

January 31, 1967

Passed on File.

Judiciary 2-1-67, Page 4-4

Senate File III

By STANLEY, HILL, RIGLER,
CASSIDY, SHAFF, LODWICK,
VAN GILST, STEPHENS, MCGILL,
RILEY, ELY, WALSH, HEABERLIN,
DeKOSTER, DeHART, MAIN, JEPSEN,
MESSERLY, LAMBORN, NEU and FLATT

Substituted for H. F. 130

Passed Senate, Date 6-30-67

Passed House, Date 7-1-67

Vote: Ayes 58 Nays 3

Vote: Ayes 87 Nays 20

Approved _____

Motion to reconsider filed 6-30.

A BILL FOR

An Act relating to disclosure of payments by companies selling alcoholic liquor to the Iowa liquor control commission and to aid in the prevention of illegal payments.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Wherever used in this Act:

2 1. "Company" includes individual, partnership, corporation,
3 association, and organization.

4 2. "Person" includes individual, partnership, corporation,
5 association, organization, political party, and political com-
6 mittee.

7 3. "Payment" includes any direct or indirect transfer of
8 money or property to or for the benefit of a person, or any
9 credit to the account of a person. Without limiting the
10 generality of the foregoing, "payment" includes any commission,
11 fee, salary, bonus, gift, contribution, or donation.

1 Sec. 2. Each company which sells any alcoholic liquor as
2 defined in section one hundred twenty-three point five (123.5),
3 Code 1966, to the Iowa liquor control commission during any
4 calendar year shall file with the Iowa liquor control commission,
5 on or before April 1 of the following year, a report setting
6 forth the following information with respect to such calendar
7 year:

8 1. Each payment made directly or indirectly by the company,
9 or by any officer, employee, agent, or representative of the
10 company, or by any person controlling, controlled by, or under
11 common control with the company:

12 a. for representation or contacts with the Iowa liquor
13 control commission, or for any purpose related to the company's
14 sales or attempted sales to the Iowa liquor control commission;
15 or

16 b. for any services rendered wholly or partly in Iowa; or

17 c. to or for the benefit of any individual resident of Iowa
18 or any person having his or its principal office or principal
19 place of business in Iowa.

20 2. The name and address of each person to whom each such
21 payment was made.

22 3. Whether the payment was made by check, in currency, or in
23 some other manner.

24 4. The purpose of each such payment.

25 5. The consideration, if any, received by the company for
26 each such payment.

27 6. All such payments made to the same person shall be
28 combined and the total amount shall be reported. However, if
29 such payments to the same person are made for two or more
30 purposes, the total amount of the payments for each purpose
31 shall also be reported. If any part of the total amount was
32 paid in currency or in any manner other than by check, that
33 part and the method of payment shall be specified.

34 7. Such additional information as the Iowa liquor control
35 commission, the attorney general, or the state tax commission
36 may deem necessary or appropriate for the proper administration
37 and enforcement of this Act.

38 However, the following payments need not be reported:
39 dividends paid by the company to its shareholders on its capital
40 stock; interest paid by the company on any class or series of
41 its bonds or debentures which is held by more than one hundred
42 (100) persons; and payments by a company licensed as a manufac-

43 turer under section one hundred twenty-three point thirty-six
44 (123.36) of the Code, related solely to its manufacturing
45 activities and having no relation to its sales activities.

1 Sec. 3. Each report shall be made on forms prescribed by
2 the Iowa liquor control commission with the approval of the
3 attorney general. Such forms shall be furnished by the Iowa
4 liquor control commission upon request. Each report shall be
5 executed by the company by its president, vice-president,
6 secretary, or treasurer, or by a general partner or individual
7 owner. Each report shall be verified by the individual who
8 signs the report.

1 Sec. 4. Each report shall be filed in triplicate with the
2 Iowa liquor control commission, which shall immediately deliver
3 one copy to the attorney general and one copy to the state tax
4 commission. Each of such three agencies shall carefully examine
5 each report and shall take all appropriate action to ensure
6 compliance with the applicable laws of this state.

1 Sec. 5. The Iowa liquor control commission, attorney
2 general, or state tax commission may request any company to
3 report any information regarding a payment or suspected payment
4 to which section two (2) applies, unless the requested informa-
5 tion is already fully disclosed in a report required by this
6 Act. The company shall report all requested information,
7 executed and verified in accordance with section three (3), to
8 the agency requesting it within thirty (30) days after receiving
9 the request. The agency requesting the report shall furnish a
10 copy to each of the other agencies listed in this section.
11 Each of the three agencies shall take action as provided in
12 section four (4).

1 Sec. 6. If any report required by this Act is not filed on
2 or before the required date, the Iowa liquor control commission
3 shall not purchase any alcoholic liquor from the company fail-
4 ing to file the report until the report is filed. If any report
5 required by this Act is filed but does not comply with this Act,
6 the Iowa liquor control commission shall notify the company of

7 the defects in the report, and if a report complying with this
8 Act is not filed within thirty (30) days after such notice is
9 given, the Iowa liquor control commission shall not purchase
10 any alcoholic liquor from such company until it files a report
11 complying with this Act. The attorney general shall determine
12 any question as to whether a report complies with this Act.

1 Sec. 7. The Iowa liquor control commission, attorney
2 general, and state tax commission, and their authorized repre-
3 sentatives, shall have the right to examine all books and rec-
4 ords of any company relating to any payment or suspected payment
5 to which section two (2) applies. This section applies to
6 books, records, and companies located within or without the
7 state of Iowa. If a company does not permit such examination
8 upon written request, the Iowa liquor control commission shall
9 not purchase any alcoholic liquor from such company until it
10 permits such examination.

1 Sec. 8. Whenever a report required by this Act shows total
2 payments of one thousand dollars (\$1,000.00) or more in any
3 calendar year to any person, such person shall file a state-
4 ment in triplicate with the Iowa liquor control commission,
5 setting forth the following information:

6 1. The total amount of all payments during such calendar
7 year to or for the benefit of such person by the company, or
8 by any officer, employee, agent, or representative of the
9 company, or by any person controlling, controlled by, or under
10 common control with the company.

11 2. The purpose of each such payment.

12 3. Whether the payment was made by check, in currency, or
13 in some other manner.

14 4. The consideration, if any, given by such person for
15 each such payment.

16 5. Whether such person paid or gave any part of any such
17 payment to any other person; and, if so, the amount and the
18 name and address of the recipient.

19 6. Whether each such payment or any part thereof was

20 reported as income on such person's state income tax return
21 and federal income tax return; if so, the taxable year for which
22 such returns were filed and the places where such returns were
23 filed; and if any such payment or any part thereof was not re-
24 ported as income on such returns, the reasons why it was not
25 reported as income.

26 7. Such additional information as the Iowa liquor control
27 commission, the attorney general, or the state tax commission
28 may deem necessary or appropriate for the proper administration
29 and enforcement of this Act.

30 Each such statement shall be made on forms prescribed by the
31 Iowa liquor control commission with the approval of the attorney
32 general. Such forms, together with instructions, shall be
33 mailed by certified or registered mail to each such person by
34 the Iowa liquor control commission on May 1 of each year with
35 respect to payments reported for the preceding calendar year.
36 If the report disclosing the payments is received by the Iowa
37 liquor control commission after May 1, such forms shall be
38 mailed within ten (10) days after the report is received.

39 Each such statement shall be executed by such person, and
40 shall be verified by the individual who signs the statement.

41 Each such person shall file the statement required by this
42 section with the Iowa liquor control commission within thirty
43 (30) days after he receives such forms. The statements shall
44 be distributed and action shall be taken as provided in section
45 four (4) of this Act.

46 If any statement required by this Act is not filed on or
47 before the required date, the person failing to file the report
48 shall not be permitted to represent any company with the Iowa
49 liquor control commission until the report is filed.

1 Sec. 9. All reports and statements required by this Act
2 shall be public records.

1 Sec. 10. Any person who wilfully fails or refuses to file
2 any report or statement within the time required by this Act,
3 or who executes, signs, or files any report or statement

4 required by this Act which misstates or omits any information
5 required by this Act and which is within the possession of or
6 could readily be obtained by such person, shall be guilty of
7 a misdemeanor, and upon conviction thereof shall be fined not
8 more than one thousand dollars (\$1,000.00).

9 Any person who executes, signs, or files any report or
10 statement required by this Act, knowing the same to be false
11 in any respect, shall be guilty of a misdemeanor, and upon
12 conviction thereof shall be fined not more than ten thousand
13 dollars (\$10,000.00). Knowledge of any officer, director, or
14 partner of a company shall be regarded as knowledge of the
15 company.

1 Amend Senate File 111 as follows:
2 By striking from section two (2), lines thirty-eight
3 (38) through forty-five (45) inclusive.

Filed - *Adopted 6-30*
February 7, 1967

By REPERT

1 Amend Senate File 111 as follows:
2 1. By striking in section 2, lines 1,2,3,4 and 5 and
3 inserting in lieu thereof the words "each company which
4 sells any goods or services to the State of Iowa, or any
5 department, commission, or agency thereof during any
6 calendar year shall file with the State Tax Commission
7 and the Attorney General on or before April 1 of the
8 following year, a report setting".
9 2. Further amend by striking in section 2, lines 11, 12,
10 13, 14, 15, 16, 17, 18 and 19 and inserting in lieu there-
11 of the words "or under common control with the company
12 with respect to the selling or transferring of any goods
13 or services to the State of Iowa or any department,
14 commission, or agency thereof including such payments
15 as may be made for representation or contracts or any
16 other propositions related to the companies selling or
17 attempting sales to the State of Iowa or any department,
18 or commission, or agency thereof".
19 3. Further amend by striking from lines 34 and 35 the
20 words "the Iowa liquor control commission,".
21 4. Further amend by striking in section 3, line 2 the
22 words "the Iowa liquor control commission with approval".
23 5. Further amend section 3 by striking from lines 3 and
24 4 the words "Iowa liquor control commission" and insert-
25 ing in lieu thereof the words "attorney general".
26 6. Further amend section 4, line 1 by striking the word
27 "triplicate" and inserting in lieu thereof the word
28 "duplicate", and by striking in line 2, the words "Iowa
29 liquor control" and inserting in lieu thereof the words
30 "State tax".
31 7. Further amend section 4 by striking in line 3 and 4 the
32 words "and one copy to the state tax commission".
33 8. Further amend by striking in line 4 the word "three".
34 9. Further amend by striking in section 5, line 1 the words
35 "Iowa liquor control commission,".
36 10. Further amend section 6, by striking from line 2, the
37 words "Iowa liquor control commission" and inserting in
38 lieu thereof the words the State of Iowa or any depart-
39 ment, commission or agency thereof,".
40 11. Further amend by striking from section 6, line 3 the
41 words "any alcoholic liquor".
42 12. Further amend section 6 by striking from line 9 the
43 words "the Iowa liquor control commission" and insert-
44 ing in lieu thereof the words "the State of Iowa, or any
45 department, commission or agency thereof,".
46 13. Further amend by striking in section 7, line 1, the words
47 "Iowa liquor control commission" and in line 9, the words
48 "any alcoholic liquor".

Filed - *Ruled not germane 6-30.*
February 7, 1967

By REPERT

1 Amend the Reppert amendment to Senate File 111, filed
2 February 7, as follows:
3 1. By striking from line three (3) the word "each" and
4 by inserting in lieu thereof the word "Each".
5 2. By striking in line eleven (11) the words "or under".
6 3. By inserting in line twenty-two (22) after the word
7 "with" the word "the".
8 4. By striking from line thirty-eight (38) the second
9 "the" and by inserting in lieu thereof a quotation mark (").
10 5. By inserting in line forty-seven (47) after the word
11 "commission" a comma (,).
12 6. Amend Senate File 111, section seven (7) by striking
13 from line two (2) the first "and" and by inserting in lieu
14 thereof the word "the".

Filed - *Ruled out of order 6-30.*
April 12, 1967

By REPPERT

1 Amend Senate File 111 as follows:
2 1. Amend S.F. 111 in line twenty-five (25) of section two
3 (2) by inserting after the word "any" the following:
4 "and only when some can readily be determinable".
5 2. Further amend said section by inserting after the period
6 (.) in line twenty-six (26) the following:
7 "The word 'consideration' as used herein shall not be construed
8 to mean ultimate profits based on sales to the State of Iowa."

Filed and lost
June 20, 1967

By REPPERT

1 Amend the title to Senate File 111 by striking all of line
2 two (2) and by inserting in lieu thereof the following:
3 "goods or services to the state of Iowa or to any depart-
4 ment, commission, or agency thereof and to".

Filed - *Ruled not germane 6-30.*
June 22, 1967

By REPPERT

1 Amend Senate File 111 as follows:
2 1. By striking from lines two (2) and three (3) of section
3 two (2) the words ", Code 1966," and inserting in lieu thereof
4 the following:
5 "of the Code, or any beer as defined in section one hundred
6 twenty-four point two (124.2) of the Code,".
7 2. By inserting in line three (3) of section six (6) after
8 the word "liquor" the words "or beer".
9 3. By inserting in line ten (10) of section six (6) after the
10 word "liquor" the words "or beer".
11 4. By inserting in line nine (9) of section seven (7) after
12 the word "liquor" the words "or beer".
13 5. By inserting in the title after the words "alcoholic
14 liquor" the words "or beer".

Filed - *Adopted 6-30.*
June 22, 1967

By REPPERT

- 1 Amend section four (4) of Senate File 111 by adding thereto
2 the following:
3 "Such reports may be destroyed after a period of two (2)
years."

Filed - *adopted 6-30*
June 26, 1967

By REPERT

- 1 Amend Senate File 111 by adding thereto the following:
2 "The provisions of this Act shall not apply to lawyers act-
ing in
3 an attorney-client relationship on matters deemed of a confi-
dential
4 by either the attorney or client."

Filed - *Lost 6-30*
June 26, 1967

By MURRAY

- 1 Amend Senate File 111 by adding the following to section two
(2):
2 "Gifts or other expressions of appreciation or sentiment not
ex-
3 ceeding a monetary value of one hundred (100) dollars shall be
4 exempt from the provisions of this Act."

Filed - *Lost 6-30*
June 26, 1967

By BUREN

- 1 Amend the title of Senate File 111 by striking the words
2 "alcoholic liquor to the Iowa liquor control commission" and
3 inserting in lieu thereof the following:
4 "any merchandise, equipment or goods to the State of Iowa".

Filed - *Ruled matter previously disposed 6-30.*
June 26, 1967

By CONDON

- 1 Amend Senate File 111 by adding the following to section two
(2):
2 "Any payments to newspapers, billboard companies or magazines
3 for advertising as well as to companies producing specialty
4 advertising or payments or expenses for trade shows, conven-
5 tions
6 or joint industry trade association activities shall be specifi-
7 cally exempt from the provisions of this Act."

Filed - *Lost 6-30*
June 26, 1967

By REPERT

- 1 Amend Senate File 111 by adding thereto the following:
2 "Nothing herein contained shall be construed to deny or abridge
3 the personal right of any person to participate in the art of
4 government including the right to contribute to the campaign
5 funds of persons or political parties."

Filed and lost
June 30, 1967

By REPERT

1 Amend Senate File 111 as follows:

2 1. By striking from lines one (1), two (2), and three (3)
3 of section two (2) the words "alcoholic liquor as defined in
4 section one hundred twenty-three point five (123.5), Code 1966,"
5 and inserting in lieu thereof the words "goods or services".

6 2. By inserting in line three (3) of section two (2) after the
7 word "commission" the words "and each company which sells any
goods

8 or services to any company which sells goods or services to the
9 Iowa liquor control commission".

10 3. By striking from line three (3) of section six (6) the
11 words "alcoholic liquor" and inserting in lieu thereof the words
12 "goods or services".

13 4. By inserting in line four (4) of section six (6) after
14 the words "file the report" the words "or from a company pur-
chasing

15 goods or services from such company failing to file the report".

16 5. By striking from line ten (10) of section six (6) the words
17 "alcoholic liquor" and inserting in lieu thereof the words "goods
18 or services".

19 6. By inserting in line ten (10) of section six (6) after the
20 word "company" the words "or from a company purchasing goods or
21 services from such company failing to file the report".

22 7. By striking from line nine (9) of section seven (7) the
23 words "alcoholic liquor" and inserting in lieu thereof the words
24 "any goods or services".

25 8. By inserting in line nine (9) of section seven (7) after the
26 word "company" the words "or from a company purchasing goods or
27 services from such company refusing permission for the examina-
tion".

Filed and lost
June 30, 1967

By REPERT

1 Amend S. F. 111 as follows:

2 1. Amend S. F. 111 by inserting in line sixteen (16) of
3 section two (2) after the word "services" the following:
4 "relating to alcoholic liquor".

5 2. Further amend said section by inserting before the word
6 "to" in line seventeen (17) the following:
7 "when related to liquor".

Filed - Lost 6-30.
June 26, 1967

By FREY

1 Amend line two (2) of section nine (9) of Senate File 111
2 by striking the words "public records" and inserting in lieu
3 thereof the following:

4 "confidential between the parties and no disclosure shall be
5 by those charged with receiving the information excepting for
6 enforcement or necessary administrative purposes".
made
for
law

Filed - Lost 6-30.
June 26, 1967

By CONDON

1 Amend Senate File 111, section two (2) as follows:
2 1. By adding the following new subsection thereto:
3 "The names of all elected or appointed state officials
4 employed by a bank, or upon whose board of directors such
5 official serves or in which such official, or his spouse, or
6 immediate family, jointly or severally, own stock equal to
7 one (1) per cent of the outstanding stock of such bank in
8 which such company has deposited money during the report-
9 ing period. The reporting company shall also state the
10 name of the bank and its average monthly deposit for the
11 reporting period.
12 2. By renumbering the remaining subsections in con-
13 formity with this amendment."

Filed and adopted
June 30, 1967

By RIGLER and BENDA

1 Amend Senate File 111, section two (2), by adding the
2 following new subsections thereto:
3 "8. Whether or not the reporting company retains an
4 attorney or a firm of attorneys that any elected or appointed
5 public official is presently associated or had been associated,
6 in the practice of law."
7 "9. The attorney or firm of attorneys retained by such
8 company or which such company paid any legal fees to and the
9 amount thereof for the past reporting period."

Filed and adopted
June 30, 1967

By GAUDINEER

1 Amend Senate File 111 as follows:
2 1. By adding the following new section and
3 renumbering the sections in accordance with
4 this amendment:
5 "There shall be appropriated from the
6 general fund the sum of five thousand dollars
7 (\$5,000) for carrying out the purposes of this
8 Act."

Filed and lost
June 30, 1967

By REPPERT

1 Amend Senate File 111 by adding the following to section
2 two (2):
3 "Gifts or other expressions of appreciation or sentiment not
4 exceeding a monetary value of fifty (50) dollars shall be exempt
5 from the provisions of this Act."

Filed and lost
June 30, 1967

By BUREN

1 Amend Senate File 111 as follows:
2 1. Strike line 9 of section 2 and insert in lieu
3 thereof the following:
4 "or by any person on behalf of the".
5 2. Strike the words "state tax commission" wherever
6 they appear in Senate File 111 and insert in lieu thereof
7 the words "department of revenue".

Filed and Div 1 adopted
Div 2 withdrawn
June 30, 1967

By STANLEY

1 Amend line five (5) of section three (3) of Senate File 111
2 by striking each comma (,) and inserting in lieu thereof the
3 word "or".

Filed and lost
June 30, 1967

By REPPERT

1 Amend the title to Senate File 111 by striking all of line
2 two (2) and by inserting in lieu thereof the following:
3 ~~"goods or services to the state of Iowa or to any department,~~
4 ~~commission, or agency thereof and to"~~
5 1. By striking in section 2, lines 1,2,3,4, and 5 and
6 inserting in lieu thereof the words "each company which sells any goods or
7 services to the State of Iowa, or any department, commission, or agency
8 thereof during any calendar year shall file with the State Tax
9 Commission and the Attorney General on or before April 1 of the following
10 a report setting" year,
11 2. Further amend by striking in section 2, lines 11, 12, 13, 14,
12 15, 16, 17, 18, and 19 and inserting in lieu thereof the words
13 "or under common control with the company with respect to the
14 selling or transferring of any goods or services to the State of Iowa
15 or any department, commission, or agency thereof including such payments
16 as may be made for representation or contracts or any other
17 propositions related to the companies selling or attempting sales to the
18 State of Iowa or any department, or commission, or agency thereof".
19 3. Further amend by striking from lines 34 and 35 the words
20 "the Iowa liquor control commission,".
21 4. Further amend by striking in section 3, lines 2 the words
22 "the Iowa liquor control commission with approval".
23 5. Further amend section 3 by striking from lines 3 and
24 4 the words "Iowa liquor control commission" and inserting in
25 lieu thereof the words "attorney general".
26 6. Further amend section 4, line 1 by striking the word
27 "triplicate" and inserting in lieu thereof the word "duplicate",
28 and by striking in line 2, the words "Iowa liquor control" and
29 inserting in lieu thereof the words "State tax".
30 7. Further amend section 4 by striking in line 3 and 4 the
31 words "and one copy to the state tax commission".
32 8. Further amend by striking in line 4 the word "three".
33 9. Further amend by striking in section 5, line 1 the words
34 "Iowa liquor control commission,".
35 10. Further amend section 6, by striking from line 2, the word
36 "Iowa liquor control commission" and inserting in lieu thereof
37 the words "the State of Iowa or any department, commission or agency
38 thereof,".
39 11. Further amend by striking from section 6, line 3 the
40 words "any alcoholic liquor".
41 12. Further amend section 6 by striking from line 9 the words
42 "the Iowa liquor control commission" and inserting in lieu
43 thereof the words "the State of Iowa, or any department, commission or
44 agency thereof,".
45 13. Further amend by striking in section 7, line 1, the words
46 "Iowa liquor control commission" and in line 9, the words "any
alcoholic liquor".