1983, are amended to read as follows:

20 b. CLASS "B". A class "B" liquor control license may
21 be issued to a hotel or motel and shall authorize the holder
22 to purchase alcoholic liquors from only the department, and
23 native wines from native wine manufacturers, and to sell ~~such~~
24 alcoholic liquors, and beer, ~~to patrons by the individual~~
25 ~~drink for consumption on the premises only~~, ~~however~~, beer
26 ~~may also be sold~~ for consumption on or off the premises.
27 Each license shall be effective throughout the premises
28 described in the application.

29 c. CLASS "C". A class "C" liquor control license may
30 be issued to a commercial establishment but ~~must~~ shall be
31 issued in the name of the individuals who actually own the
32 entire business and shall authorize the holder to purchase
33 alcoholic liquors from only the department, and native wines
34 from native wine manufacturers, and to sell ~~such~~ alcoholic
35 liquors, and beer, ~~to patrons by the individual drink for~~

1 ~~consumption-on-the-premises-only,-however,-beer-may-also-be~~
2 ~~sed~~ for consumption on or off the premises.

3 A special class "C" liquor control license may be issued
4 and shall authorize the holder or holders to purchase wine
5 containing not more than seventeen percent alcohol by weight
6 from the department only, and to sell such wine, and beer,
7 ~~to patrons-by-the-individual-drink-for-consumption-on-the~~
8 ~~premises-only,-however,-beer-may-also-be-sed~~ for consumption
9 on or off the premises. The license issued to holders of
10 a special class "C" license shall clearly state on its face
11 "alcoholic liquor, limited to wine only."

12 Sec. 4. Section 123.49, subsection 2, paragraph f, Code
13 1983, is amended to read as follows:

14 f. Any A person under eighteen years of age shall not
15 be employed in the sale or serving of alcoholic liquor or
16 beer for consumption on the premises where sold or in the
17 sale of alcoholic liquor for consumption off the premises
18 where sold.

19 Sec. 5. Section 123.96, subsections 1 and 2, Code 1983,
20 are amended to read as follows:

21 1. Except as provided by section 123.56, subsection 4,
22 there is imposed on every person licensed to sell alcoholic
23 beverages for consumption on the premises where sold, a special
24 tax equivalent to fifteen percent of the price established
25 by the department on all alcoholic beverages for general sale
26 to the public. The tax shall be paid by all licensees at
27 the point of purchase from the state on all alcoholic beverages
28 intended or used for resale for consumption on or off the
29 premises of retail establishments. The tax is in lieu of
30 any other sales tax applied at the state store and shall be
31 shown as a separate item on special sales slips provided by
32 the department for purchases by licensees.

33 2. Except as allowed under section 123.95 and, except
34 as allowed under section 123.56, subsection 4, a licensee
35 shall not knowingly keep on the licensed premises nor sell

1 or use for resale purposes any alcoholic liquor on which the
2 special tax has not been paid to the state. The conviction
3 of a violation of this section shall cause the license held
4 to automatically be revoked and the license shall immediately
5 be surrendered by the holder, and the bond of the license
6 holder shall be forfeited to the department.

7 Sec. 6. Section 123.150, unnumbered paragraph 1, Code
8 1983, is amended to read as follows:

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

26 Sec. 7. Section 455C.2, subsection 1, Code 1983, is amended
27 to read as follows:

28 1. Except purchases of alcoholic liquor as defined in
29 section 123.3, subsection 8, from or by holders of class "A",
30 "B" and "C" liquor control licenses, a refund value of not
31 less than five cents shall be paid by the consumer on each
32 beverage container sold in this state by a dealer for
33 consumption off the premises. Upon return of the empty
34 beverage container upon which a refund value has been paid
35 to the dealer or person operating a redemption center and

1 acceptance of the empty beverage container by the dealer or
2 person operating a redemption center, the dealer or person
3 operating a redemption center shall return the amount of the
4 refund value to the consumer.

5 EXPLANATION

6 This bill provides that holders of class "B" or class "C"
7 liquor control licenses (hotels and motels and commercial
8 establishments, respectively) may sell liquor for off-premises
9 consumption as well as for on-premises consumption. A person
10 under eighteen is prohibited from selling alcoholic liquor
11 for consumption off the premises.

12 This bill would take effect July 1 following its enactment.

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SENATE 4
APRIL 11, 1983

SENATE FILE 126
FISCAL NOTE

REQUESTED BY SENATOR CARR

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 126 pursuant to Joint Rule 17.

Senate File 126 provides that holders of class "B" or class "C" liquor control licenses (hotels and motels and commercial establishments, respectively) may sell liquor for off-premises consumption as well as for on-premises consumption. A person under eighteen is prohibited from selling alcoholic liquor for consumption off the premises.

It is estimated that this bill would result in additional revenues as follows:

	FY 1984	FY 1985
Liquor Transfer	\$1,255,000	\$1,323,000
Sales Tax Transfer	(182,400)	(196,000)
Licensee Tax Transfers	1,439,000	1,470,000
Beer Tax Transfer	No Change	No Change
Substance Abuse Appropriations	No Change	No Change
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Total State (General Fund)	\$2,511,600	\$2,597,000
10% of Sales for Cities	\$ 470,000	\$ 490,000
5% of Sales for Counties	235,000	245,000
Local Share of License Fees	No Change	No Change
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Total Local	\$ 705,000	\$ 735,000
Total Additional Revenues	\$3,216,600	\$3,332,000

These estimates assume that sales to licensees would increase by twenty percent due to the substantial increase in the number of outlets and the hours open (assuming licenses would be able to sell liquor for off premise consumption same hours that they can presently sell liquor for on premise consumption). However, there would be an offsetting reduction in the sales by state liquor stores to retail customers. No increase in the number of "B" and "C" liquor licenses is anticipated. The bill does not provide for a bottle deposit charge by the licensee to the consumer. Finally, it is expected that there would be additional staffing and operating costs to the Beer and Liquor Control Department due to the additional sales to licensees and the requirement that all bottles sold must be specially decaled and recorded.

Source: Beer and Liquor Control Department

1237S, 83-395-JMN)

RECEIVED BY THE SECRETARY OF THE SENATE, APRIL 6, 1983

FILED:
APRIL 8, 1983

BY LEGISLATIVE FISCAL BUREAU
DENNIS C. PROUTY, DIRECTOR