

FEB 26 1986

HOUSE FILE 2372

Place On Calendar

BY COMMITTEE ON JUDICIARY AND  
LAW ENFORCEMENT

(Formerly House Study Bill 587)

Passed House, Date 3-27-86 (p. 1029) Passed Senate, Date \_\_\_\_\_

Vote: Ayes 76 Nays 20 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act making corrections and additions to the law dealing with  
2 alcoholic liquor, wine, and beer by amending the definition of  
3 beer to reflect current commercial practices, and by including  
4 a reference to wine in the section allowing the sale of  
5 alcoholic beverages or beer for consumption on the premises by  
6 licensees or permittees on the Sunday before New Years Day.

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

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HF 2372

1 Section 1. Section 123.3, subsection 9, Code Supplement  
2 1985, is amended to read as follows:

3 9. "Beer" means any liquid capable of being used for  
4 beverage purposes made by the fermentation of an infusion in  
5 potable water of barley, malt, and hops, with or without  
6 unmalted grains or decorticated and degerminated grains or  
7 made by the fermentation of or by distillation of the  
8 fermented products of fruit, fruit extracts, or other  
9 agricultural products, containing more than one-half of one  
10 percent of alcohol by volume but not more than five percent of  
11 alcohol by weight.

12 Sec. 2. Section 123.150, Code Supplement 1985, is amended  
13 to read as follows:

14 123.150 SUNDAY SALES BEFORE NEW YEARS DAY.

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

29 ~~It is the intent of this section that the~~ The special  
30 privileges granted ~~shall be~~ in this section are in force only  
31 during the specified times provided in this section.

32 EXPLANATION

33 This bill amends the definition of beer to allow beverages  
34 of less than five percent alcohol content using distilled  
35 alcohol rather than fermented alcohol. It also includes a

1 reference to wine in the section allowing licensees and  
2 permittees, not normally allowed to sell on Sunday, permission  
3 to sell alcoholic beverages, wine, or beer for consumption on  
4 the premises on the Sunday before New Years Day.

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HOUSE FILE 2372  
FISCAL NOTE  
REQUESTED BY REPRESENTATIVE CHAPMAN

In compliance with a written request received March 6, 1986, a fiscal note for HOUSE FILE 2372 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 2372 amends the definition of beer to allow beverages of less than five percent alcohol content that use distilled alcohol rather than fermented alcohol. The bill also allows licensees and permittees, not normally allowed to sell on Sunday, to sell alcoholic beverages, wine, or beer for consumption on the premises on the Sunday before New Years Day.

ASSUMPTIONS:

- (1) The Beer & Liquor Control Department would no longer sell or wholesale these products.
- (2) The current beer tax rate of \$.14 per gallon would be applied to these products.
- (3) No change in current consumption levels. The actual consumption level under the bill is unknown. Currently, approximately 24,900 gallons are sold annually through state liquor stores.
- (4) Private retailer would sell at the same retail price as state liquor stores. The actual price private retailers would sell at is unknown.

FISCAL EFFECT: House File 2372 would reduce revenues to the state general fund by approximately \$110,000 annually.

	(dollars in thousands)					
	F.Y. 1987			F.Y. 1988		
	Current Law	Proposed Law	Increase / (Decrease)	Current Law	Proposed Law	Increase / (Decrease)
<u>REVENUE</u>						
Gross Profit	\$ 107	\$ 0	\$ -107	\$ 107	\$ 0	\$ -107
Bottle Dep	6	0	-6	6	0	-6
Sales Tax	10	10	0	10	10	0
Beer Tax	0	3	3	0	3	3
<b>NET EFFECT</b>	<b>\$ 123</b>	<b>\$ 13</b>	<b>\$ -110</b>	<b>\$ 123</b>	<b>\$ 13</b>	<b>\$ -110</b>

Source: Beer & Liquor Control Department

(LSB 7908H, TCF)

FILED MARCH 20, 1986

BY DENNIS PROUTY, FISCAL DIRECTOR

*Nov*  
*HF 2372*

*NSB 587*

Judiciary & Law Enforcement

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
JUDICIARY AND LAW ENFORCE-  
MENT BILL)

Study Bill 587

Judiciary and Law Enforcement: Jay. Chair; Kremer and Woods.

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act making corrections and additions to the law dealing with  
2 alcoholic liquor, wine, and beer by amending the definition of  
3 beer to reflect current commercial practices, and by including  
4 a reference to wine in the section allowing the sale of  
5 alcoholic beverages or beer for consumption on the premises by  
6 licensees or permittees on the Sunday before New Years Day.

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

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1 Section 1. Section 123.3, subsection 9, Code Supplement  
2 1985, is amended to read as follows:

3 9. "Beer" means any liquid capable of being used for  
4 beverage purposes made by the fermentation of an infusion in  
5 potable water of barley, malt, and hops, with or without  
6 unmalted grains or decorticated and degerminated grains or  
7 made by the fermentation of or by distillation of the  
8 fermented products of fruit, fruit extracts, or other  
9 agricultural products, containing more than one-half of one  
10 percent of alcohol by volume but not more than five percent of  
11 alcohol by weight.

12 Sec. 2. Section 123.150, Code Supplement 1985, is amended  
13 to read as follows:

14 123.150 SUNDAY SALES BEFORE NEW YEARS DAY.

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

29 ~~It is the intent of this section that the~~ The special  
30 privileges granted ~~shall be~~ in this section are in force only  
31 during the specified times provided in this section.

32 EXPLANATION

33 This bill amends the definition of beer to allow beverages  
34 of less than five percent alcohol content using distilled  
35 alcohol rather than fermented alcohol. It also includes a

1 reference to wine in the section allowing licensees and  
2 permittees, not normally allowed to sell on Sunday, permission  
3 to sell alcoholic beverages, wine, or beer for consumption on  
4 the premises on the Sunday before New Years Day.

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## HOUSE FILE 2372

H-5502

1 Amend House File 2372 as follows:

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

4 "Section 1. Section 123.1, Code Supplement 1985,  
5 is amended to read as follows:

6 123.1 PUBLIC POLICY DECLARED.

7 This chapter shall be cited as the "Iowa Beer,  
8 Wine,~~and-liquor~~ Alcoholic Beverage Control Act", and  
9 shall be deemed an exercise of the police power of the  
10 state, for the protection of the welfare, health,  
11 peace, morals, and safety of the people of the state,  
12 and all its provisions shall be liberally construed  
13 for the accomplishment of that purpose. It is  
14 declared to be public policy that the traffic in  
15 alcoholic liquors is so affected with a public  
16 interest that it should be regulated to the extent of  
17 prohibiting all traffic in them, except as provided in  
18 this chapter.

19 Sec. 2. Section 123.3, subsection 8, Code 1985, is  
20 amended to read as follows:

21 8. "Alcoholic liquor"~~-"alcoholic-beverage"~~ or  
22 "intoxicating liquor" means the varieties of liquor  
23 defined in subsections 5 and 6 which contain more than  
24 five percent of alcohol by weight, beverages made as  
25 described in subsection 9 which beverages contain more  
26 than five percent of alcohol by weight but which are  
27 not wine as defined in subsection 7, and every other  
28 liquid or solid, patented or not, containing spirits  
29 and every beverage obtained by the process described  
30 in subsection 7 containing more than seventeen percent  
31 alcohol by weight, and susceptible of being consumed  
32 by a human being, for beverage purposes. Alcohol  
33 manufactured in this state for use as fuel pursuant to  
34 an experimental distilled spirits plant permit or its  
35 equivalent issued by the federal bureau of alcohol,  
36 tobacco and firearms is not an "alcoholic liquor".

37 Sec. 3. Section 123.3, Code Supplement 1985, is  
38 amended by adding the following new subsection:

39 NEW SUBSECTION. "Alcoholic beverage" means any  
40 beverage containing more than one-half of one percent  
41 of alcohol by volume including alcoholic liquor, wine,  
42 and beer."

43 2. Page 1, by inserting after line 11 the  
44 following:

45 "Sec. 5. Section 123.16, subsection 2, paragraphs  
46 a and c, Code Supplement 1985, are amended to read as  
47 follows:

48 a. Purchases of alcoholic liquor and wine for  
49 resale by the department.

50 c. The establishment of retail prices of alcoholic

1 liquor and wine sold by the department.

2 Sec. 6. Section 123.20, subsections 1, 7, and 8,  
3 Code Supplement 1985, are amended to read as follows:

4 1. To purchase alcoholic liquors and wine for  
5 resale by the department in the manner set forth in  
6 this chapter.

7 7. To license, inspect, and control the  
8 manufacture of beer, wine, and alcoholic liquors and  
9 regulate the entire beer, wine, and liquor industry in  
10 the state.

11 8. To accept intoxicating liquors ordered  
12 delivered to the Iowa ~~beer-and-liquor~~ alcoholic  
13 beverage control department pursuant to section 127.8,  
14 subsection 1, and offer such intoxicating liquors and  
15 wine for sale through the state liquor stores, unless  
16 the director determines that such intoxicating liquors  
17 and wine may be adulterated or contaminated. If the  
18 director determines that such intoxicating liquors and  
19 wine may be adulterated or contaminated the director  
20 shall order their destruction.

21 Sec. 7. Section 123.21, subsections 2, 3, and 8,  
22 Code Supplement 1985, are amended to read as follows:

23 2. Regulating the management, equipment, and  
24 merchandise of state liquor stores and warehouses in  
25 and from which alcoholic liquors and wine are  
26 transported, kept, or sold and prescribing the books  
27 and records to be kept therein.

28 3. Regulating the purchase of alcoholic liquor  
29 generally and the furnishing of such the liquor and  
30 wine to state liquor stores established under this  
31 chapter, determining the classes, varieties, and  
32 brands of alcoholic liquors and wine to be kept in  
33 state warehouses or for sale at any state liquor  
34 store.

35 8. Prescribing, subject to this chapter, the days  
36 and hours during which state liquor stores shall be  
37 kept open for the purpose of the sale of alcoholic  
38 liquors and wine.

39 Sec. 8. Section 123.25, Code 1985, is amended to  
40 read as follows:

41 123.25 CONSUMPTION ON PREMISES.

42 No A vendor, officer, clerk, agent, or employee of  
43 the department employed in any state liquor store or  
44 state-owned warehouse shall not allow any alcoholic  
45 liquor or wine to be consumed on such the premises,  
46 nor shall any person consume any liquor on such the  
47 premises except for testing or sampling purposes only.

48 Sec. 9. Section 123.27, unnumbered paragraph 1,  
49 Code Supplement 1985, is amended to read as follows:

50 It is unlawful to transact the sale or delivery of

H-5502

Page Three

1 alcoholic liquor or wine in, on, or from the premises  
2 of a state liquor store or warehouse:"

3 3. By renumbering as necessary.

H-5502 FILED MARCH 21, 1986

BY JAY of Appanoose

*Adopted 3/27 (p. 1029)*

H-5501

1 Amend House File 2372 as follows:

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

4 "Section 1. Section 123.3, subsection 8, Code  
5 Supplement 1985, is amended to read as follows:

6 8. "Alcoholic liquor", "alcoholic beverage" or  
7 "intoxicating liquor" means the varieties of liquor  
8 defined in subsections 5 and 6 which contain more than  
9 five percent of alcohol by weight, beverages made as  
10 described in subsection 9 which beverages contain more  
11 than five percent of alcohol by weight but which are  
12 not wine as defined in subsection 7, and every other  
13 liquid or solid, patented or not, containing spirits  
14 and every beverage obtained by the process described  
15 in subsection 7 containing more than seventeen percent  
16 alcohol by weight, and susceptible of being consumed  
17 by a human being, for beverage purposes. Alcohol  
18 manufactured in this state for use as fuel pursuant to  
19 an experimental distilled spirits plant permit or its  
20 equivalent issued by the federal bureau of alcohol,  
21 tobacco and firearms is not an "alcoholic liquor".

22 2. Page 1, line 11, by inserting after the word  
23 "weight" the following: "but not including mixed  
24 drinks or cocktails mixed on the premises".

25 3. By renumbering sections according to this  
26 amendment.

H-5501 FILED MARCH 21, 1986

BY JAY of Appanoose

*Adopted 3/21 (p. 1027)  
Amended then 11 5/10 (p. 1029)*

In Judiciary 3/27 To Pass 3/28 (p. 932)

House File 2372

JUDICIARY: Mann. Chair: Ritsema and Small

HOUSE FILE 2372  
BY COMMITTEE ON JUDICIARY AND  
LAW ENFORCEMENT

(As Amended and Passed by the House March 27, 1986)

Passed House, Date 3-27-86 (p. 1024) Passed Senate, Date 4-3-86 (p. 1027)

Vote: Ayes 76 Nays 20 Vote: Ayes 44 Nays 4

Approved April 21, 1986 (p. 1606)

**A BILL FOR**

1 An Act making corrections and additions to the law dealing with  
2 alcoholic liquor, wine, and beer by amending the definition of  
3 beer to reflect current commercial practices, and by including  
4 a reference to wine in the section allowing the sale of  
5 alcoholic beverages or beer for consumption on the premises by  
6 licensees or permittees on the Sunday before New Years Day.

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

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House Amendments \_\_\_\_\_

1 Section 1. Section 123.1, Code Supplement 1985, is amended  
2 to read as follows:

3 123.1 PUBLIC POLICY DECLARED.

4 This chapter shall be cited as the "Iowa Beer, Wine, and  
5 Liquor Alcoholic Beverage Control Act", and shall be deemed an  
6 exercise of the police power of the state, for the protection  
7 of the welfare, health, peace, morals, and safety of the  
8 people of the state, and all its provisions shall be liberally  
9 construed for the accomplishment of that purpose. It is  
10 declared to be public policy that the traffic in alcoholic  
11 liquors is so affected with a public interest that it should  
12 be regulated to the extent of prohibiting all traffic in them,  
13 except as provided in this chapter.

14 Sec. 2. Section 123.3, subsection 8, Code 1985, is amended  
15 to read as follows:

16 8. "Alcoholic liquor",--"alcoholic-beverage" or  
17 "intoxicating liquor" means the varieties of liquor defined in  
18 subsections 5 and 6 which contain more than five percent of  
19 alcohol by weight, beverages made as described in subsection 9  
20 which beverages contain more than five percent of alcohol by  
21 weight but which are not wine as defined in subsection 7, and  
22 every other liquid or solid, patented or not, containing  
23 spirits and every beverage obtained by the process described  
24 in subsection 7 containing more than seventeen percent alcohol  
25 by weight, and susceptible of being consumed by a human being,  
26 for beverage purposes. Alcohol manufactured in this state for  
27 use as fuel pursuant to an experimental distilled spirits  
28 plant permit or its equivalent issued by the federal bureau of  
29 alcohol, tobacco and firearms is not an "alcoholic liquor".

30 Sec. 3. Section 123.3, Code Supplement 1985, is amended by  
31 adding the following new subsection:

32 NEW SUBSECTION. "Alcoholic beverage" means any beverage  
33 containing more than one-half of one percent of alcohol by  
34 volume including alcoholic liquor, wine, and beer.

35 Sec. 4. Section 123.3, subsection 9, Code Supplement 1985,

1 is amended to read as follows:

2 9. "Beer" means any liquid capable of being used for  
3 beverage purposes made by the fermentation of an infusion in  
4 potable water of barley, malt, and hops, with or without  
5 unmalted grains or decorticated and degerminated grains or  
6 made by the fermentation of or by distillation of the  
7 fermented products of fruit, fruit extracts, or other  
8 agricultural products, containing more than one-half of one  
9 percent of alcohol by volume but not more than five percent of  
10 alcohol by weight but not including mixed drinks or cocktails  
11 mixed on the premises.

12 Sec. 5. Section 123.16, subsection 2, paragraphs a and c,  
13 Code Supplement 1985, are amended to read as follows:

14 a. Purchases of alcoholic liquor and wine for resale by  
15 the department.

16 c. The establishment of retail prices of alcoholic liquor  
17 and wine sold by the department.

18 Sec. 6. Section 123.20, subsections 1, 7, and 8, Code  
19 Supplement 1985, are amended to read as follows:

20 1. To purchase alcoholic liquors and wine for resale by  
21 the department in the manner set forth in this chapter.

22 7. To license, inspect, and control the manufacture of  
23 beer, wine, and alcoholic liquors and regulate the entire  
24 beer, wine, and liquor industry in the state.

25 8. To accept intoxicating liquors ordered delivered to the  
26 Iowa beer-and-liquor alcoholic beverage control department  
27 pursuant to section 127.8, subsection 1, and offer such  
28 intoxicating liquors and wine for sale through the state  
29 liquor stores, unless the director determines that such  
30 intoxicating liquors and wine may be adulterated or  
31 contaminated. If the director determines that such  
32 intoxicating liquors and wine may be adulterated or  
33 contaminated the director shall order their destruction.

34 Sec. 7. Section 123.21, subsections 2, 3, and 8, Code  
35 Supplement 1985, are amended to read as follows:

1 2. Regulating the management, equipment, and merchandise  
2 of state liquor stores and warehouses in and from which  
3 alcoholic liquors and wine are transported, kept, or sold and  
4 prescribing the books and records to be kept therein.

5 3. Regulating the purchase of alcoholic liquor generally  
6 and the furnishing of such the liquor and wine to state liquor  
7 stores established under this chapter, determining the  
8 classes, varieties, and brands of alcoholic liquors and wine  
9 to be kept in state warehouses or for sale at any state liquor  
10 store.

11 8. Prescribing, subject to this chapter, the days and  
12 hours during which state liquor stores shall be kept open for  
13 the purpose of the sale of alcoholic liquors and wine.

14 Sec. 8. Section 123.25, Code 1985, is amended to read as  
15 follows:

16 123.25 CONSUMPTION ON PREMISES.

17 No A vendor, officer, clerk, agent, or employee of the  
18 department employed in any state liquor store or state-owned  
19 warehouse shall not allow any alcoholic liquor or wine to be  
20 consumed on such the premises, nor shall any person consume  
21 any liquor on such the premises except for testing or sampling  
22 purposes only.

23 Sec. 9. Section 123.27, unnumbered paragraph 1, Code  
24 Supplement 1985, is amended to read as follows:

25 It is unlawful to transact the sale or delivery of  
26 alcoholic liquor or wine in, on, or from the premises of a  
27 state liquor store or warehouse:

28 Sec. 10. Section 123.150, Code Supplement 1985, is amended  
29 to read as follows:

30 123.150 SUNDAY SALES BEFORE NEW YEARS DAY.

31 Notwithstanding section 123.36, subsection 6, section  
32 123.49, subsection 2, paragraph "b", and section 123.134,  
33 subsection 5, a holder of any class of liquor control license  
34 or the holder of a class "B" beer permit may sell or dispense  
35 such alcoholic liquor, wine, or beer to patrons for

1 consumption on the premises between the hours of ten a.m. on  
2 Sunday and two a.m. on Monday when that Monday is New Years  
3 Day and beer for consumption off the premises between the  
4 hours of ten a.m. Sunday and midnight Sunday when that Sunday  
5 is the day before New Years Day. The liquor control license  
6 fee or beer permit fee of licensees and permittees permitted  
7 to sell or dispense such liquor, wine, or beer on a Sunday  
8 when that Sunday is the day before New Years Day shall not be  
9 increased because of this privilege.

10 ~~It is the intent of this section that the~~ The special  
11 privileges granted ~~shall be~~ in this section are in force only  
12 during the specified times provided in this section.

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HOUSE FILE 2372

AN ACT

MAKING CORRECTIONS AND ADDITIONS TO THE LAW DEALING WITH ALCOHOLIC LIQUOR, WINE, AND BEER BY AMENDING THE DEFINITION OF BEER TO REFLECT CURRENT COMMERCIAL PRACTICES, AND BY INCLUDING A REFERENCE TO WINE IN THE SECTION ALLOWING THE SALE OF ALCOHOLIC BEVERAGES OR BEER FOR CONSUMPTION ON THE PREMISES BY LICENSEES OR PERMITTEES ON THE SUNDAY BEFORE NEW YEARS DAY.

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

Section 1. Section 123.1, Code Supplement 1985, is amended to read as follows:

123.1 PUBLIC POLICY DECLARED.

This chapter shall be cited as the "Iowa Beer, Wine, and Liquor Alcoholic Beverage Control Act", and shall be deemed an exercise of the police power of the state, for the protection of the welfare, health, peace, morals, and safety of the people of the state, and all its provisions shall be liberally construed for the accomplishment of that purpose. It is

declared to be public policy that the traffic in alcoholic liquors is so affected with a public interest that it should be regulated to the extent of prohibiting all traffic in them, except as provided in this chapter.

Sec. 2. Section 123.3, subsection 8, Code 1985, is amended to read as follows:

8. "Alcoholic liquor"~~7~~-"alcoholic-beverage" or "intoxicating liquor" means the varieties of liquor defined in subsections 5 and 6 which contain more than five percent of alcohol by weight, beverages made as described in subsection 9 which beverages contain more than five percent of alcohol by weight but which are not wine as defined in subsection 7, and every other liquid or solid, patented or not, containing spirits and every beverage obtained by the process described in subsection 7 containing more than seventeen percent alcohol by weight, and susceptible of being consumed by a human being, for beverage purposes. Alcohol manufactured in this state for use as fuel pursuant to an experimental distilled spirits plant permit or its equivalent issued by the federal bureau of alcohol, tobacco and firearms is not an "alcoholic liquor".

Sec. 3. Section 123.3, Code Supplement 1985, is amended by adding the following new subsection:

NEW SUBSECTION. "Alcoholic beverage" means any beverage containing more than one-half of one percent of alcohol by volume including alcoholic liquor, wine, and beer.

Sec. 4. Section 123.3, subsection 9, Code Supplement 1985, is amended to read as follows:

9. "Beer" means any liquid capable of being used for beverage purposes made by the fermentation of an infusion in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains or made by the fermentation of or by distillation of the fermented products of fruit, fruit extracts, or other agricultural products, containing more than one-half of one percent of alcohol by volume but not more than five percent of

alcohol by weight but not including mixed drinks or cocktails mixed on the premises.

Sec. 5. Section 123.16, subsection 2, paragraphs a and c, Code Supplement 1985, are amended to read as follows:

a. Purchases of alcoholic liquor and wine for resale by the department.

c. The establishment of retail prices of alcoholic liquor and wine sold by the department.

Sec. 6. Section 123.20, subsections 1, 7, and 8, Code Supplement 1985, are amended to read as follows:

1. To purchase alcoholic liquors and wine for resale by the department in the manner set forth in this chapter.

7. To license, inspect, and control the manufacture of beer, wine, and alcoholic liquors and regulate the entire beer, wine, and liquor industry in the state.

8. To accept intoxicating liquors ordered delivered to the Iowa beer-and-liquor alcoholic beverage control department pursuant to section 127.8, subsection 1, and offer such intoxicating liquors and wine for sale through the state liquor stores, unless the director determines that such intoxicating liquors and wine may be adulterated or contaminated. If the director determines that such intoxicating liquors and wine may be adulterated or contaminated the director shall order their destruction.

Sec. 7. Section 123.21, subsections 2, 3, and 6, Code Supplement 1985, are amended to read as follows:

2. Regulating the management, equipment, and merchandise of state liquor stores and warehouses in and from which alcoholic liquors and wine are transported, kept, or sold and prescribing the books and records to be kept therein.

3. Regulating the purchase of alcoholic liquor generally and the furnishing of such the liquor and wine to state liquor stores established under this chapter, determining the classes, varieties, and brands of alcoholic liquors and wine to be kept in state warehouses or for sale at any state liquor store.

8. Prescribing, subject to this chapter, the days and hours during which state liquor stores shall be kept open for the purpose of the sale of alcoholic liquors and wine.

Sec. 8. Section 123.25, Code 1985, is amended to read as follows:

123.25 CONSUMPTION ON PREMISES.

No a vendor, officer, clerk, agent, or employee of the department employed in any state liquor store or state-owned warehouse shall not allow any alcoholic liquor or wine to be consumed on such the premises, nor shall any person consume any liquor on such the premises except for testing or sampling purposes only.

Sec. 9. Section 123.27, unnumbered paragraph 1, Code Supplement 1985, is amended to read as follows:

It is unlawful to transact the sale or delivery of alcoholic liquor or wine in, on, or from the premises of a state liquor store or warehouse:

Sec. 10. Section 123.150, Code Supplement 1985, is amended to read as follows:

123.150 SUNDAY SALES BEFORE NEW YEARS DAY.

Notwithstanding section 123.36, subsection 6, section 123.49, subsection 2, paragraph "b", and section 123.134, subsection 5, a holder of any class of liquor control license or the holder of a class "B" beer permit may sell or dispense such alcoholic liquor, wine, or beer to patrons for consumption on the premises between the hours of ten a.m. on Sunday and two a.m. on Monday when that Monday is New Years Day and beer for consumption off the premises between the hours of ten a.m. Sunday and midnight Sunday when that Sunday is the day before New Years Day. The liquor control license fee or beer permit fee of licensees and permittees permitted to sell or dispense such liquor, wine, or beer on a Sunday when that Sunday is the day before New Years Day shall not be increased because of this privilege.

~~It is the intent of this section that the~~ The special  
privileges granted ~~shall be~~ in this section are in force only  
during the specified times provided in this section.

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DONALD D. AVENSON  
Speaker of the House

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ROBERT T. ANDERSON  
President of the Senate

I hereby certify that this bill originated in the House and  
is known as House File 2372, Seventy-first General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved April 21, 1986

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TERRY E. BRANSTAD  
Governor