

Warner & Tele Code 2/19/87 Do Pass 4/8/87 (p. 12301)

Senate File 130

State Government: Renaud, Chair: Bianshan, Pavich, Renken and Van Camp.

SENATE FILE 130

FILED FEB 05 1987

BY COMMITTEE ON STATE GOVERNMENT

(formerly SSB 59)
Approved 2/5/87 (p. 276)

Passed Senate, Date 2-12-87 (p. 334) Passed House, Date 4-20-87 (p. 1554)

Vote: Ayes 41 Nays 2 Vote: Ayes 62 Nays 29

Approved May 4, 1987 (p. 1700)

A BILL FOR

3281 1 An Act to provide that moneys deposited in the barrel tax fund
2 and the gallonage tax fund shall not revert to the state
3 general fund without a specific appropriation, and providing
4 for retroactive applicability of the Act.

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

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SF 130

1 Section 1. Section 123.143, subsection 3, Code 1987, is
2 amended to read as follows:

3 3. Barrel tax revenues collected on beer manufactured in
4 this state from a class "A" permittee which owns and operates
5 a brewery located in Iowa shall be credited to the barrel tax
6 fund hereby created in the office of the treasurer of state.
7 Moneys deposited in the barrel tax fund shall not revert to
8 the general fund of the state without a specific appropriation
9 by the general assembly.

10 Sec. 2. Section 123.183, Code 1987, is amended to read as
11 follows:

12 123.183 WINE GALLONAGE TAX.

13 In addition to the annual permit fee to be paid by each
14 class "A" wine permittee, there shall be levied and collected
15 from each class "A" wine permittee on all wine manufactured
16 for sale and sold in this state at wholesale and on all wine
17 imported into this state for sale at wholesale and sold in
18 this state at wholesale, a tax of one dollar and seventy-five
19 cents for every wine gallon and a like rate for the fractional
20 parts of a wine gallon. A tax shall not be levied or
21 collected on wine sold by one class "A" wine permittee to
22 another class "A" wine permittee. Revenue derived from the
23 wine tax collected on wine manufactured for sale and sold in
24 this state shall be deposited in the gallonage tax fund hereby
25 created in the office of the treasurer of state. Moneys
26 deposited in the gallonage tax fund shall not revert to the
27 general fund of the state without a specific appropriation by
28 the general assembly. All other revenue derived from the wine
29 tax shall be deposited in the liquor control fund established
30 by section 123.53 and shall be transferred by the director of
31 revenue and finance to the general fund of the state.

32 Sec. 3. This Act is retroactive to July 1, 1985.

33 EXPLANATION

34 This bill provides that moneys deposited in the barrel tax
35 fund and the gallonage tax fund will not revert to the state

1 general fund without a specific appropriation. The moneys are
2 to be used by the Iowa wine and beer promotion board created
3 in section 28.116 for the promotion of Iowa-made wine and
4 beer. This bill is retroactive to July 1, 1985.

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SENATE FILE 130

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1 Amend Senate File 130 as follows:

2 1. Page 1, by inserting before line 1 the
3 following:

4 "Section 1. Section 123.3, subsection 26, Code
5 1987, is amended to read as follows:

6 26. "Wholesaler" means any person, other than a
7 distiller or rectifier of alcoholic liquor or a
8 vintner, brewer or bottler of beer or wine, who shall
9 sell, barter, exchange, offer for sale, have in
10 possession with intent to sell, deal or traffic in
11 alcoholic liquor, wine, or beer. A wholesaler shall
12 not sell for consumption upon the premises.

13 Sec. 2. Section 123.19, subsections 1 and 4, Code
14 1987, are amended to read as follows:

15 1. Any manufacturer, distiller or importer of
16 alcoholic beverages shipping, selling, or having
17 alcoholic beverages brought into this state for resale
18 by the state or by a licensed wholesaler shall, as a
19 condition precedent to the privilege of so trafficking
20 in alcoholic liquors in this state, annually make
21 application for and hold a distiller's certificate of
22 compliance which shall be issued by the administrator
23 for that purpose. No brand of alcoholic liquor shall
24 be sold by the division or by a licensed wholesaler in
25 this state unless the manufacturer, distiller,
26 importer, and all other persons participating in the
27 distribution of that brand in this state have obtained
28 a certificate. The certificate of compliance shall
29 expire at the end of one year from the date of
30 issuance and shall be renewed for a like period upon
31 application to the administrator unless otherwise
32 suspended or revoked for cause. Each application for
33 a certificate of compliance or renewal shall be made
34 in a manner and upon forms prescribed by the
35 administrator and shall be accompanied by a fee of
36 fifty dollars payable to the division. However, this
37 subsection need not apply to a manufacturer,
38 distiller, or importer who ships or sells in this
39 state no more than eleven gallons or its case
40 equivalent during any fiscal year as a result of
41 "special orders" which might be placed, as defined and
42 allowed by divisional rules adopted under this
43 chapter.

44 4. Any violation of the requirements of this
45 section, except subsection 3, shall subject the
46 violator to the general penalties provided in this
47 chapter and in addition thereto shall be grounds for
48 suspension or revocation of the certificate of
49 compliance or wholesale license, after notice and
50 hearing before the division hearing board. Willful

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1 failure to comply with requirements which may be
2 imposed under subsection 3 shall be grounds for
3 suspension or revocation of the certificate of
4 compliance only. Decisions of the hearing board
5 concerning such suspension or revocation shall be
6 binding upon all parties.

7 Sec. 3. Section 123.19, Code 1987, is amended by
8 adding the following new subsection:

9 NEW SUBSECTION. 7. A holder of a certificate of
10 compliance shall report monthly to the division on
11 forms provided for that purpose, with a list of all
12 alcoholic beverages by package size, kind, and
13 quantity sold to licensed wholesalers in this state
14 and a list of the wholesalers and the size, kind, and
15 quantity of alcoholic liquors which they purchased and
16 received.

17 Sec. 4. Section 123.30, subsection 3, paragraphs
18 a, b, c, and e, Code 1987, are amended to read as
19 follows:

20 a. CLASS "A". A class "A" liquor control license
21 may be issued to a club and shall authorize the holder
22 to purchase alcoholic liquors from class "E" liquor
23 control licensees or licensed wholesalers only, wine
24 from class "A" wine permittees only, and native wines
25 from native wine manufacturers, and to sell liquors,
26 wine, and beer, to bona fide members and their guests
27 by the individual drink for consumption on the
28 premises only.

29 b. CLASS "B". A class "B" liquor control license
30 may be issued to a hotel or motel and shall authorize
31 the holder to purchase alcoholic liquors from class
32 "E" liquor control licensees or licensed wholesalers
33 only, wine from class "A" wine permittees only, and
34 native wines from native wine manufacturers, and to
35 sell liquors, wine, and beer, to patrons by the
36 individual drink for consumption on the premises only.
37 However, beer may also be sold for consumption off the
38 premises. Each license shall be effective throughout
39 the premises described in the application.

40 c. CLASS "C". A class "C" liquor control license
41 may be issued to a commercial establishment but must
42 be issued in the name of the individuals who actually
43 own the entire business and shall authorize the holder
44 to purchase alcoholic liquors from class "E" liquor
45 control licensees or licensed wholesalers only, wine
46 from class "A" wine permittees only, and native wines
47 from native wine manufacturers, and to sell liquors,
48 wine, and beer, to patrons by the individual drink for
49 consumption on the premises only. However, beer may
50 also be sold for consumption off the premises.

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1 A special class "C" liquor control license may be
2 issued and shall authorize the holder to purchase wine
3 from class "A" wine permittees only, and to sell wine
4 and beer to patrons by the individual drink for
5 consumption on the premises only. However, beer may
6 also be sold for consumption off the premises. The
7 license issued to holders of a special class "C"
8 license shall clearly state on its face that the
9 license is limited.

10 e. CLASS "E". A class "E" liquor control license
11 may be issued and shall authorize the holder to
12 purchase alcoholic liquor from the division or
13 licensed wholesalers only and to sell the alcoholic
14 liquor to patrons for consumption off the licensed
15 premises and to other liquor control licensees. A
16 class "E" license shall not be issued to premises at
17 which gasoline is sold. A holder of a class "E"
18 liquor control license may hold other liquor control
19 licenses or wine or beer permits, but the premises
20 licensed under a class "E" liquor control license
21 shall be separate from other licensed premises.
22 However, the holder of a class "E" liquor control
23 license may also hold a class "B" wine or class "C"
24 beer permit or both for the premises licensed under a
25 class "E" liquor control license.

26 Sec. 5. Section 123.42, Code 1987, is amended to
27 read as follows:

28 123.42 WHOLESALER'S LICENSE.

29 1. Upon application in the prescribed form and
30 accompanied by a fee of two thousand five hundred
31 fifty dollars and subject to the provisions of this
32 chapter, the administrator may grant a license, valid
33 for a one-year period after date of issuance, to a
34 wholesaler which shall allow the wholesaler to
35 purchase alcoholic liquor from manufacturers either
36 within or without the state for the purpose of selling
37 to the division and customers of such wholesaler
38 engaged in the sale of alcoholic liquor at retail
39 outside of the state.

40 2. A wholesaler may purchase alcoholic liquor from
41 the division for resale to class "A", "B", "C", "D",
42 and "E" liquor control licensees. The division shall
43 charge a wholesaler the same price for alcoholic
44 liquor sold to class "E" liquor control licensees
45 including the markup required in section 123.24,
46 subsection 3, less a cost computed by the division
47 which the division would have had to assume if the
48 alcoholic liquor had been stored and delivered to
49 class "E" licensees by the division. Wholesalers
50 shall sell only that alcoholic liquor upon which the

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1 appropriate markup has been paid to the division.
2 3. A licensed wholesaler shall keep proper books
3 of account and records showing the amount of liquor
4 sold by the wholesaler which shall be open to
5 inspection by the administrator at all times. Liquor
6 control licensees purchasing alcoholic liquor from
7 licensed wholesalers shall keep proper books of
8 account and records showing each purchase of alcoholic
9 liquor made by the licensee, and the date and the
10 amount of each purchase and the name of the person
11 from whom each purchase was made. The books of
12 account and records shall be open to inspection by the
13 administrator and agents of the division of beer,
14 wine, and liquor law enforcement of the department of
15 public safety during the normal business hours of the
16 licensee.

17 4. A licensed wholesaler who has more than one
18 place of business shall have a separate license for
19 each separate place of business maintained by the
20 licensee where liquor is stored, warehoused, or sold.
21 A licensed wholesaler shall not store alcoholic liquor
22 overnight in premises which are not licensed by the
23 division. A licensed wholesaler shall deliver liquor
24 to all classes of retail liquor licensees licensed
25 under this chapter. Retail liquor licensees shall
26 accept delivery of liquor at their licensed premises
27 only from licensed wholesalers. Delivery of alcoholic
28 liquor from an unlicensed premise to a licensed
29 premise at retail or from one retail licensed premise
30 to another is prohibited, except that a class "E"
31 licensee may sell and deliver liquor to a liquor
32 control licensee licensed to sell liquor for
33 consumption on the premises where licensed only. A
34 class "E" liquor licensee shall not sell or deliver
35 alcoholic liquor to another class "E" licensee even
36 where there is a common ownership of all the premises
37 by one class of retail liquor licensee. A retail
38 liquor control licensee shall not hold an interest in
39 a licensed wholesaler's business either directly or
40 indirectly.

41 Sec. 6. Section 123.43, Code 1987, is amended to
42 read as follows:

43 123.43 CONDITIONS -- BOND.

44 As a condition precedent to the approval and
45 granting of any license to a manufacturer or
46 wholesaler, there shall be filed with the division a
47 statement under oath that the applicant is a bona fide
48 manufacturer or wholesaler of alcoholic liquors, and
49 that the applicant will faithfully observe and comply
50 with all rules and regulations of the division and

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that the applicant will in all respects comply with the provisions of this chapter, together with a bond in the penal sum of five thousand dollars for a manufacturer and one ten thousand dollars for a wholesaler with a surety to be approved by the administrator; said bond to be in favor of the state of Iowa for the benefit of the state in case of any violation of this chapter."

2. Page 1, line 32, by striking the words "This Act is" and inserting the following: "Sections 7 and 8 of this Act are".

3. Title page, line 1, by striking the words "to provide" and inserting the following: "relating to the wholesale sale of alcoholic beverages by providing for private wholesalers of alcoholic liquor and by providing".

4. By renumbering as required.

H-3681 FILED APRIL 8, 1987 BY VAN CAMP of Scott

Filed not german 4/20 (j.1533)

SSB #59
State Govt

Now
SF 130

SENATE FILE _____
BY (PROPOSED COMMITTEE ON STATE
GOVERNMENT BILL)

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

A BILL FOR

1 An Act to provide that moneys deposited in the barrel tax fund
2 and the gallonage tax fund shall not revert to the state
3 general fund without a specific appropriation, and providing
4 for retroactive applicability of the Act.

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

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SUB COMMITTEE ASSIGNMENTS
CHAIR: *Dystron*
COMMITTEE: *State Gov.*
1-28-87

1 Section 1. Section 123.143, subsection 3, Code 1987, is
2 amended to read as follows:

3 3. Barrel tax revenues collected on beer manufactured in
4 this state from a class "A" permittee which owns and operates
5 a brewery located in Iowa shall be credited to the barrel tax
6 fund hereby created in the office of the treasurer of state.
7 Moneys deposited in the barrel tax fund shall not revert to
8 the general fund of the state without a specific appropriation
9 by the general assembly.

10 Sec. 2. Section 123.183, Code 1987, is amended to read as
11 follows:

12 123.183 WINE GALLONAGE TAX.

13 In addition to the annual permit fee to be paid by each
14 class "A" wine permittee, there shall be levied and collected
15 from each class "A" wine permittee on all wine manufactured
16 for sale and sold in this state at wholesale and on all wine
17 imported into this state for sale at wholesale and sold in
18 this state at wholesale, a tax of one dollar and seventy-five
19 cents for every wine gallon and a like rate for the fractional
20 parts of a wine gallon. A tax shall not be levied or
21 collected on wine sold by one class "A" wine permittee to
22 another class "A" wine permittee. Revenue derived from the
23 wine tax collected on wine manufactured for sale and sold in
24 this state shall be deposited in the gallonage tax fund hereby
25 created in the office of the treasurer of state. Moneys
26 deposited in the gallonage tax fund shall not revert to the
27 general fund of the state without a specific appropriation by
28 the general assembly. All other revenue derived from the wine
29 tax shall be deposited in the liquor control fund established
30 by section 123.53 and shall be transferred by the director of
31 revenue and finance to the general fund of the state.

32 Sec. 3. This Act is retroactive to July 1, 1985.

33

EXPLANATION

34 This bill provides that moneys deposited in the barrel tax
35 fund and the gallonage tax fund will not revert to the state

1 general fund without a specific appropriation. The moneys are
2 to be used by the Iowa wine and beer promotion board created
3 in section 28.116 for the promotion of Iowa-made wine and
4 beer. This bill is retroactive to July 1, 1985.

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SENATE FILE 130

AN ACT

TO PROVIDE THAT MONEYS DEPOSITED IN THE BARREL TAX FUND AND THE GALLONAGE TAX FUND SHALL NOT REVERT TO THE STATE GENERAL FUND WITHOUT A SPECIFIC APPROPRIATION, AND PROVIDING FOR RETROACTIVE APPLICABILITY OF THE ACT.

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

Section 1. Section 123.143, subsection 3, Code 1987, is amended to read as follows:

3. Barrel tax revenues collected on beer manufactured in this state from a class "A" permittee which owns and operates a brewery located in Iowa shall be credited to the barrel tax fund hereby created in the office of the treasurer of state. Moneys deposited in the barrel tax fund shall not revert to the general fund of the state without a specific appropriation by the general assembly.

Sec. 2. Section 123.183, Code 1987, is amended to read as follows:

123.183 WINE GALLONAGE TAX.

In addition to the annual permit fee to be paid by each class "A" wine permittee, there shall be levied and collected from each class "A" wine permittee on all wine manufactured for sale and sold in this state at wholesale and on all wine imported into this state for sale at wholesale and sold in this state at wholesale, a tax of one dollar and seventy-five cents for every wine gallon and a like rate for the fractional parts of a wine gallon. A tax shall not be levied or collected on wine sold by one class "A" wine permittee to another class "A" wine permittee. Revenue derived from the wine tax collected on wine manufactured for sale and sold in this state shall be deposited in the gallonage tax fund hereby created in the office of the treasurer of state. Moneys

deposited in the gallonage tax fund shall not revert to the general fund of the state without a specific appropriation by the general assembly. All other revenue derived from the wine tax shall be deposited in the liquor control fund established by section 123.53 and shall be transferred by the director of revenue and finance to the general fund of the state.

Sec. 3. This Act is retroactive to July 1, 1985.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 130, Seventy-second General Assembly.

JOHN P. DWYER
Secretary of the Senate

Approved May 4, 1987

TERRY E. BRANSTAD
Governor

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