

See reprint

January 24, 1967

Passed on File

Safety and Law Enforcement 1-24, Pass 5-23

Senate File 50

By FREY, COLEMAN, CONDON,
HOUGEN, DENMAN, and
REPPERT

Passed Senate, Date 6-16-67 Passed House, Date _____
Vote: Ayes 50 Nays 3 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

An Act relating to liquor taxation, control and enforcement.

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

1 Section 1. Sections one hundred twenty-three point
2 ninety-seven (123.97), one hundred twenty-three point
3 ninety-eight (123.98), one hundred twenty-three point
4 ninety-nine (123.99), one hundred twenty-three point one
5 hundred (123.100), Code 1966, are hereby repealed and the
6 following enacted in lieu thereof:

7 1. "There is hereby imposed on every individual,
8 partnership, corporation, association or club licensed to
9 sell alcoholic beverages for consumption on the premises
10 where sold, a special tax equivalent to twenty (20) percent
11 of the price established by the commission on all alcoholic
12 beverages for general sale to the public. Said tax shall be
13 paid by all licensees at the point of purchase from the state
14 on all alcoholic beverages intended or used for resale for
15 consumption on the premises of retail establishments."

16 2. "Except as allowed under section one hundred twenty-three
17 point ninety-six (123.96), no licensee shall keep on the
18 licensed premises nor use for resale purposes any alcoholic
19 liquor on which the special tax has not been paid to the
20 state. A violation of this section shall be grounds for
21 revocation of the license held."

22 3. "The commission shall establish such rules, regulations,

S.F. 50

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23 identifying stamps or markings as are deemed necessary for
24 effective control in carrying out the purposes of this
25 Act."

January 24, 1967
Passed on File

By FREY, COLEMAN, CONDON,
HOUGEN, DENMAN, and
REPPERT

(As Amended and Passed by the Senate)

Passed Senate, Date 6-16-67 Passed House, Date 6-28-67
Vote: Ayes 50 Nays 3 Vote: Ayes 109 Nays 9

Approved _____

*Motion to reconsider filed 6-29.
tabled 7-1*

A BILL FOR

An Act to repeal the ten (10) percent occupational tax on gross receipts of liquor licensees on sales of alcoholic beverages and replace the lost revenues by adding a mark-up on liquor sold to licensees at time of purchase in conjunction with placing per drink sales under the retail sales tax and establishing identification means and procedures therefor and to increase the share received by cities and towns of proceeds from the sale of liquor.

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

1 Section 1. Sections one hundred twenty-three point ninety-
2 seven (123.97), one hundred twenty-three point ninety-eight
3 (123.98), one hundred twenty-three point ninety-nine (123.99),
4 one hundred twenty-three point one hundred (123.100), Code
5 1966, are hereby repealed and the following enacted in lieu
6 thereof.

7 1. "There is hereby imposed on every individual, partner-
8 ship, corporation, association or club licensed to sell alcoholic
9 beverages for consumption on the premises where sold, a
10 special tax equivalent to fifteen (15) percent of the price
11 established by the commission on all alcoholic beverages for
12 general sale to the public. Such tax shall be paid by all
13 licensees at the point of purchase from the state on all
14 alcoholic beverages intended or used for resale for con-
15 sumption on the premises of retail establishments. Such

16 tax shall be in lieu of any other sales tax applied at the
17 state store and shall be shown as a separate item on special
18 sales slips provided by the commission for purchases by
19 licensees.

20 2. "Except as allowed under section one hundred twenty-
21 three point ninety-six (123.96), Code 1966, no licensee shall
22 knowingly keep on the licensed premises nor use for resale
23 purposes any alcoholic liquor on which the special tax has
24 not been paid to the state. The conviction of a violation of
25 this section shall cause the license held to automatically be
26 revoked and the license shall immediately be surrendered by
27 the holder, and the bond of the license holder shall be for-
28 feited to the commission.

29 3. "Each bottle of alcoholic beverage purchased by a
30 licensee shall bear an identification marker applied at the
31 place of purchase."

1 Sec. 2. Section one hundred twenty-three point eighteen
2 (123.18), Code 1966, is hereby amended by striking all after
3 the period (.) in line twelve (12).

1 Sec. 3. Section one hundred twenty-three point fifty
2 (123.50), Code 1966, is hereby amended by striking from line
3 two (2) of subsection three (3) the word "five" and by inserting
4 in lieu thereof the word "ten (10)".

1 Sec. 4. Section four hundred twenty-two point forty-six
2 (422.46), Code 1966, is hereby amended by adding after the
3 word "beer" in line ten (10) the following: ", alcoholic beverages".

1 Sec. 5. This Act, being deemed of immediate importance,
2 shall be in full force and effect from and after its passage and
3 publication as provided by law, in the Carroll Daily Times
4 Herald, a newspaper published at Carroll, Iowa, and in the
5 Ames Daily Tribune, a newspaper published at Ames, Iowa.

1 Amend Senate File 50 by striking Section 3.

Filed and lost
June 28, 1967

Hance

GANNON of Jasper.

1 Amend the Gaudineer amendment to Senate File 50 by striking
2 the last paragraph and inserting in lieu thereof the following:
3 "When received by counties having a population of more than
4 one hundred thousand (100,000) according to the last federal
5 decennial census, the county treasurer shall place the remitted
6 tax in a special tax entitled 'alcoholic fund'. The county
7 boards of supervisors in such counties of more than one hundred
8 thousand (100,000) population according to the last federal
9 decennial census are hereby directed to expend and use this
10 fund along with such other funds as are available, including
11 federal and private grants, for the purpose of establishing
12 detoxication centers. When received by counties having a
13 population of one hundred thousand (100,000) or less according
14 to the last federal decennial census, such funds shall be
15 used to pay the cost incurred under Chapter 224."

Filed - *Ruled out of order 6-16*
June 13, 1967

By RILEY

1 Amend Senate File 50 as follows:
2 1. By adding the following as a new section thereto:
3 "All inventories of liquor held by the Iowa Liquor Control
4 Commission and all other personal property used by it in
5 the commission's local liquor stores as of January 1, of each
6 year shall be placed upon the tax rolls of the taxing districts
7 wherein such property is located. Such personal property shall
8 be given an assessed valuation and taxed accordingly, subject
9 to the provisions of this Act. Notice, as provided by law,
10 of the tax due shall be given to the Iowa Liquor Control
11 Commission. The commission shall have the right to appeal such
12 assessment in the same manner as a private individual. The
13 commission shall pay such tax when due."

Filed and ruled non-germane
June 13, 1967

By REICHARDT and GAUDINEER

1 Amend Senate File 50 as follows:
2 Amend Senate File 50 by adding the following section
3 thereto:
4 Sec. 2. This Act, being deemed of immediate importance
5 shall be in full force and effect from and after its
6 passage and publication as provided by law, in the Carroll
7 Daily Times Herald, a newspaper published at Carroll, Iowa,
8 and in the Ames Daily Tribune, a newspaper published at
9 Ames, Iowa.

Filed and adopted
June 13, 1967

By FREY

1 Amend Senate File 50 by striking after section two
2 the following new section:
3 "Each bottle of alcoholic beverage purchased by a
4 licensee shall bear an identification marker applied at
5 the place of purchase."
6 Also amend by renumbering the remaining section.

Filed and adopted
June 13, 1967

By DeKOSTER

1 Amend Senate File 50 by adding thereto the following new
2 sections:
3 "Sec. 2. Section one hundred twenty-three point five
4 (123.5), Code 1966, is hereby amended by adding thereto the
5 following new subsection:
6 "'Division" means the division of criminal investigation
7 and bureau of identification of the department of public
8 safety established under section eighty point seventeen (80.17)
9 of the Code.'

10 "Sec. 3. Section one hundred twenty-three point six
11 (123.6), Code 1966, is hereby amended by striking from line
12 eight (8) the word 'The' and inserting in lieu thereof the
13 words 'Except as provided in this Act, the'.

14 "Sec. 4. Section one hundred twenty-three point sixteen
15 (123.16), subsection nine (9), Code 1966, is hereby amended
16 by striking lines three (3) through thirteen (13) and insert-
17 ing in lieu thereof the words 'entire liquor industry in the
18 state. The division may enforce'.

19 "Sec. 5. Section one hundred twenty-three point fifty-
20 seven (123.57), Code 1966, is hereby amended by striking lines
21 one (1) through three (3) and inserting in lieu thereof the
22 words 'The division shall cause the financial condi-'.
23

24 "Sec. 6. Section one hundred twenty-three point ninety-
25 three (123.93), Code 1966, is hereby amended as follows:

26 "1. By striking from line two (2) the word 'enforcement'.

27 "2. By striking from line four (4) the words 'The state'
28 and inserting in lieu thereof the words 'Other members,
29 except clerical workers, of the state'.

30 "3. By striking from line ten (10) the word 'enforcement'.

31 "Sec. 7. Chapter one hundred twenty-three (123), Code 1966,
32 is hereby amended by adding the following new section:

33 "'The division shall be responsible for the enforcement
34 of the provisions of this chapter. The commission shall co-
35 operate with and provide information required by the division
to facilitate the enforcement of this chapter.'"

Filed and adopted - *Reconsidered and lost 6-16*
June 13, 1967

By HOUGEN and KRUCK

1 Amend the Gaudineer amendment to Senate File 50 by adding
2 in section three (3), line fourteen (14) after the word,
3 "alcoholism" the following:
4 "Separate counties may enter into agreements for collective
5 use of the funds herein provided by resolution of the boards
6 of supervisors of the counties affected."

Filed and adopted
June 13, 1967

By FLATT and GAUDINEER

1 Amend Senate File 50 by adding the following as a new
2 section:

3 "Section one hundred twenty-three point eighteen
4 (123.18), Code 1966, is hereby amended by striking all
5 after the period (.) in line twelve (12) thereof.

Filed and adopted
June 13, 1967

By BALLOUN and MESSERLY

1 Amend Section 1 of Senate File 50 by inserting
2 after the period (.) in line twelve (12) the following:
3 "Such tax shall be in lieu of any other sales tax
4 at the state store and shall be shown as a separate
5 item on special sales slips provided by the commission
6 for purchases by licensees."

Filed and adopted
June 13, 1967

By FROMMELT

1 Amend Senate File 50, section one (1), line ten (10) by
2 striking the words and figures, "twenty (20)" and by insert-
3 ing in lieu thereof the words and figures, "twenty-three (23)".

Filed and lost
June 13, 1967

By KLEFSTAD and GAUDINEER

1 Amend Senate File 50 by adding a new section thereto:
2 "Section one hundred twenty-three point nineteen (123.19),
3 subsection two (2), Code 1966, is hereby amended by striking
4 from line three (3) the words "nine hundred" and inserting
5 in lieu thereof the words "twenty thousand (20,000)".

Filed and ruled non-germane
June 13, 1967

By MURRAY

1 Amend Senate File 50 by striking the title and
2 inserting a new title as follows:
3 "An Act to repeal the ten (10) percent occupational
4 tax on gross receipts of liquor licensees on sales of
5 alcoholic beverages and replace the lost revenues by
6 adding a mark-up on liquor sold to licensees at time
7 of purchase in conjunction with placing per drink sales
8 under the retail sales tax and establishing identification
9 means and procedures therefor."

Filed - *Adopted as amended 6-16*
June 14, 1967

By FROMMELT, STANLEY,
Stricken GONDON, FREY and
6-16 BENDA

1 Amend Senate File 50 by adding the following new section
2 "Section four hundred twenty-two point forty-six (422.46),
3 Code 1966, is hereby amended by inserting the words 'alcoholic
4 beverages,' before the word 'beer' in line ten (10)."

Filed - *Ruled out of order 6-16*
June 14, 1967

By STANLEY

1 Amend Senate File 50 by adding the following additional
2 sections thereto:
3 "Sec. 2. Chapter four hundred twenty-two (422), Code 1966,
4 is hereby amended by adding the following new section thereto:
5 'In addition to the tax imposed under section four hundred
6 twenty-two point forty-three (422.43) of the Code, there is
7 hereby imposed an additional tax of one (1) percent upon the
8 gross receipts from all sales of liquor by the Iowa state
9 liquor stores. The additional tax shall be collected and
10 retained by the Iowa liquor control commission and distribu-
11 ted pursuant to section three (3) of this Act.'
12 "Sec. 3. Chapter one hundred twenty-three (123), Code
13 1966, is hereby amended by adding the following thereto:
14 'The additional one (1) percent sales tax collected by the
15 commission under section two (2) of this Act shall be remitted
16 quarterly to the treasurer of the county from which such tax
17 was originally collected.
18 'When received, the county treasurer shall place the remit-
19 ted tax in a special fund entitled "Alcoholic Fund". The
20 county boards of supervisors are hereby authorized to expend
21 and use this fund along with such other funds as are avail-
22 able, including federal and private grants, for the purpose
23 of establishing detoxication centers and such other means
24 and methods deemed appropriate and necessary to combat and
25 control the disease of alcoholism.'"

Filed and lost
June 13, 1967

By GAUDINEER and REICHARDT

1 Amend the Gaudineer amendment as follows:
2 1. By striking in section three (3) line twelve (12)
3 the word "and" and by inserting in lieu thereof the word,
4 "or".

Filed and adopted *S.F. 50*
June 13, 1967

By GAUDINEER

1 Amend Senate File 50 by adding the following additional
2 section thereto:
3 "Sec. 2. Section one hundred twenty-three point fifty
4 (123.50), Code 1966, is hereby amended by striking from line
5 two (2) of subsection three (3) the word 'five' and by
6 inserting in lieu thereof the word 'ten (10)'."

Filed and adopted, *Reconsidered and adopted 6-16*
June 13, 1967

By REICHARDT

1 Amend Senate File 50, section one (1), subsection two
2 (2), line twenty (20) as follows:
3 - Following the word "be", insert the word "mandatory".

Filed and adopted
June 13, 1967

By RIGLER and MILLS

1 Amend Senate File 50 by striking ~~everything~~ after the
2 enacting clause and inserting in lieu thereof the following:

3 "Section 1. Sections one hundred twenty-three point
4 ninety-seven (123.97), one hundred twenty-three point
5 ninety-eight (123.98), one hundred twenty-three point
6 ninety-nine (123.99), one hundred twenty-three point one
7 hundred (123.100), Code 1966, are hereby repealed and the
8 following enacted in lieu thereof:

9 1. There is hereby imposed on every individual,
10 partnership, corporation, association or club licensed to
11 sell alcoholic beverages for consumption on the premises
12 where sold, a special tax equivalent to fifteen (15) percent
13 of the price established by the commission on all alcoholic
14 beverages for general sale to the public. Such tax shall be
15 paid by all licensees at the point of purchase from the state
16 on all alcoholic beverages intended or used for resale for
17 consumption on the premises of retail establishments. Such
18 tax shall be in lieu of any other sales tax applied at the
19 state store and shall be shown as a separate item on special
20 sales slips provided by the commission for purchases by
21 licensees.

22 2. Except as allowed under section one hundred twenty-
23 three point ninety-six (123.96), Code 1966, no licensee shall
24 keep on the licensed premises nor use for resale purposes any
25 alcoholic liquor on which the special tax has not been paid
26 to the state. The conviction of a violation of this section
27 shall cause the license held to automatically be revoked
28 and the license shall immediately be surrendered by the
29 holder, and the bond of the license holder shall be
30 forfeited to the commission.

31 3. Each bottle of alcoholic beverage purchased by
32 a licensee shall bear an identification marker applied
33 at the place of purchase."

34 "Sec. 2. Section one hundred twenty-three point
35 eighteen (123.18), Code 1966, is hereby amended by
36 striking all after the period (.) in line twelve (12)."

37 "Sec. 3. Section four hundred twenty-two point forty-
38 six (422.46), Code 1966, is hereby amended by adding
39 after the word "beer" in line ten (10) the following:
40 ', alcoholic beverages'."

Filed - Adopted 6-16
June 14, 1967

By FROMMELT, STANLEY,
CONDON, FREY and

BENDA

1 Amend the Frommelt et al amendment to Senate File 50
2 by inserting in line nine (9) after the word "therefor" the
3 following:
4 "and to increase the
5 share received by cities and towns of proceeds from the sale
6 of liquor".

Filed and adopted
June 16, 1967

By GAUDINEER

1 Amend

2 Senate File 50 as amended

3 by adding the following new sections:

4 Sec. 4. Section one hundred twenty-three point fifty
5 (123.50), Code 1966, is hereby amended by adding thereto the
6 following new subsection:

7 "The state treasurer shall semiannually distribute a
8 sum of money equal to five (5) percent of the gross amount
9 of sales made by the state liquor stores in the manner here-
10 inafter provided. Such amount shall be distributed to the
11 county boards of supervisors in proportion to the population
12 that each county bears to the total population of all
13 counties of the state as computed by the latest federal
14 census. Such apportionment shall be made semiannually as
15 of July 1 and January 1 of each year. Warrants for the
16 same shall be issued by the state comptroller upon certi-
17 fication of the state treasurer and shall be made payable
18 and mailed to the board of supervisors. All funds received
19 shall be subject to expenditure under the direction of such
20 board and shall be used for the treatment of alcoholics and
21 educational programs relating to alcoholism."

22 Sec. 5. Section two hundred twenty-four point two
23 (224.2), Code 1966, is hereby amended by adding thereto the
24 following:

25 "Funds available under section four (4) of this Act
26 may be used by a county for any expenses incurred in the
27 commitment, custody, treatment, and maintenance of any
28 person receiving treatment for alcoholism."

29 Sec. 6. Section two hundred twenty-six point forty-
30 one (226.41), Code 1966, is hereby amended by adding there-
31 to the following:

32 "Funds available under section four (4) of this Act
33 may be used by counties for any expenses incurred in the
34 commitment, custody, treatment, and maintenance of any
35 person receiving treatment for alcoholism."

36 Sec. 7. Section two hundred thirty point twenty-
37 three (230.23), Code 1966, is hereby amended by adding
38 thereto the following:

39 "Funds available under section four (4) of this Act
40 may be used by counties for any expenses incurred in the
41 commitment, custody, treatment, and maintenance of any
42 person receiving treatment for alcoholism."

Filed and ruled non-germane
June 16, 1967

By KOSEK

1 Amend the Frommelt amendment to Senate File 50 filed
2 June 14, 1967 by striking the words and figures, "fifteen (15)"
3 in line twelve (12) and by inserting in lieu thereof the words
4 and figures, "twenty (20)".

Filed and lost
June 16, 1967

By GAUDINEER

1 Amend Senate File 50 by striking in Section one (1) line
2 ten (10) the word and figure "fifteen (15)" and inserting
3 in lieu thereof the word and figure "twenty (20)".

Filed - *Loet 6-28*
June 26, 1967

GITTINS of Pottawattamie.

~~1 Amend Senate File 50 by striking everything after the enacting
2 clause and substituting in lieu thereof the following:~~

3 Section 1. Sections one hundred twenty-three point ninety-
4 seven (123.97), one hundred twenty-three point ninety-eight
5 (123.98),
6 one hundred twenty-three point ninety-nine (123.99), and one
7 hundred
8 twenty-three point one hundred (123.100), Code 1966, are hereby
9 repealed.

10 Sec. 2. Chapter one hundred twenty-three (123), Code 1966,
11 is
12 hereby amended by adding thereto the following:

13 1. The Iowa liquor control commission shall increase the
14 mark-up
15 prices on alcoholic liquor equaling, as nearly as possible,
16 twenty-
17 three (23) cents per fifth gallon or fractional parts, more or
18 less
19 thereof. The increase in mark-up shall be based on retail
20 prices in
21 effect on June 1, 1967. The commission shall maintain such
22 prices
23 based on present formulas used for setting prices of various
24 brands
25 unless otherwise directed by the general assembly or first
26 having
27 received approval of the state executive council.

28 2. Each bottle of alcoholic beverage purchased by a licensee
29 shall bear an identification marker applied at the place of
30 purchase.

1 Section 3. Section one hundred twenty-three point fifty (123.50),
2 Code 1966, is hereby amended by striking from line two (2) of
3 sub-
4 section three (3) the word "five" and by inserting in lieu there-
5 of
6 the word "ten (10)".

7 Sec. 4. Section four hundred twenty-two point forty-six
8 (422.46),
9 Code 1966, is hereby amended by adding after the word "beer"
10 in line
11 ten (10) the following: ", alcoholic beverages".

12 Sec. 5. This Act, being deemed of immediate importance, shall
13 be
14 in full force and effect from and after its passage and publi-
15 cation
16 as provided by law, in the Carroll Daily Times-Herald, a news-
17 paper
18 published at Carroll, Iowa, and in the Ames Daily Tribune, a
19 newspaper
20 published at Ames, Iowa.

Filed - *Loet 6-28*
June 27, 1967

TIEDEN of Clayton.

1 Amend Senate File 50, section one, subsection two (2),
2 by striking all after the figure "1966," in line twenty-one
3 (21) and through the word "state," in line twenty-four (24)
4 and substituting in lieu thereof the following:
5 "no licensee, nor any employee of a licensee while engaged
6 in work or service on the licensed premises, shall knowingly
7 keep or suffer or permit the keeping on the licensed premises
8 nor use for resale or suffer or permit the use for resale of
9 any alcoholic liquor on which the special tax has not been
10 paid to the state."

Filed - *Withdrawn 6-28*
June 23, 1967

FISHER of Greene.
CAMP of Clinton.

1. Amend Senate File 50 by adding the following new sections
2 thereto:
- 3 "Sec. 6. There is hereby established an alcoholic rehabili-
4 tation fund under the Iowa commission on alcoholism for the pur-
5 pose of assisting in the financing of programs established by
6 local or regional governmental units for the treatment and re-
7 habilitating of alcoholics in the state. For the purpose of
8 this Act, local or regional governmental units means county
9 boards of supervisors, local mental health authorities, and
10 local boards of health.
- 11 Sec. 7. County boards of supervisors may individually
12 or jointly establish, administer, and finance programs for the
13 treatment and rehabilitation of alcoholics. Such programs may
14 also be established, administered, and financed by local mental
15 health authorities within the state or by local boards of health
16 individually or jointly. The Iowa commission on alcoholism
17 shall provide assistance in the establishment of any such pro-
18 gram.
- 19 Sec. 8. The Iowa commission on alcoholism may authorize
20 the allocation of funds from the alcoholic rehabilitation fund
21 to local or regional governmental units to assist in the financ-
22 ing of programs for the treatment and rehabilitation of alcoholics.
23 Any funds so allocated shall be on a fifty-fifty (50-50) match-
24 ing basis with funds provided by the local or regional govern-
25 mental units. Local and regional governmental units may use such
26 funds as may be available for financing any programs which may
27 be established under the provisions of this Act. No local or
28 regional governmental unit shall be entitled to receive from the
29 alcoholic rehabilitation fund an amount in excess of the total
30 amount collected within the unit from the additional cost applied
31 to liquor sales under section four (4) of this Act.
- 32 Sec. 9. The Iowa liquor control commission shall add five
33 (5) cents to the sale price of each measure equal to one-fifth
34 (1/5th) of a gallon of any alcoholic beverage distributed by
35 the Iowa liquor control commission. A proportionate amount as
36 determined by the liquor control commission shall be added to
37 the sale price of any measure of alcoholic beverage larger or
38 smaller than a one-fifth (1/5th) of a gallon distributed by
39 the commission. All funds so collected shall be deposited in
40 the alcoholic rehabilitation fund.
- 41 Sec. 10. Amend the title by inserting in line five (5)
42 after the word, "means" the words, ", to provide for the treat-
43 ment and rehabilitation of alcoholics by providing an addition-
44 al charge upon the sale price of liquor".

Filed - *Last 6-28*
June 23, 1967

CAFFREY of Polk.