

State Government
Carr. Chair
Briefs
Weish.

FILED JAN 27 1983

SENATE FILE 150

BY KINLEY and SLATER

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

A BILL FOR

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

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

- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

S.F. 150

1 Section 1. Section 123.1, Code 1983, 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 1983, 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 1983, 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 9. "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 1983, is amended to read as follows:

22 c. ~~He is~~ 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 1983, 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~~ mean not
 31 only the premises ~~wherein~~ where alcohol or spirits ~~is~~ are
 32 distilled, ~~or~~ rectified wine is fermented, or beer is brewed,
 33 but in addition mean a person owning, representing, or in
 34 charge of such premises and the operations conducted ~~therein~~
 35 there, including the blending and bottling or other handling

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

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

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

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

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

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

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

1 Sec. 6. Section 123.3, Code 1983, is amended by adding
2 the following new subsection:

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

5 Sec. 7. Section 123.4, Code 1983, is amended to read as
6 follows:

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

14 Sec. 8. Section 123.6, Code 1983, is amended to read as
15 follows:

16 123.6 APPOINTMENT--TERM--QUALIFICATIONS--COMPENSATION.
17 Appointments shall be for five-year staggered terms beginning
18 and ending as provided by section 69.19 and shall be made
19 by the governor, subject to confirmation by the senate.
20 Members of the council shall be chosen on the basis of
21 managerial ability and experience as business executives.
22 One member of the council may be the holder of or have an
23 interest in a permit or license to manufacture alcoholic
24 liquor, wine, or beer or sell alcoholic liquor, wine, or beer
25 at wholesale or retail. Members may be reappointed for one
26 additional term. Each member appointed shall receive compensa-
27 tion for the member's services of forty dollars per diem in
28 addition to reasonable and necessary expenses while attending
29 meetings.

30 Sec. 9. Section 123.14, subsections 1 and 3, Code 1983,
31 are amended to read as follows:

32 1. The division of beer and liquor law enforcement of
33 the department of public safety, created pursuant to section
34 80.25, ~~shall be~~ is the primary beer, wine, and liquor law
35 enforcement authority for this state.

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

6 Sec. 10. Section 123.15, Code 1983, is amended to read
7 as follows:

8 123.15 HEARING BOARD ESTABLISHED. ~~There-is-hereby-created~~
9 a A three-member hearing board is created for the purpose
10 of conducting departmental hearings relating to controversies
11 concerning the issuance, suspension, or revocation of special
12 liquor permits, liquor control licenses, wine permits, and
13 beer permits authorized under this chapter. One member shall
14 be appointed by the council from its membership, which member
15 may be periodically replaced by appointment of another council
16 member; one member shall be the attorney general or ~~his~~ the
17 attorney general's designee; and one member shall be the
18 commissioner of public safety or ~~his~~ the commissioner's
19 designee. The hearing board shall establish and adopt rules
20 and procedures for conducting departmental hearings under
21 this chapter.

22 Sec. 11. Section 123.16, subsection 2, paragraph b, Code
23 1983, is amended to read as follows:

24 b. The granting or refusing of liquor licenses and per-
25 mits, wine permits, and beer permits, and the suspension or
26 revocation of ~~such~~ the licenses and permits.

27 Sec. 12. Section 123.18, Code 1983, is amended to read
28 as follows:

29 123.18 FAVORS FROM LICENSEE OR PERMITTEE. ~~No~~ A person
30 responsible for the administration or enforcement of this
31 chapter shall not accept or solicit donations, gratuities,
32 political advertising, gifts, or other favors, directly or
33 indirectly, from any liquor control licensee, wine permittee,
34 or beer permittee. A violation of this section shall subject
35 the violator to the general penalties provided by this chapter.

1 Sec. 13. Section 123.19, subsection 1, Code 1983, is
2 amended to read as follows:

3 1. Any manufacturer, distiller, ~~vintner~~, or importer of
4 alcoholic beverages shipping, selling, or having alcoholic
5 beverages brought into this state for resale by the state
6 shall, as a condition precedent to the privilege of so traf-
7 ficking in alcoholic liquors in this state, annually make
8 application for and ~~shall~~ hold a distiller's certificate of
9 compliance which shall be issued by the director for ~~such~~
10 that purpose. No brand of alcoholic liquor shall be sold
11 by the department in this state unless the manufacturer,
12 distiller, ~~vintner~~, importer, and all other persons
13 participating in the distribution of ~~such~~ that brand in this
14 state have obtained ~~such~~ a certificate. ~~Such~~ The certificate
15 of compliance shall expire at the end of one year from the
16 date of issuance and shall be renewed for a like period upon
17 application to the director unless otherwise suspended or
18 revoked for cause. Each application for a certificate of
19 compliance or renewal ~~thereof~~ shall be made in ~~such~~ a manner
20 and upon ~~such~~ forms ~~as-shall-be~~ prescribed by the director
21 and shall be accompanied by a fee of fifty dollars payable
22 to the department. However, ~~the-provisions-of~~ this subsection
23 need not apply to a manufacturer, distiller, ~~vintner~~, or
24 importer who ships or sells in this state no more than eleven
25 gallons or its case equivalent during any fiscal year as a
26 result of "special orders" which might be placed, as defined
27 and allowed by departmental rules adopted under this chapter.

28 Sec. 14. Section 123.21, subsections 6, and 10, Code 1983,
29 are amended to read as follows:

30 6. Providing for the ~~issuing~~ issuance and ~~distributing~~
31 distribution of price lists ~~showing which show~~ the price to
32 be paid by purchasers for each brand, class, or variety of
33 liquor kept for sale under this chapter. ~~---Provide,~~ providing
34 for the filing or posting of prices charged in sales between
35 class "A" beer and class 1 wine permit holders and retailers,

1 as provided in this chapter, and ~~establish~~ establishing or
2 ~~control-such~~ controlling the prices ~~as may be~~ based on minimum
3 standards of fill, quantity, or alcoholic content for each
4 individual sale of intoxicating liquor, wine, or beer as
5 deemed necessary for retail or consumer protection.

6 10. Prescribing the time, manner, means, and method by
7 which distillers, ~~vintners~~, vendors, or others authorized
8 under this chapter may deliver or transport alcoholic liquors
9 and prescribing the time, manner, means, and methods by which
10 alcoholic liquor may be lawfully conveyed, carried, or trans-
11 ported.

12 Sec. 15. Section 123.22, unnumbered paragraph 1, Code
13 1983, is amended to read as follows:

14 The department ~~shall have~~ has the ~~sole and~~ exclusive right
15 of importation, into the state, of all forms of alcoholic
16 liquor, except as otherwise provided in this chapter, and
17 ~~no~~ a person shall ~~be not~~ import ~~any-such~~ alcoholic liquor,
18 except that an individual of legal age may import and have
19 in ~~his~~ possession an amount of alcoholic liquor not exceeding
20 one quart or, in the case of alcoholic liquor personally
21 obtained outside the United States, one gallon for personal
22 consumption only in a private home or other private
23 accommodation. No distillery shall sell any alcoholic liquor
24 within the state to any person but only to the department,
25 except as otherwise provided in this chapter. It is the
26 intent of this section to vest in the department exclusive
27 control within the state both as purchaser and vendor of all
28 alcoholic liquor sold by distilleries within the state or
29 imported therein, except beer and wine, and except as otherwise
30 provided in this chapter.

31 Sec. 16. Section 123.23, Code 1983, is amended to read
32 as follows:

33 123.23 STATE LIQUOR STORES. The department shall establish
34 and maintain in any city which the director may deem advisable,
35 a state liquor store or stores for storage and sale of

1 alcoholic liquor and wine in accordance with the provisions
2 of this chapter. The department may, from time to time, as
3 determined by the director, fix the prices of the different
4 classes, varieties, or brands of alcoholic liquor to be sold.

5 Sec. 17. Section 123.27, subsection 2, Code 1983, is
6 amended by striking the subsection.

7 Sec. 18. Section 123.29, subsection 4, paragraph c, Code
8 1983, is amended to read as follows:

9 c. That neither the applicant, if ~~he~~ the applicant is
10 an individual, nor any members of the firm or officers of
11 the corporation, if the applicant is not an individual, has
12 been convicted of any violation of the laws of this state
13 with reference to the sale of alcoholic liquors, wine, or
14 beer within the three years preceding the date of the
15 affidavit.

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

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

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

33 c. CLASS "C". A class "C" liquor control license may
34 be issued to a commercial establishment but must be issued
35 in the name of the individuals who actually own the entire

1 business and shall authorize the holder to purchase alcoholic
2 liquors from only the department, and native wines from native
3 wine manufacturers, and to sell such liquors, wine, and beer,
4 to patrons by the individual drink for consumption on the
5 premises only, however, wine and beer may also be sold for
6 consumption off the premises.

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

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

28 Sec. 20. Section 123.32, subsections 1, 2, and 4, Code
29 1983, are amended to read as follows:

30 1. FILING OF APPLICATION. An application for a class
31 "A", class "B", or class "C" liquor control license, ~~and~~ for
32 a retail beer permit as provided in sections 123.128 and
33 123.129, or for a class 2 wine permit, accompanied by the
34 required fee and bond, shall be filed with the appropriate
35 city council if the premises for which the license or permit

1 is sought are located within the corporate limits of a city,
2 or with the board of supervisors if the premises for which
3 the license or permit is sought are located outside the
4 corporate limits of a city. An application for a class "D"
5 liquor control license and for a class "A" beer or class 1
6 wine permit, accompanied by the required fee and bond, shall
7 be filed with the department, which shall proceed in the same
8 manner as in the case of an application approved by local
9 authorities.

10 2. ACTION BY LOCAL AUTHORITIES. The local authority shall
11 either approve or disapprove the issuance of a liquor control
12 license class 2 wine permit, or retail beer permit, and shall
13 endorse ~~such~~ its approval or disapproval on the application
14 and shall forward same the application along with the required
15 fee and bond to the department. Upon the initial ~~issuance~~
16 ~~of application for~~ a liquor control license class 2 wine
17 permit, or retail beer permit, the fact that the local author-
18 ity determines that no liquor control license class 2 wine
19 permit, or retail beer permit shall be issued shall not be
20 held to be arbitrary, capricious, or without reasonable cause.
21 There ~~shall be~~ is no limit upon the number of liquor control
22 licenses class 2 wine permits, or retail beer permits which
23 may be approved for issuance by local authorities.

24 4. APPEAL TO HEARING BOARD. Any applicant for a liquor
25 control license, a wine permit, or beer permit may appeal
26 from the director's disapproval of an application for a license
27 or permit to the department hearing board, established pursuant
28 to section 123.15, ~~from the director's disapproval of an~~
29 ~~application for a license or permit~~. If, upon such appeal
30 the hearing board ~~shall determine~~ determines that the local
31 authority acted arbitrarily, capriciously, or without
32 reasonable cause in disapproving the application, or that,
33 where the local authority approved the application, the
34 director's own disapproval should be reversed, it shall order
35 issuance of a license or permit. The same right of appeal

1 to the hearing board shall be afforded a liquor control
2 licensee, wine permittee, or beer permittee, whose license
3 or permit has been suspended or revoked under this chapter,
4 and the hearing board shall reduce the period of suspension
5 or order reinstatement of ~~such~~ the license or permit for good
6 cause shown.

7 Sec. 21. Section 123.34, subsection 1, Code 1983, is
8 amended to read as follows:

9 1. Liquor control licenses, wine permits, and beer permits,
10 unless sooner suspended or revoked, expire one year from date
11 of issuance. The director shall give sixty days' written
12 notice of the expiration to each licensee or permittee.
13 However, the director may issue six-month or eight-month
14 seasonal licenses or class "B" beer permits for a proportionate
15 part of the license or permit fee or may issue fourteen-day
16 liquor licenses or beer permits as provided in subsection
17 2. No refund shall be made for seasonal licenses or permits
18 or for fourteen-day liquor licenses or beer permits. No
19 seasonal license or permit shall be renewed except after a
20 period of two months.

21 Sec. 22. Section 123.35, unnumbered paragraph 1, Code
22 1983, is amended to read as follows:

23 The director shall prescribe simplified application forms
24 for the renewal of liquor control licenses, wine permits,
25 and beer permits, issued under ~~the provisions of~~ this chapter,
26 which may be filed by licensees and permittees in lieu of
27 a detailed renewal application form when qualifications and
28 qualification information have not changed since the original
29 issuance of the license or permit. ~~Such~~ The simplified form
30 shall require the licensee or permittee to verify under oath
31 that the information contained in the original application
32 remains current, and that no reason exists for the department's
33 refusal to renew the license or permit as originally issued.

34 Sec. 23. Section 123.36, subsection 2, Code 1983, are
35 amended to read as follows:

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

14 Sec. 24. Section 123.36, subsection 5, paragraph c, Code
15 1983, is amended to read as follows:

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

25 Sec. 25. Section 123.36, subsection 6, Code 1983, is
26 amended to read as follows:

27 6. Any club, hotel, motel, or commercial establishment
28 holding a liquor control license for whom the sale of goods
29 and services other than alcoholic liquor, wine, or beer
30 constitutes fifty percent or more of the gross receipts from
31 the licensed premises, subject to ~~the provisions of~~ section
32 123.49, subsection 2, paragraph "b", may sell and dispense
33 alcoholic liquor and wine to patrons on Sunday for consumption
34 on the premises only, and beer for consumption on or off the
35 premises between the hours of noon and ten p.m. on Sunday.

1 For the privilege of selling beer, wine, and alcoholic liquor
2 on the premises on Sunday the liquor control license fee of
3 the applicant shall be increased by twenty percent of the
4 regular fee prescribed for the license pursuant to this
5 section, and the privilege shall be noted on the liquor control
6 license. The department shall prescribe the nature and the
7 character of the evidence ~~which shall be~~ required of the
8 applicant under this subsection.

9 Sec. 26. Section 123.36, subsection 7, unnumbered paragraph
10 1, Code 1983, is amended to read as follows:

11 ~~Class~~ Special class "C" liquor control licenses ~~which limit~~
12 ~~sales of alcoholic liquor to wine containing not more than~~
13 ~~seventeen percent alcohol by weight~~, a sum as follows:

14 Sec. 27. Section 123.37, Code 1983, is amended to read
15 as follows:

16 123.37 POWER TO LICENSE AND LEVY TAXES. The power to
17 establish licenses and permits and levy taxes as imposed in
18 title VI of the Code is vested exclusively with the state.
19 Unless specifically provided, no local authority shall levy
20 a local tax on the sale of alcoholic beverages, wine, or beer,
21 require the obtaining of a special license or permit for such
22 sale on any establishment, or require the obtaining of a li-
23 cense by any person as a condition precedent to ~~his~~ the
24 person's employment in the sale, serving, or handling of
25 alcoholic beverages, wine, or beer, within an establishment
26 operating under a license or permit.

27 Sec. 28. Section 123.38, unnumbered paragraphs 1 and 2,
28 Code 1983, are amended to read as follows:

29 A special liquor permit, liquor control license, wine
30 permit, or beer permit ~~shall be~~ is a ~~purely~~ personal privilege
31 and ~~be~~ is revocable for cause. It ~~shall~~ is not ~~constitute~~
32 property nor ~~be~~ is it subject to attachment and execution
33 nor ~~be~~ alienable nor assignable, and ~~in any case~~ it shall
34 cease upon the death of the permittee or licensee. However,
35 the director may in ~~his~~ the director's discretion allow the

1 executor or administrator of a permittee or licensee to operate
2 the business of the decedent for a reasonable time not to
3 exceed the expiration date of the permit or license. Every
4 permit or license shall be issued in the name of the applicant
5 and no person holding a permit or license shall allow any
6 other person to use ~~same~~ it.

7 Any ~~such~~ licensee or permittee, or ~~his~~ that person's
8 executor, or administrator, or any person duly appointed by
9 the court to take charge of and administer the property or
10 assets of the licensee or permittee for the benefit of ~~his~~
11 creditors, may voluntarily surrender ~~such~~ a license or permit
12 to the department ~~and-when-se.~~ When a license or permit is
13 surrendered the department shall notify the local authority,
14 and the department ~~and-such~~ or the local authority, ~~or-the~~
15 ~~local-authority-by-itself-in-the-case-of-a-retail-beer-permit,~~
16 shall refund to the person ~~so~~ surrendering the license or
17 permit, a proportionate amount of the fee ~~paid~~ received by
18 the department or the local authority for ~~such~~ the license
19 or permit as follows: If a license or permit is surrendered
20 during the first three months of the period for which ~~said~~
21 ~~license-or-permit~~ it was issued, the refund shall be three-
22 fourths of the amount of the fee; if surrendered more than
23 three months but not more than six months after issuance,
24 the refund shall be one-half of the amount of the fee; if
25 surrendered more than six months but not more than nine months
26 after issuance, the refund shall be one-fourth of the amount
27 of the fee. No refund shall be made, however, for any special
28 liquor permit, nor for a liquor control license, wine permit,
29 or beer permit surrendered more than nine months after
30 issuance. For purposes of this paragraph, any portion of
31 license or permit fees deposited in the county mental health
32 and institutions fund, shall not be deemed received either
33 by the department or by a local authority. No refund shall
34 be made to any licensee or permittee, upon the surrender of
35 ~~his~~ a license or permit, if there is at the time of ~~said~~

1 surrender, a complaint filed with the department or local
2 authority, charging ~~him~~ the person with a violation of the
3 ~~provisions of~~ this chapter. If upon a hearing on ~~any such~~
4 a complaint the license or permit is not revoked or suspended,
5 then the licensee or permittee ~~shall be~~ is eligible, upon
6 surrender of ~~his~~ the license or permit, to receive a refund
7 as ~~herein~~ provided--But in this section; but if his the
8 license or permit is revoked or suspended upon ~~such~~ hearing
9 ~~he shall~~ the licensee or permittee is not be eligible for
10 the refund of any portion of ~~his~~ the license or permit fee.

11 Sec. 29. Section 123.39, Code 1983, is amended to read
12 as follows:

13 123.39 SUSPENSION OR REVOCATION OF ~~LIQUOR~~ LIQUOR LICENSE OR BEER
14 PERMIT. Any liquor control license, wine permit, or beer
15 permit issued under this chapter may, after notice in writing
16 to the license or permit holder and reasonable opportunity
17 for hearing, and subject to section 123.50 where applicable,
18 be suspended for a period not to exceed one year or revoked
19 by the local authority or the director for any of the following
20 causes:

- 21 1. Misrepresentation of any material fact in the
22 application for ~~such~~ the license or permit.
- 23 2. Violation of any of the provisions of this chapter.
- 24 3. Any change in the ownership or interest in the business
25 operated under a class "A", class "B", or class "C" liquor
26 control license, or any wine or beer permit, which change
27 was not previously reported to and approved by the local
28 authority and the department.
- 29 4. An event which would have resulted in disqualification
30 from receiving ~~such~~ the license or permit when originally
31 issued.
- 32 5. Any sale, hypothecation, or transfer of ~~such~~ the license
33 or permit.
- 34 6. The failure or refusal on the part of any licensee
35 or permittee to render any report or remit any taxes to the

1 department under this chapter when due.

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

16 When a liquor license or wine or beer permit is suspended
17 after a hearing as a result of violations of ~~the provisions~~
18 ~~of~~ this chapter by the licensee, permittee or ~~his or her~~ the
19 licensee's or permittee's agents or employees, the premises
20 which were licensed by ~~such~~ the license or permit shall not
21 be relicensed for a new applicant until the suspension has
22 terminated or time of suspension has elapsed, or ninety days
23 have elapsed since the commencement of the suspension,
24 whichever occurs first. However, ~~nothing in~~ this section
25 ~~shall~~ does not prohibit the premises from being relicensed
26 to a new applicant before the suspension has terminated or
27 before the time of suspension has elapsed or before ninety
28 days have elapsed from the commencement of the suspension,
29 if the premises prior to the time of the suspension had been
30 purchased under contract, and the vendor under that contract
31 had exercised the person's rights under chapter 656 and sold
32 the property to a different person who is not related to the
33 previous licensee or permittee by marriage or within the third
34 degree of consanguinity or affinity and if the previous
35 licensee or permittee does not have a financial interest in

1 the business of the new applicant.

2 Sec. 30. Section 123.40, Code 1983, is amended to read
3 as follows:

4 123.40 EFFECT OF REVOCATION. Any liquor control licensee,
5 wine permittee, or beer permittee whose license or permit
6 is revoked under this chapter shall not thereafter be permitted
7 to hold a liquor control license, wine permit, or beer permit
8 in the state of Iowa for a period of two years from the date
9 of ~~such~~ revocation. ~~The~~ A spouse and or business ~~associates~~
10 associate holding ten percent or more of the capital stock
11 or ownership interest in the business of a person whose license
12 or permit has been revoked shall not be issued a liquor control
13 license, wine permit, or beer permit, and no liquor control
14 license, wine permit, or beer permit shall be issued which
15 covers any business in which such person has a financial
16 interest for a period of two years from the date of ~~such~~
17 revocation. ~~in-the-event~~ If a license or permit is revoked,
18 the premises which had been covered by ~~such~~ the license or
19 permit shall not be relicensed for one year.

20 Sec. 31. Section 123.44, Code 1983, is amended to read
21 as follows:

22 123.44 GIFT OF LIQUORS PROHIBITED. ~~No~~ A manufacturer
23 or wholesaler shall not give away any alcoholic liquor of
24 any kind or description at any time in connection with ~~his~~
25 the business except for testing or sampling purposes only.
26 ~~No~~ A manufacturer, vintner, wholesaler, or importer, organized
27 as a corporation pursuant to the laws of this state or any
28 other state, and who deals in alcoholic liquor, wine, or beer
29 subject to this chapter shall not offer or give anything of
30 value to any council member, official or employee of the
31 department, or directly or indirectly contribute in any manner
32 any money or thing of value to any person seeking a public
33 or appointive office or any recognized political party or
34 a group of persons seeking to become a recognized political
35 party.

1 Sec. 32. Section 123.45, Code 1983, is amended to read
2 as follows:

3 123.45 INTEREST IN LIQUOR BUSINESS. Except as provided
4 in section 123.6, a council member or department employee
5 shall not, directly or indirectly, individually, or as a
6 member of a partnership or shareholder in a corporation, have
7 any interest in dealing in or in the manufacture of alcoholic
8 liquor, wine, or beer, and shall not receive any kind of
9 profit nor have any interest in the purchase or sale of
10 alcoholic liquor, wine, or beer by persons so authorized under
11 this chapter. However, this provision ~~shall~~ does not prohibit
12 any such member or employee from lawfully purchasing and
13 keeping alcoholic liquor, wine, or beer in ~~his-or-her~~
14 possession for personal use.

15 No A person engaged in the business of manufacturing,
16 bottling, or wholesaling alcoholic beverages, wine, or beer,
17 ~~nor~~ or any jobber or agent of such person, shall not directly
18 or indirectly supply, furnish, give, or pay for any
19 furnishings, fixtures, or equipment used in the storage,
20 handling, serving, or dispensing of alcoholic beverages, wine,
21 beer, or food within the place of business of a licensee or
22 permittee authorized under ~~the-provisions-of~~ this chapter,
23 to sell at retail; nor shall the person directly or indirectly
24 extend any credit for alcoholic beverages or beer, except
25 wine may be sold on credit for a period not to exceed thirty
26 days, or pay for any such license or permit, nor directly
27 or indirectly be interested in the ownership, conduct, or
28 operation of the business of another licensee or permittee
29 authorized under ~~the-provisions-of~~ this chapter to sell at
30 retail, except that a person engaged in the business of
31 manufacturing beer may sell beer at retail for consumption
32 on or off the premises of the manufacturing facility and,
33 notwithstanding any other provision of this chapter or the
34 fact that such a person may be the holder of a class "A" beer
35 permit, may be granted not more than one class "B" permit

1 as defined in section 123.124 for such purpose. Any licensee
2 or permittee who ~~shall-permit~~ permits or ~~assent-or-be~~ assents
3 to or is a party in any way to any such violation or
4 infringement of ~~the-provisions-of~~ this chapter-~~shall-be-deemed~~
5 section is guilty of a violation of ~~the-provisions-of~~ this
6 chapter.

7 Sec. 33. Section 123.46, Code 1983, is amended to read
8 as follows:

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

23 Sec. 34. Section 123.47, Code 1983, is amended to read
24 as follows:

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

1 medicinal purposes and except to the extent that a person
2 under legal age may handle alcoholic beverages, wine, and
3 beer during the regular course of ~~his-or-her~~ the person's
4 employment by a liquor control licensee, or wine or beer
5 permittee under this chapter.

6 Sec. 35. Section 123.49, Code 1983, is amended to read
7 as follows:

8 123.49 MISCELLANEOUS PROHIBITIONS.

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

12 2. ~~No~~ A person or club holding a liquor control license
13 or retail wine or beer permit under this chapter, ~~nor-his~~
14 and the person's agents or employees, shall not do any of
15 the following:

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

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

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

35 d. Keep on premises covered by a liquor control license

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

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

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

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

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

34 i. In the case of a retail beer or wine permittee, know-
35 ingly allow the mixing or adding of alcohol or any alcoholic

1 beverage to beer, wine, or any other beverage in or about
2 ~~his~~ the place of business.

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

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

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

25 Sec. 36. Section 123.50, subsections 2 and 3, Code 1983,
26 are amended to read as follows:

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

1 "e" of that section, the liquor control license, wine permit,
2 or beer permit shall be revoked and shall immediately be
3 surrendered by the holder, and the bond of the license or
4 permit holder shall be forfeited to the department.

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

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

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

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

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

25 Sec. 37. Section 123.51, subsection 3, Code 1983, is
26 amended to read as follows:

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

34 Sec. 38. Section 123.55, subsections 8 and 9, Code 1983,
35 are amended to read as follows:

1 8. The number of liquor control licenses, wine permits,
2 and beer permits issued, by class, the number in effect on
3 the last day included in the report, and the number which
4 have been suspended or revoked during the period covered by
5 the report.

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

11 Sec. 39. Section 123.56, Code 1983, is amended by striking
12 the section and inserting in lieu thereof the following:

13 123.56 NATIVE WINES.

14 1. Subject to rules of the department, manufacturers of
15 native wines from grapes, cherries, other fruits or other
16 fruit juices, vegetables, vegetable juices, dandelions, clover,
17 honey, or any combination of these ingredients, holding a
18 class 1 wine permit as required by this chapter, may sell,
19 keep, or offer for sale and deliver the wine. Sales may be
20 made at retail for off-premises consumption when sold on the
21 premises of the manufacturer. Sales may also be made to class
22 1 or 2 wine permittees or liquor control licensees as
23 authorized by the class 1 wine permit.

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

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

1 Sec. 40. Section 123.59, Code 1983, is amended to read
2 as follows:

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

19 Sec. 41. Section 123.60, Code 1983, is amended to read
20 as follows:

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

29 Sec. 42. Section 123.71, Code 1983, is amended to read
30 as follows:

31 123.71 CONDITIONS. ~~In-no-case-shall-a~~ A bootlegger injunc-
32 tion proceeding, as provided in this chapter, shall not be
33 maintained unless it ~~be~~ is shown to the court that efforts
34 in good faith have been made to discover the base of supplies
35 or place where the defendant charged as a bootlegger conducts

1 ~~His~~ the unlawful business or receives or manufactures the
2 alcoholic liquor, wine, or beer, of which ~~he~~ the defendant
3 is charged with bootlegging.

4 Sec. 43. Section 123.72, Code 1983, is amended to read
5 as follows:

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

20 Sec. 44. Section 123.81, Code 1983, is amended to read
21 as follows:

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

33 Sec. 45. Section 123.84, Code 1983, is amended to read
34 as follows:

35 123.84 JUDGMENT. If the court after a hearing finds a

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

12 Sec. 46. Section 123.91, Code 1983, is amended to read
13 as follows:

14 123.91 SECOND AND SUBSEQUENT CONVICTION. Any person who
15 has been convicted, in a criminal action, in any court of
16 record, of a violation of ~~any-of-the-following~~:

17 ~~1---Any~~ a provision of this chapter-1

18 ~~2---Any~~ a provision of the prior laws of this state relating
19 to intoxicating liquors, wine, or beer which ~~were~~ was in force
20 prior to the enactment of this chapter-

21 ~~3---Any,~~ or a provision of the laws of the United States
22 or of any other state relating to intoxicating liquors, wine,
23 or beer, and who is thereafter convicted of a subsequent
24 criminal offense against any provision of this chapter is
25 guilty of the following offenses:

26 a 1. For the second conviction, a serious misdemeanor.

27 b 2. For the third and each subsequent conviction, an
28 aggravated misdemeanor.

29 Sec. 47. Section 123.92, Code 1983, is amended to read
30 as follows:

31 123.92 CIVIL LIABILITY APPLICABLE TO SALE OR GIFT OF BEER
32 OR INTOXICANTS BY LICENSEES. Every husband, wife, child,
33 parent, guardian, employer or other person who ~~shall-be~~ is
34 injured in person or property or means of support by any
35 intoxicated person or resulting from the intoxication of any

1 ~~such~~ person, ~~shall-have~~ has a right of action for all damages
2 actually sustained, severally or jointly, against any licensee
3 or permittee, who ~~shall-sell~~ sells or ~~give~~ gives any beer,
4 wine, or intoxicating liquor to ~~any-such~~ a person while he
5 ~~or-she~~ the person is intoxicated, or ~~serve-any-such~~ serves
6 a person to a point where ~~such~~ the person is intoxicated;
7 ~~for-all-damages-actually-sustained~~. If the injury was caused
8 by an intoxicated person, a permittee or licensee may establish
9 as an affirmative defense that the intoxication did not
10 contribute to the injurious action of the person.

11 Every liquor control licensee and class "B" beer or wine
12 permittee shall furnish proof of financial responsibility
13 either by the existence of a liability insurance policy or
14 by posting bond in ~~such~~ an amount as determined by the
15 department.

16 Sec. 48. Section 123.95, unnumbered paragraph 1, Code
17 1983, is amended to read as follows:

18 It is unlawful for any person to allow the dispensing or
19 consumption of intoxicating liquor, except ~~saacramental~~ wines
20 and beer, in any establishment unless ~~such~~ the establishment
21 is licensed under this chapter.

22 Sec. 49. Section 123.96, Code 1983, is amended to read
23 as follows:

24 123.96 TAX ON BEVERAGES SOLD FOR CONSUMPTION ON THE
25 PREMISES.

26 1. ~~Except-as-provided-by-section-123-567-subsection-4,~~
27 ~~there~~ There is imposed on every person licensed to sell
28 alcoholic beverages for consumption on the premises where
29 sold, a special tax equivalent to fifteen percent of the price
30 established by the department on all alcoholic beverages for
31 general sale to the public. The tax shall be paid by all
32 licensees at the point of purchase from the state on all
33 alcoholic beverages intended or used for resale for consumption
34 on the premises of retail establishments. The tax is in lieu
35 of any other sales tax applied at the state store and shall

1 be shown as a separate item on special sales slips provided
2 by the department for purchases by licensees.

3 2. Wine sold by the department to the holder of a liquor
4 control license or wine permit for resale shall include a
5 surcharge equal to or exceeding the amount which would be
6 imposed by the wine gallonage tax under section 123.149.
7 This surcharge is in lieu of any other sales tax applied at
8 the state store.

9 2 3. Except as allowed under section 123.95 ~~and~~ ~~except~~
10 ~~as allowed under section 123.567, subsection 4,~~ a licensee
11 shall not knowingly keep on the licensed premises nor use
12 for resale purposes any alcoholic liquor on which the special
13 tax has not been paid to the state. The conviction of a
14 violation of this section shall cause the license held to
15 automatically be revoked and the license shall immediately
16 be surrendered by the holder, and the bond of the license
17 holder shall be forfeited to the department.

18 3 4. Each bottle of alcoholic liquor or wine purchased
19 by a licensee shall bear an identification marker applied
20 at the place of purchase.

21 Sec. 50. Section 123.121, unnumbered paragraph 1, Code
22 1983, is amended to read as follows:

23 In any prosecution under this chapter for the unlawful
24 sale of alcoholic liquor, wine, or beer, a sale of alcoholic
25 liquor, wine, or beer which requires a shipment or delivery
26 of ~~such~~ the liquor, wine, or beer, shall be deemed to be made
27 in the county in which ~~such~~ the delivery is made by the carrier
28 to the consignee, ~~his~~ or the consignee's agent, or employee.

29 Sec. 51. Section 123.122, Code 1983, is amended to read
30 as follows:

31 123.122 PERMIT OR LICENSE REQUIRED. ~~No person shall~~ It
32 is unlawful to manufacture for sale or sell beer or wine at
33 wholesale or retail unless a permit is first obtained as
34 provided in this division or, a liquor control license
35 authorizing the retail sale of beer or wine, or both, is first

1 obtained as provided in division I of this chapter. No liquor
2 control license holder shall be required to hold a separate
3 class-"B" beer or wine permit or to post a separate bond.

4 Sec. 52. Section 123.124, Code 1983, is amended by adding
5 the following new unnumbered paragraph:

6 NEW UNNUMBERED PARAGRAPH. Permits for the manufacture
7 and sale of wine, or sale of wine, shall be divided into two
8 classes, and shall be known as either class 1 or 2 wine
9 permits. A class 1 wine permit shall allow the holder to
10 manufacture and sell wine at wholesale. The holder of a class
11 1 wine permit may manufacture a beverage made as described
12 in section 123.3, subsection 7, containing more than seventeen
13 percent alcohol by weight, but only for shipment outside the
14 state or for sale to the Iowa beer and liquor control
15 department. A class 2 wine permit allows the holder to
16 purchase wine from a class 1 wine permit holder and sell such
17 wine at retail for consumption off the premises.

18 Sec. 53. Section 123.125, Code 1983, is amended to read
19 as follows:

20 123.125 ISSUANCE OF PERMITS. The director shall issue
21 class "A", "B", and "C" beer permits and class 1 and 2 wine
22 permits and may suspend or revoke such the permits for cause
23 as provided in this chapter. However, a class 2 wine permit
24 shall not be issued to an applicant for use on retail premises
25 on which food is sold for consumption off the premises, except
26 in the case of specialty food stores who deal in specialty
27 food items such as cheeses, prepared meats, snack foods, and
28 gourmet foods. As used in this section, "specialty food
29 stores" does not include stores which feature baked goods,
30 fresh produce, seafood, or meat.

31 Sec. 54. Section 123.134, Code 1983, is amended by adding
32 the following new subsections after subsection 4 and
33 renumbering the remaining subsection:

34 4A. The annual permit fee for a class 1 wine permit is
35 two hundred fifty dollars.

1 4B. The annual permit fee for a class 2 wine permit holder
2 shall be graduated on a basis of the amount of interior floor
3 space which comprises the retail sales area of the premises
4 covered by the permit as follows:

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

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

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

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

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

14 Sec. 55. Section 123.134, subsection 5, Code 1983, is
15 amended to read as follows:

16 5. Any club, hotel, motel, or commercial establishment
17 holding a class "B" beer permit for whom the sale of goods
18 and services other than beer constitutes fifty percent or
19 more of the gross receipts from the licensed premises, subject
20 to ~~the provisions of~~ section 123.49, subsection 2, paragraph
21 "b", may sell and dispense beer to patrons on Sunday for
22 consumption on the premises and for consumption of beer off
23 the premises between the hours of noon and ten p.m. Any class
24 "C" beer or class 2 wine permittee may sell beer or wine as
25 the case may be, for consumption off the premises between
26 the hours of noon and ten p.m. For the privilege of selling
27 beer or wine on Sunday the ~~beer~~ permit fees of the applicant
28 shall be increased by twenty percent of the regular fees
29 prescribed for the permit pursuant to this section and the
30 privilege shall be noted on the ~~beer~~ permit. The department
31 shall prescribe the nature and character of the evidence which
32 shall be required of the applicant under this subsection.

33 Sec. 56. Section 123.137, Code 1983, is amended to read
34 as follows:

35 123.137 REPORT OF BARREL AND GALLONAGE SALES--PENALTY.

1 Every person holding a class "A" or class 1 permit shall on
2 or before the tenth day of each calendar month commencing
3 on the tenth day of the calendar month following the month
4 in which ~~such~~ the person is issued a permit, make a report
5 under oath to the department upon forms to be furnished by
6 the department ~~for-such-purpose~~ showing the exact number of
7 barrels of beer, gallons of wine or fractional parts thereof,
8 sold by ~~such~~ the permit holder during the preceding calendar
9 month. ~~Such~~ The report shall also state ~~such~~ information
10 as the director may require, and ~~such~~ permit holders shall
11 at the time of filing ~~said-report~~ pay to the department the
12 amount of tax due at the rate fixed in section 123.136 or
13 in section 123.149.

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

17 Sec. 57. Section 123.138, Code 1983, is amended to read
18 as follows:

19 123.138 BOOKS OF ACCOUNT REQUIRED. Each class "A" and
20 class 1 permittee shall keep proper books of account and
21 records showing the amount of beer and wine sold ~~by-him~~, which
22 books of account shall be at all times open to inspection
23 by the director. Each class "B", and class "C" and class
24 2 permittee and retail liquor licensee shall keep proper books
25 of account and records showing each purchase of beer and wine
26 made ~~by-him~~, and the date and the amount of each purchase
27 and the name of the person from whom each purchase was made,
28 ~~which.~~ The books of account and records shall be open to
29 inspection by the director and agents of the division of beer
30 and liquor law enforcement of the department of public safety
31 during normal business hours of the permittee.

32 Sec. 58. Section 123.139, Code 1983, is amended to read
33 as follows:

34 123.139 SEPARATE LOCATIONS--CLASS "A" AND CLASS 1. Every
35 class "A" and class 1 permittee having more than one place

1 of business ~~shall-be~~ is required to have a separate permit
2 for each separate place of business maintained by ~~such the~~
3 permittee ~~wherein-such~~ where beer or wine is stored,
4 warehoused, or sold.

5 Sec. 59. Section 123.140, Code 1983, is amended to read
6 as follows:

7 123.140 SEPARATE LOCATIONS--CLASS "B", OR "C", OR 2.

8 Every person holding a class "B", ~~or~~ class "C", or class 2
9 permit having more than one place of business where ~~such~~ beer
10 or wine is sold which places do not constitute a single
11 premises within the meaning of section 123.3, subsection 31
12 ~~shall-be~~ is required to have a separate license for each
13 separate place of business, except as otherwise provided by
14 this chapter.

15 Sec. 60. Section 123.142, Code 1983, is amended to read
16 as follows:

17 123.142 PURCHASE FROM NONPERMIT HOLDER. It ~~shall-be~~ is
18 unlawful for the holder of any liquor control license or any
19 class "B", or class "C", or class 2 permit issued-under-the
20 ~~provisions-of-this-chapter~~ to sell beer or wine, except beer
21 or wine purchased from a person holding ~~a-subsisting~~ an
22 existing class "A" or class 1 permit issued-in-accordance
23 ~~with-the-provisions-of-this-chapter~~, and on which the tax
24 provided in section 123.136 or section 123.149, has been paid.
25 Wine may also be purchased from the department by the holder
26 of a liquor control license or wine permit for resale provided
27 the price of the wine includes a surcharge required under
28 section 123.96 equal to or exceeding the wine gallonage tax
29 required under section 123.149. However, ~~the-provisions-of~~
30 this section ~~shall~~ does not apply to the holders of special
31 class "B" permits issued under section 123.133 for sales in
32 cars engaged in interstate commerce nor to class "D" liquor
33 control licensees as provided in this chapter.

34 It ~~shall-be~~ is unlawful for any person not holding a class
35 "A" or class 1 permit to import beer or wine into this state

1 for the purpose of sale or resale.

2 Sec. 61. Section 123.145, Code 1983, is amended to read
3 as follows:

4 123.145 LABELS ON BOTTLES, BARRELS, ETC.--CONCLUSIVE
5 EVIDENCE. The label on any bottle, keg, barrel, or other
6 container in which beer or wine is offered for sale in this
7 state, representing the alcoholic content of ~~such~~ beer as
8 being in excess of five ~~per-centum~~ percent by weight ~~shall~~
9 be, or wine as being in excess of seventeen percent is
10 conclusive evidence as to the alcoholic content of the beer
11 beverage contained therein.

12 Sec. 62. Section 123.150, unnumbered paragraph 1, Code
13 1983, is amended to read as follows:

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

28 Sec. 63. NEW SECTION. 123.147 AUTHORITY UNDER CLASS
29 1 AND 2 WINE PERMITS. A person holding a class 1 wine permit
30 issued by the department may manufacture and sell at wholesale,
31 wine for consumption off the premises, such sales within the
32 state to be made only to persons holding existing class 1
33 or 2 permits or liquor control licenses issued in accordance
34 with this chapter. A person holding a class 2 wine permit
35 may sell wine at retail in original containers only for

1 consumption off the premises.

2 Sec. 64. NEW SECTION. 123.148 APPLICATION FOR WINE
3 PERMITS. Class 1 and 2 wine permits shall be issued by the
4 director to any person who:

5 1. Submits a written application for permit which includes
6 the following statements under oath:

7 a. The name and place of residence of the applicant and
8 the length of time the applicant has lived at that residence.

9 b. The consecutive length of time the applicant has been
10 a resident of Iowa immediately prior to making the application.

11 c. The location of the premises where the applicant intends
12 to operate as a permittee.

13 d. The name of the owner of the premises and if the owner
14 is not the applicant, that the applicant is the actual lessee
15 of the premises.

16 e. For a class 2 permit the entire amount of interior
17 floor space which comprises the retail sales area of the
18 premises covered by the permit.

19 2. Establishes the following:

20 a. That the applicant is of good moral character as defined
21 by this chapter.

22 b. That the premises the applicant intends to operate
23 conform to all applicable laws and health and fire regulations.

24 3. For a class 1 permit, furnishes a bond in form
25 prescribed by the department with good and sufficient sureties
26 to be approved by the director in the penal sum of twenty
27 thousand dollars, payable to the state and conditioned upon
28 the faithful observance of this chapter. For a class 2 permit,
29 furnishes a bond in the same form prescribed for a class 1
30 permit except the bond shall be in the penal sum of twenty-
31 five hundred dollars.

32 4. Gives consent to members of the fire, police, and
33 health departments and the building inspector of cities, the
34 county sheriff's department, and state law enforcement agents
35 to enter upon the premises without a warrant to inspect during

1 normal business hours for violations of this chapter.

2 Sec. 65. NEW SECTION. 123.149 WINE GALLONAGE TAX. There
3 shall be levied and collected from all class 1 wine permittees
4 on all wine manufactured for sale or sold in this state at
5 wholesale and on all wine imported into this state for sale
6 at wholesale and sold in this state at wholesale, a tax of
7 forty cents for every gallon of wine or for a part of a gallon.

8 A tax shall not be levied or collected on wine shipped
9 outside this state by a class 1 wine permittee or sold by
10 one class 1 wine permittee to another class 1 wine permittee.

11 All revenue derived from the wine tax shall be deposited
12 in the beer and liquor control fund established by section
13 123.53 and shall be distributed as follows:

14 1. Two-thirds of the revenue derived from the wine tax
15 shall be distributed in accordance with subsections 3, 4,
16 5, and 6 of section 123.53. However, the total amount so
17 distributed shall not exceed an amount equal to the funds
18 distributed pursuant to those subsections during the fiscal
19 year ending June 30, 1972, as adjusted by the percent change
20 in the gross sales of the state liquor stores in each year
21 thereafter.

22 2. One-third of the revenue derived from the wine tax
23 shall be distributed in accordance with subsection 7 of section
24 123.53. However, the total amount so distributed shall not
25 exceed an amount equal to the funds distributed pursuant to
26 that subsection during the fiscal year ending June 30, 1972,
27 as adjusted by the percent change in the gross sales of the
28 state liquor stores in each year thereafter.

29 3. The revenue derived from the wine tax remaining in
30 the beer and liquor control fund after the distributions pur-
31 suant to subsections 1 and 2 of this section shall be trans-
32 ferred by the state comptroller to the general fund of the
33 state.

34 All of the provisions of this chapter relating to the
35 administration of the tax on alcoholic beverages or beer apply

1 to this section.

2 Sec. 66. NEW SECTION. 123.149A VINTNERS CERTIFICATE
3 OF COMPLIANCE--WHOLESALE AND RETAIL RESTRICTIONS.

4 1. A manufacturer, vintner, bottler, importer, or ven-
5 dor of wine or an agent thereof desiring to ship, sell, or
6 have wine brought into this state for sale at wholesale by
7 a class 1 permittee shall first make application for and shall
8 be issued a vintner's certificate of compliance by the director
9 for that purpose. The vintner's certificate of compliance
10 shall expire at the end of one year from the date of issuance
11 and shall be renewed for a like period upon application to
12 the director unless otherwise revoked for cause. Each applica-
13 tion for a vintner's certificate of compliance or renewal
14 of a certificate shall be accompanied by a fee of one hundred
15 dollars payable to the department. Each holder of a vintner's
16 certificate of compliance shall furnish the information
17 required by the director in the form the director requires.
18 A vintner or wine bottler whose plant is located in Iowa and
19 who otherwise holds a class 1 wine permit to sell wine at
20 wholesale is exempt from the fee, but not the other terms
21 and conditions.

22 2. At the time of applying for a vintner's certificate
23 of compliance, each applicant shall file with the department
24 a list of all class 1 wine permittees with whom it intends
25 to do business and shall designate the geographic area in
26 which its products are to be distributed by the permittees.
27 Vintner's certificate holders may appoint more than one class
28 1 wine permittee to service the same geographic territory.
29 The listing of class 1 wine permittees and geographic area
30 as filed with the department may be amended from time to time
31 by the holder of the certificate of compliance.

32 3. All class 1 wine permit holders shall sell only those
33 brands of wine which are manufactured, bottled, fermented,
34 shipped, or imported by a person holding a current vintner's
35 certificate of compliance. An employee or agent working for

1 or representing the holder of a vintner's certificate of
2 compliance within this state shall register the employee's
3 or agent's name and address with the department. These names
4 and addresses shall be filed with the department's copy of
5 the certificate of compliance issued except that this provision
6 does not require the listing of those persons who are employed
7 on the premises of a bottling plant, or winery where wine
8 is manufactured, fermented, or bottled in Iowa or to the
9 listing of those persons who are thereafter engaged in the
10 transporting of the wine.

11 4. It is unlawful for a holder of a vintner's certificate
12 of compliance or the holder's agent, or any class 1 wine
13 permittee or the permittee's agent, to grant to a class 2
14 wine permittee, or a retail liquor licensee, directly or
15 indirectly, rebates, free goods, or discounts on wine which
16 are not uniformly offered to all permittees or licensees.

17 5. It is unlawful for a holder of a vintner's certificate
18 of compliance or the vintner's agent who is engaged in the
19 business of selling wine to class 1 wine permittees to
20 discriminate in price, allowance, rebate, refund, commission,
21 discount, or service between class 1 wine permittees authorized
22 to sell wine at wholesale. The term "discriminate" means
23 the granting of more favorable prices, allowances, rebates,
24 refunds, commissions, discounts, or services to one class
25 1 wine permit holder than to another.

26 Regardless of an agreement for the sale and distribution
27 of wine between the holder of a vintner's certificate of
28 compliance and a class 1 wine permit holder, the agreement
29 or contract shall not be for a period of less than that period
30 covered by the permit of the designated class 1 wine permittee
31 and the agreement or contract shall not be amended or canceled
32 during that period unless notification is given in writing
33 by the certificate holder to an affected class 1 wine permit
34 holder ninety days prior to the contemplated change in contract
35 or an amendment of assigned geographic territory.

1 6. Signs or other matter advertising any brand of wine
2 shall not be erected or placed upon the outside of premises
3 which are occupied by a licensee or permittee authorized to
4 sell wine at retail.

5 7. Except as provided in this paragraph, a class 2 wine
6 permittee shall not sell wine for off-premise consumption
7 for less than cost adjusted to the nearest cent. For the
8 purposes of this section, cost shall be determined by the
9 director with the approval of a majority of the members of
10 the Iowa beer and liquor control council and shall be
11 determined by establishing a minimum percentage markup for
12 sales of wine at retail whether in case lot or less. To
13 determine cost, a minimum percentage markup shall be applied
14 to the wholesale price of wine sold by class 1 wine permittees
15 to permittees authorized to sell wine at retail.

16 With prior approval and as prescribed by the director,
17 and upon application to and on forms provided by the depart-
18 ment, the director may authorize class 2 wine permittees and
19 liquor control licensees to sell wine for off-premise con-
20 sumption below cost for the following reasons:

21 a. Discontinuance of business.

22 b. Discontinuance of a brand or package size of wine that
23 has been in inventory on the retail premises for a period
24 of at least nine months. Any brand or package size of wine
25 discontinued shall not be repurchased at wholesale by the
26 discontinuing retailer for a period of twelve months.

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

29 8. Regardless of any other penalties provided by this
30 chapter, any holder of a certificate of compliance relating
31 to wine, class 1 or 2 wine permittee or retail liquor licensee,
32 who violates any of the provisions of this section is subject
33 to a civil fine not to exceed one thousand dollars or subject
34 to suspension of the certificate of compliance, license, or
35 permit for a period not to exceed one year or to both civil

1 fine and suspension.

2 Sec. 67. Section 455C.1, subsection 1, Code 1983, is
3 amended to read as follows:

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

9 Sec. 68. Section 455C.2, subsection 1, Code 1983, is
10 amended to read as follows:

11 1. Except purchases of alcoholic liquor as defined in
12 section 123.3, subsection 8, or wine as defined in section
13 123.3, subsection 7 by holders of class "A", "B" and "C"
14 liquor control licenses, or class 1 or 2 wine permits, a
15 refund value of not less than five cents shall be paid by
16 the consumer on each beverage container sold in this state
17 by a dealer for consumption off the premises. Upon return
18 of the empty beverage container upon which a refund value
19 has been paid to the dealer or person operating a redemption
20 center and acceptance of the empty beverage container by the
21 dealer or person operating a redemption center, the dealer
22 or person operating a redemption center shall return the
23 amount of the refund value to the consumer.

24

EXPLANATION

25 This bill would place wines containing more than 5% but
26 not more than 17% alcohol by weight under private distribution
27 and sale somewhat the same as beer is handled presently except
28 the state may continue to sell wine in its stores and to
29 retailers for resale as well.

30 Wholesalers, and retailers dealing exclusively in wine,
31 would be required to obtain a separate and distinct wine
32 permit. A retail wine permit will not be issued for premises
33 on which food is sold for consumption off the premises except
34 in the case of specialty food stores. A retail liquor licensee
35 who presently has the privilege of selling wine for on-premise

1 consumption would not need additional authority.

2 Wine containing more than 17% alcohol by weight would
3 continue to be subject to the present alcoholic beverage
4 provisions. Wine containing more than 5% but less than 17%
5 can be imported, wholesaled and retailed through private
6 facilities. Importer's and wholesaler's certificates and
7 permits would be approved and issued by the department.
8 Retail permits for the sale of wine would require approval
9 of the local authority.

10 Prohibitions against licensees and beer permittees apply
11 equally to wine permittees, except that the department would
12 have no authority to regulate the transportation of wine.
13 Suspension and revocation procedures respecting a wine permit
14 would be the same as for a liquor license or beer permit.

15 Fees for the issuance of class 1 wholesale wine permits
16 are of fixed rate and fees for class 2 wine permits are based
17 on the retail sales area of the outlet to be licensed.

18 Importers may determine who wholesales wine in given
19 geographic areas, and may select one or more wholesalers for
20 a given area. An importer may not discriminate between
21 wholesalers with whom that importer does business.

22 The department establishes a minimum price for the retail
23 sale of wine by adding a percentage markup to the wholesale
24 price, and a one thousand dollar civil penalty and a one-year
25 license suspension, or both, is attached for selling below
26 the established price. The department may authorize below
27 minimum prices in limited circumstances, such as discontinuance
28 of business.

29 In place of the current state revenue for wine sales, this
30 bill imposes an excise tax of forty cents per gallon on wine
31 sold for retail resale within this state, the tax being
32 collected and paid to the state by the wholesaler. Two-thirds
33 of the gallonage tax is distributed to the cities and one-
34 third to the military service tax fund, subject to the maximum
35 amount so distributable, as provided in section 64. Sections

1 66 and 67 are coordinating amendments to the "bottle bill".
2 The bill would take effect July 1 following its enactment.

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35