Passed Senate, Date $3 / 8 / 88$ (p.675) Passed House, Date 3/31/88 (P.1267)
Vote: Ayes 47 Nays



A BILL FOR

1 An Act to remove the bond required for class "A", "B", "C", and 2 "D" liquor control licenses and retail wine and beer permits.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
SENATE FILE 2201
S-5232
1 Amend Senate file 2201 as follows:
2 1. Page 1 , by inserting before line 1 the following:
"Section 1. Section 123.3, subsection 12, paragraph a, Code 1987, is amended to read as follows:
a. The person has such financial standing and good reputation as will satisfy the administrator that the person will comply with this chapter and all laws, ordinances, and regulations applicable to the person's
10 operations under this chapter. However, the
11 administrator shall not require the person to post a bond to meet the requirements of this paragraph."
2. By renumbering as required.


S-5232
Filed March 7, 1988
BY JOE J. WELSH
Adoptee $3 / 8$ (7.675)

1 Section 1. Section 123.30 , subsection 1 , unnumbered
2 paragraph l, Code Supplement 1987, is amended by striking the paragraph.

Sec. 2. Section 123.30 , subsection 1 , unnumbered paragraph 2, Code Supplement 1987, is amended to read as follows:

A liquor control license may be issued to any person who, or whose officers in the case of a club or corporation, or
whose partners in the case of a partnership, are of good moral character as defined by this chapter. As a $\ddagger u r t h e r ~ c o n d i t i o n ~$
10 for issuance of a liquor control license, the applicant must
$l l$ give consent to members of the fire, police, and health
12 departments and the building inspector of cities; the county
13 sheriff, deputy sheriff, and state agents, and any official
14 county health officer to enter upon the premises without a
15 warrant to inspect for violations of the-previsions-eき this
16 chapter or ordinances and regulations that cities and boards
17 of supervisors may adopt. As a further condition for the
18 issuance of a class "E" liquor control license, the applicant
19 shall post a bond in a sum of not less than five thousand nor
20 more than fifteen thousand dollars as determined on a sliding
21 scale established by the division; however, a bond shall not
22 be required if all purchases of alcoholic liquor from the
23 division by the licensee are made by cash payment or by means
24 that ensure that the division will receive full payment in
25 advance of delivery of the alcoholic liquor.
Sec. 3. Section l23.32, subsections 1, 2, and 3, Code
27 1987, are amended to read as follows:

1. FILING OF APPLICATION. An application for a class "A", class "B", class "C", or class "E" liquor control license, for a retail beer permit as provided in sections 123.128 and 123.129, or for a class "B" retail wine permit as provided in section 123.176, accompanied by the requited necessary fee and bond, if required, shall be Eiled with the appropriate city council if the premises for which the license or permit is sought are located within the corporate linits of a city, or
with the board of supervisors if the premises for which the
2 license or permit is sought are located outside the corporate limits of a city. An application for a class "D" liquor 4 control license and for a class "A" beer or class "A" wine 5 permit, accompanied by the weequyed necessary fee and bond, if 6 required, shall be filed with the division, which shall 7 proceed in the same manner as in the case of an application 8 approved by local authorities.
9 2. ACTION BY LOCAL AUTHORITIES. The local authority shall 10 either approve or disapprove the issuance of a liquor control
11 license, retail wine permit, or retail beer permit, shall
12 endorse its approval or disapproval on the application and
13 shall forward the application along with the required
14 necessary fee and bond, if required, to the division. Upon
15 the initial application for a liquor control license, retail
16 wine permit, or retail beer permit, the fact that the local
17 authority determines that no liquor control license, retail
18 wine permit, or retail beer permit shall be issued shall not
19 be held to be arbitrary, capricious, or without reasonable
20 cause. There is no limit upon the number of liquor control
21 licenses, retail wine permits, or retail beer permits which
22 may be approved for issuance by local authorities.
2. 3. ACTION BY ADMINISTRATOR AND DEPARTMENT OF INSPECTIONS

24 AND APPEALS. Upon receipt of an application having been
25 disapproved by the local authority, the administrator shall
26 disapprove the application, so notify the applicant by
27 registered mail, and return the fee and any bond to the
28 applicant. Upon receipt of an application having been
29 approved by the local authority, the department of inspections
30 and appeals shall make such investigation as the administrator
31 deems necessary and may require the applicant to appear before
32 the department of inspections and appeais and be examined
33 under oath regarding any matters pertinent to the application,
34 in which case a record shall be made of all testimony or
35 evidence and the same shall become a part of the application.

If the application is approved by the administrator, the license or permit applied for shall be issued. If the application is disapproved by the administrator, the applicant
4 and the appropriate local authority shall be so notified by
5 restricted certified mail, and the fee and any bond returned
6 to the applicant.
7
Sec. 4. Section 123.35, unnumbered paragraph 2, Code 1987,
8 is amended to read as follows:
9 Such application, accompanied by the requited necessary fee 10 and bond, if required, shall be filed in the same manner as is $l l$ provided for filing the initial application. 12 Sec. 5. Section 123.50, subsection 2, Code 1987, is 13 amended to read as follows:

14 2. The conviction of any liquor control licensee, wine 15 permittee, or beer permittee for a violation of any of the 16 provisions of section 123.49 , subject to subsection 3 of this 17 section, is grounds for the suspension or revocation of the 18 license or permit by the division or the local authority. 19 However, if any liquor control licensee is convicted of any 20 violation of subsection 2, paragraphs "a", "d" or "e", of that 21 section, or any wine or beer permittee is convicted of a violation of paragraph "a" or "e" of that section, the liquor control license, wine permit, or beer permit shall be revoked and shall immediately be surrendered by the holder, and the bond, if any, of the license or permit holder shall be forfeited to the division.

Sec. 6. Section 123.122, Code 1987, is amended to read as follows:
123.122 PERMIT OR LICENSE REQUIRED.

He A person shall not manufacture for sale or sell beer at wholesale or retail unless a permit is first obtained as provided in this division or, a liquor control license authorizing the retail sale of beer is first obtained as provided in division $I$ of this chapter. No A liquor control 35 liconse holder shat? be minot requi. . . a separate
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1 class "B" beer permit er-te-pest-a-separate-bond.
2 Sec. 7. Section 123.128, subsection 3, Code 1987, is 3 amended by striking the subsection.
4 Sec. 8. Section 123.129, subsection 3, Code 1987, is
5 amended by striking the subsection.
6. Sec. 10. Section 123.176 , subsection 3, Code 1987, is amended by striking the subsection.

8

## EXPLANATION

9 . This bill eliminates the bond requirement for class "A", 10 "B", "C", and "D" liquor control licenses and retail wine and 11 beer permits.
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SUCCESSOR TO SSB 2186 (LSB 7059SC)
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## senate file 2201

by committee on state government
(AS AMENDED AND PASSED BY THE SENATE MARCH 8, 1988)

- New Language by the Senate


A BILL FOR
: An Act to remove the bond required for class "A", "B", "C", and 2 "D" liquor control licenses and retail wine and beer permits.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OE IOWA:

1 Section 1. Section 123.3, suosection 12, paragraph a, Code
21987 , is amended to read as follows:
3 a. The person has such financial standing and good 4 reputation as will satisfy the admiaistrator that the person
5 will comply with this chapter and ail baws, ordinarces, and
6 regulations appiicable to the person's operations under tinis
7 chapter. However, the administrator shall not require the
person to post a bond to meet the requiremenis of this
9 paragraph.
10 Sec. 2. Section 123.30 , subsection 1 , unnumbered paragraph.
il 1 , Code Suppiement 1987, is amended by striking the paragraph.
12 Sec. 3. Section 123.30 , subsection 1 , unnumbered paragraph
13 2, Code Supplement 1987 , is amended to read as follows:
14 A liquor control license may be issued to any person wino,
15 or whose ofeicers in the case of a club or corporation, or
16 whose partners in the case of a partnership, are of good moral
17 character as defined by this chapter. As a Eutther condition
18 for issuance of a liquor control license, the applicant must
is give consent to members of the fire, police, and health
20 departments and the building inspector of cities; the county
21 sheriff, deputy sheriff, and state agents, and any official
22 county heaith officer to enter upon the premises without a
23 warrant to inspect for violations of the-profisions-of this
24 chapter or ordinances and regulations that cities and boards
25 of supervisors may adopt. As a Eurther condition for the
26 issuance of a class "E" liquor control license, the applicant
27 shall post a bond in a sum of not less than Eive thousand nor
28 more than fifteen thousand doilars as determined on a siding
29 scaie established by the division; however, a bond shall not
30 be required if ail purchases os alcoholic inguor from the
31 division by the licensee are made by cash payment or by means
32 that ensure that the division will receive full payment in
33 advance of delivery of the alcohoiic liquor.
34 Sec. 4. Section 123.32, subsections i, 2, and 3, Code
35 1987, are amended to read as Eollows:

1 1. FILING OE APPLICATION. An application for a class "A". 2 class "B", class "C", or class "E" Liquor control license, for a retail beer permit as provided in sections 123.128 and 123.i29, or for a class "B" retail wine permit as provided :n section 123.176 , accompanied by the required necessary fee ard bond, if required, shall be filed with the appropriate city council if the premises for which the license or permit is sought are located within the corporate limits of a city, or with the board of supervisors if the premises for which the 10 license or permit is sought are located outside the corporate 11 limits of a city. An appiication for a class "D" liquor 12 controi iicense and for a class "A" beer or class "A" wine 13 permit, accompanied by the requited necessary fee and bond, if 14 required, snall be filed with the division, which shall 15 proceed in the same manner as in the case of an application 16 approved by local authorities.
3. ACTION BY ADMINISTRATOR AND DEPARTMENT OF INSPECTIONS

32 AND APPEALS. Upon receipt of an application having been
33 disapproved by the local authority, the administrator shall
34 disapprove the application, so notify the appiicant by
35 registered mail, and return the fee and any bond to the
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applicant. Upon receipt of an application having been approved by the local authority, the department of inspections and appeais shail make such investigation as the administyator deems necessary and may require the appiicant to appear betore the department of inspections and appeais and be examined under oatr regarding any matters pertinent to the appilication, in winch case a record shall be made of all testimony or evidence and the same shall become a part of the application. If the application is approved by the administrator, the license or permit applied for shall be issued. If the application is disapproved by the administrator, the appincant and the appropriate local authority shall be so notified by restricted certified mail, and the fee and any bond returned to the appiicant.

Sec. 5. Section 123.35, unnumbered paragraph 2, Code 1987, is amended to read as follows:

Such application, accompanied by the requited necessary fee and bond, if required, shall be filed in the same manner as is provided for filing the initial application.

Sec. 6. Section 123.50, subsection 2, Code 1987, is amended to read as follows:
2. The conviction of any liquor control licensee, wine permittee, or beer permittee for a violation of any of the provisions of section 123.49, subject to subsection 3 of this section, is grounds for the suspension or revocation of the license or permit by the division or the local authority. However, if any liquor control licensee is convicted of any violation of subsection 2 , paragraphs "a", "d" or "e", of that section, or any wine or beer permittee is convicted of a violation of paragraph "a" or "e" of that section, the iiquor controi license, wine permit, or beer permit shal? be revoked and shall immediately be surrendered by the holder, and the bond, if any, of the license or permit hoider shail be forfeited to the division.

Sec. 7. Section 123.122, Code 1987, is amended to read as

## S.E. 2201 н.F.

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$\therefore$ foliows:
2 i23.122 PERMIT OR LICENSE REQUIRED.
3 No A person shall not manifacture Eor sale or seil beer at
4 whoiesaie or retail unless a permit is first obtained as
5 provided in this division or, a liquor control license
6 authorizing the retail sale of beer is first obtained as
7 provided in division $I$ of this chapter. Ne A liquor controi
8 license holder shatz-be is not required to hold a separate
9 class " $B$ " beer permit or-to-post-a-separate-bond.
10 Sec. 8. Section 123.128, subsection 3, Code 1987, is
11 amended by striking the subsection.
12 Sec. 9. Section 123.129, subsection 3, Code 1987, is
13 amended by striking the subsection.
14 Sec. 10. Section 123.176, subsection 3, Code 1987, is
15 amended by striking the subsection.
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SUCCESSOR TO SSB 2186 (LSB 7059SC)
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## State government：Welsh．Chair：Rife and Horn

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Fassed Senate，Date $\qquad$ Eassec Eouse，Date $\qquad$ Vcte：Ayes $\qquad$ Nays $\qquad$ Vote：Ayes $\qquad$ Nays $\qquad$
Approved $\qquad$

A BILL FOR

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2 "J" -içuor control licenses and retail wire enk beer permazo.
3 EE IM ENACNED BY TEE GENERAL ASSENBEY OETDE STATE CE IONA:
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1 Section i. Section 233.30 , Sobsection i, urrumbered
 3 paragrapa.
 2, Code Suppierient li337, is arencied to reai as Eonlows:

A liquor controi zicense nay be issuet to and serson who. or whose officers in the case of a club oz corposation, of whose pateners in the case of a partrersinio, aze oE sooc more: character as defined buthis chapter. As a Eutinut conditon 10 for issuance of a :icuor cortro iicense, tre apgibcant must
11 give corsant to mambers of tha Eire, oolice, and heaita
خ2 cepartments anc the buluing insoector oE cities; the county - 3 Shesiff, deputy sherife, and state agents, and any officiá
li county fealth officer co phter wocn the prenises without a

lf chapeer or oraírances and rejulations that cities ard ooards
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25 Sec. 3. Section 223.32, subsections i, 2, and 3, coce
27 1987, are amerdec to reac as Eoliows:
28 1. EIEINO OE APPLECATON. An apgijcation Eor a ciess "れ",
29 ciass "3", class "C", or class "巨" liquor corarol iicense, Eor
30 a retail beer pesmit as provićed ín sections i23.228 ard
31 123.i29, or 50 a ciass "З" retail wire permit as provided in


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2 iicense or permit is sought are iocated outsite fine coroorate
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26 wiree permit，or retail beer permit，the fact tiat the locai
17 authority detemmines tiat no iicuor controi licerse，retain 18 wine permit，or retail beer permit shail de issised stall not Le be neld to be areitrary，capricious，or without zeasonabie 20 cause．Mhere is no limit upon the numer of iiguor controj 2之 亡icerses，zetai wine pernits，or zetail bear permits whint
22 may be aporcved fo：issuance by
23 3．ACTEON BY ADMENISTRATOR AND DEPARTVENT OE ENSPECNIONS
24 AND Ap？EALS．Upor receipt of an application raving beer．
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26 cisapprove tine appiication，so nctizy the applicant by
27 registered mail，and return tre fee and any bond to the
28 applicant．Upon receipt of an apolication having been
29 approved by the local authority，she department oE inspectiors
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31 deems necessary and may recuire the applicant to appesz beミ̃＝e
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4 and tre aparopriate locai authotity stain be so notizied by
5 restricted ceriified main，and the fee and ary bond returned
6 to the appiicant．
7 Sec．4．Section i23．35，urnumbered paregrapi 2，Code i987，
8 is amenced to read as Eollows：
9 Such appiscation，accorpanied by the teuntiet aecessaty fee io and bond，Ef recuired，sinal̇ be Eiled ir the same manaer as is

$i 2$ Sec．5．Section 223．50，suiosection 2，Cocie－937，is
13 amerded to reac as Eollows：
14 2．The conviction of ary íguor corrod ilcensee，rine
15 permittee，cr beer permitteefor a viclation of any of the
こ6 provisions cé section l23．4习，subject to subsection 3 of this
i7 sectior，$\vdots s$ grounde for the suspension or reuocation of the ¿8 licerse or permit iy the division os tine docai authority．
lo However，$\ddagger$ any Licuor control licensee is convicted of ary

2i section，or ary wine or beer pernitteo is convicted of a
22 violation ce paragraph＂a＂or＂e＂ó that section，the liauoz
23 consio ：icense，wine permit，or beer permit siazi be revokec 24 and sheli mmediately de surrencered by the holider，ard the
25 bord，iE ary，of the iicerse or pernit hoider stail be
25 forfeited to the division．

28 foliows：

31 wholesale or retail unless a permit is Eirst obtained as
32 providec in this siwision or，a bicuor control incense
33 authoriziry tre retaiz sàe oえ oeez is zizst cbtained as


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2 Sec．7．Section 123．123，subsectior 3，Cocie ig97，is amencec by striking tie suosection．

Sec．8．Section 123．129，subsection 3，Coce 1987，is amended by s＝xiking the subsectior．

Sec．10．Section l23．176，subsection 3，Cocie lo87，is amerded by striking the subsection．
8
ExPLavanion
9 This bill elininates the bond requiremert Eor ciass＂A＂， 10 ＂马＂，＂C＂，and＂D＂isquor control iicenses and retail wire añ
li beer permits．
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A liguer control license may be issued to ang person who, or whose cfeicers in the cease of a club or corporation, or Whose partaers in the case of partnership, are of good moral character as defined by this chapter. As a further condition for issuance of a liquor control license, the applicant must give consent to members of the fire, police, and health departments and the building inspector of cities; the county sheriff, deputy sheriff, and state agents, and any official county health officer to enter upon the premises without a warrant to inspect for violations of the-provistong-of this chapter or ordinances and regulations that cities and boards of supervisors may adopt. As a further condition for the issuance of a class " $\varepsilon$ " liquor control license, the applicant shall post a bond in a sum of not less than five thousand not more than fifteen thousand dollars as deteralned on a sliding scale established by the division: however, a bond shall not be required if all purchases of alcoholic liquor from the division by the licensee are nade by cash payment or by means that ensure that the division will receive full paygent in advance of delivery of the alcoholic liguor.

Sec. 4. Section 123.32, subsections 1, 2, and 3, Code 198\%, are amended to read as follows:

1. FII: NG OF APPLICATION. An application for a class "A", class "B", class "C", or class "E" liquor control license, for a retail beec pernit as provided in sections 123.128 and 123.129, or for a class " 8 " retall wine permit as provided in section 123.176, accompanied by the reguired necessary fee and bond, if requiced, shall be filed with the appropriate city council if the premises for which the license or permit is sought are located within the corporate limits of a city, or with the bcard of supervisors if the premises for which the license or permit is sought are located outside the corporate lirites of a city. An appidication tor a class "O" liquor control lizense and for a class " $n$ " beer or class "A" wine pertit, aciompanied by the reguired necessacy fee and uond, if
requiced, shall be filed with the division, which shall proceed in the same manner as in the case of an application approved by local authorities.
2. ACTION BY LOCAL AUTHORITIES. The local authority shall eithet approve of disapprove the issuance of a liquor control license, retail wine permit, or retail beer permit, shall endorse its approval or disapproval on the application and shall forward the application along with the requited necessary fee and bond, if required, to the division. Upon the initial application for a liquor control license, retail wine permit, or cetail beer permit, the fact that the local duthority determines that no liquor control license, retail wine permit, or retail beer permit shall be issued shall not be held to be arbitrary, capricious, or without reasonable cause. There is no limit upon the number of liquor control licenses, retail wine permits, or retail beer permits which may be approved for issuance by local authorities.
3. ACTION BY AOMINISTRATOR AND DEPARTHENT OF INSPECTIONS anD appeals. Upon receipt of an application having been disapproved by the local authority, the administ tator shall disapprove the application, so notify the applicant by :egistered mail, and return the fee and any bond to the applicant. Upon receipt of an application having been approved by the local authority, the department of inspections and appeala shall make such investigation as the administrator deems necessary and may requite the applicant to appear before the deparkment of Inepections and appeals and be examined under oath regarding any maters pertinent to the application, in which case a record shall be made of all tegtimony or tvidence and the same shall become a part of the application. : f the application is approved by the administrator, the :icense or permit applied for shall be issued. If the application is disapproved by the administrator, the applicant and the appropriate local authority shall be so notitied by :escricied certified mail, and the fee and any bond ceturned O the applicant.

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2. The conviction of any liquor control licensee, wine permittee, or beer permittee for a violation of any of the provisions of section 123.49 , subject to subsection 3 of this section, is grounds for the suspension or revocation of the license or permit by the division or the local authority. However, if any liquor control licensec is convicted of any violation of subsection 2, paragraphs "a", "d" or "e", of that section, or any wine or beer permittee is convicted of a violation of paragraph "a" or "e" of that section, the liquor control license, wine permit, or beer perait shall be revoked and shall immediately be surrendered by the holder, and the bond L $^{\text {if any, }}$ of the license or permit nolder shall be forfeited to the division.

Sec. 7. Section 123.122, Code 1987, is amended tc cead as follow :
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No A person shall not manufacture for sale or sel: beer at wholesale or retall unless a permit is first obtained as provided in this division or, a liquor control license authorizing the retail sale of beer is first obtainec as provided in division 1 of this chapter. No A liquor control license holder shatt-be is not requited to hold a separate class " $B$ " beer permit or-to-post-a-yeparate-bond.

Sec. 8. Section 123.128. subsection 3, Code 1987, is amended by striking the subsection.

Sec. 9. Section 123.129. subsection 3, Code 1987, is amended by striking the subsection.

Sec. 10. Section 123.176, subsection 3, Code 1987, is amended by striking the subsection.

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 2201, Seventy-second General Assembiy.
approved Apúl14.1988
JOHN F. DWYER
Secretary of the Senate

SF 2201
TERRY E. BRANSTAD
Governor

