

WAYS AND MEANS: Dieleman, Chair; Bruner and Hester

FILED MAR 17 1989
Sen. Ways & Means

SENATE FILE 477
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 339)

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

A BILL FOR

1 An Act relating to the markup of the wholesale price for
3462-2 2 alcoholic liquor.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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SF 477

1 Section 1. ALCOHOLIC LIQUOR MARKUP -- TRIAL PERIOD.
2 Notwithstanding section 123.24, subsection 4, for the
3 eighteen-month period beginning on the effective date of this
4 Act, the price of alcoholic liquor sold by the alcoholic
5 beverages division of the department of commerce shall include
6 an average markup of up to forty percent of the wholesale
7 price paid by the division for the alcoholic liquor.

3471,
3470, 3462

8 EXPLANATION

9 This bill provides that the price of alcoholic liquor sold
10 by the alcoholic beverages division of the department of
11 commerce shall include a markup of up to forty percent, rather
12 than up to fifty percent, of the wholesale price. The markup
13 would apply during an eighteen-month trial period beginning on
14 the effective date of the bill.

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SENATE FILE 477

S-3462

1 Amend Senate File 477 as follows:
 2 1. Page 1, by inserting after line 7 the
 3 following:
 4 "Sec. ____ . Section 123.36, subsection 9, Code
 5 1989, is amended to read as follows:
 6 9. Class "E" liquor control license, a sum of not
 7 less than seven hundred and fifty dollars, and not
 8 more than seven-thousand-five-hundred ten thousand
 9 dollars as determined on a sliding scale as
 10 established by the division taking into account the
 11 factors of square footage of the licensed premises up
 12 to and including ten thousand square feet, the
 13 location of the licensed premises, and the population
 14 of the area of the location of the licensed premises.
 15 The fee for licensed premises with a square footage
 16 over ten thousand square feet shall be ten thousand
 17 dollars plus twenty-five cents for each square foot
 18 over ten thousand square feet. Notwithstanding
 19 subsection 6, the holder of a class "E" liquor control
 20 license may sell alcoholic liquor for consumption off
 21 the licensed premises on Sunday subject to section
 22 123.49, subsection 2, paragraph "b."
 23 2. Title page, line 2, by inserting after the
 24 word "liquor" the following: "and the licensing fees
 25 for class "E" liquor control licenses".

By JIM LIND

S-3462 FILED MARCH 29, 1989

ADOPTED MOTION TO RECONSIDER FILED. -329 89 (p. 1066)
 3-29-89 (p. 1062)

SENATE FILE 477

S-3470

2 1. Page 1, line 7, by inserting after the word
 3 "liquor." the following: "However, at any time during
 4 the eighteen-month period, if the division determines
 5 that the average markup of up to forty percent of the
 6 wholesale price of alcoholic liquor is causing a
 7 significant loss of revenue to the state, the price of
 8 alcoholic liquor sold by the division shall include an
 9 average markup of up to fifty percent of the wholesale
 10 price."

By CHARLES BRUNER

S-3470 FILED MARCH 29, 1989

SENATE FILE 477

S-3471

1 Amend Senate File 477 as follows:
 2 1. Page 1, line 7, by inserting after the word
 3 "liquor" the following: "in counties or other
 4 localities in which the division determines that the
 5 average markup of up to fifty percent is causing a
 6 significant loss of revenue to the state in those
 7 counties or other localities".

By CHARLES BRUNER

S-3471 FILED MARCH 29, 1989

**SENATE FILE 477
FISCAL NOTE**

A fiscal note for **SENATE FILE 477** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 477 provides that the price of alcoholic liquor sold by the Alcoholic Beverages Division of the Department of Commerce shall include a markup of up to 40%, rather than the current markup of up to 50%, of the wholesale price. The markup would apply during an eighteen-month trial period beginning on the effective date of the Bill.

ASSUMPTIONS:: The following analysis does not incorporate a decline in consumption of alcoholic beverages, which has been the trend since 1983. The decline for 1988 was 9.46%. Also, the cost of doing business would not decline.

FISCAL EFFECT: With no change in consumption patterns, using the FY 1988 sales level, the 40% markup would reduce Gross Profit by \$5,226,409. To maintain the FY 1988 level of Gross Profit, sales would have to increase by \$13,066,021 or 16.7%.

(Source: Alcoholic Beverages Division
Department of Commerce)

(LSB 1666sv, DPW)

FILED MARCH 29, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

SSB 339

STATE GOVERNMENT

HORN, et.

CONN

RIFE

SENATE FILE 477

BY (PROPOSED COMMITTEE ON STATE GOVERNMENT BILL)

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

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