House Store Gort 2-1689 (p. 484)

FILED JAN 3 1 1989

SENATE FILE COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 110)

Passed	Senate,	Date 🐇	13/89 (0	361)	Passed	House	, Da	te <u>4-1</u>	0_89	(P. 1.	417
Vote:	Ayes 🗍	Nay	ys <u> </u>		Vote:	Ayes	73	_ Nays	<u> 17</u>		
	A	pproved	May	15,	1989	· · ·	:				

A BILL FOR

1 An Act relating to the administration of the state's liquor control laws by the alcoholic beverages division of the department of commerce. BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

> TLSB 1678SV 73 dn/jw/5

- 1 Section 1. Section 123.3, subsection 12, paragraph b, Code
- 2 1989, is amended by striking the paragraph.
- 3 Sec. 2. Section 123.22, unnumbered paragraph 1, Code 1989,
- 4 is amended to read as follows:
- 5 The division has the exclusive right of importation into
- 6 the state of all forms of alcoholic liquor, except as
- 7 otherwise provided in this chapter, and a person shall not
- 8 import alcoholic liquor, except that an individual of legal
- 9 age may import and have in the individual's possession an
- 10 amount of alcoholic liquor not exceeding one quart liter or,
- ll in the case of alcoholic liquor personally obtained outside
- 12 the United States, one-gallon four liters for personal
- 13 consumption only in a private home or other private
- 14 accommodation. A distillery shall not sell alcoholic liquor
- 15 within the state to any person but only to the division,
- 16 except as otherwise provided in this chapter. This section
- 17 vests in the division exclusive control within the state as
- 18 purchaser of all alcoholic liquor sold by distilleries within
- 19 the state or imported, except beer and wine, and except as
- 20 otherwise provided in this chapter. The division shall
- 21 receive alcoholic liquor on a bailment system for resale by
- 22 the division in the manner set forth in this chapter. The
- 23 division shall act as the sole wholesaler of alcoholic liquor
- 24 to class "E" liquor control licensees.
- 25 Sec. 3. Section 123.27, subsection 2, Code 1989, is
- 26 amended to read as follows:
- 27 2. On any legal holiday except those designated by the
- 28 administrator and-approved-by-the-executive-councit.
- 29 Sec. 4. Section 123.29, subsection 3, Code 1989, is
- 30 amended by striking the subsection.
- 31 Sec. 5. Section 123.29, subsection 4, paragraph c,
- 32 unnumbered paragraph 2, Code 1989, is amended to read as
- 33 follows:
- 34 If the administrator is satisfied that the facts stated in
- 35 such affidavit are true and that the applicant is a person fit

- 1 and proper to be entrusted with the permit applied for, it the
- 2 permit shall be issued upon-the-filing-by-the-applicant-of-a
- 3 bond-in-the-penal-sum-of-two-thousand-dollars,-with-approved
- 4 sureties,-conditioned-that-the-applicant-will-faithfully
- 5 observe-the-provisions-of-this-chapter.
- 6 Sec. 6. Section 123.29, Code 1989, is amended by adding
- 7 the following new unnumbered paragraph:
- 8 NEW UNNUMBERED PARAGRAPH. This section does not prohibit a
- 9 member of the clergy of any church or denomination which uses
- 10 vinous liquor in its sacramental ceremonies from purchasing,
- 11 having shipped by interstate or intrastate common carrier,
- 12 possessing, and using such vinous liquor for sacramental
- 13 purposes.
- 14 Sec. 7. Section 123.32, subsection 3, Code 1989, is
- 15 amended to read as follows:
- 16 3. ACTION BY ADMINISTRATOR AND DEPARTMENT OF INSPECTIONS
- 17 AND-APPEASS. Upon receipt of an application having been
- 18 disapproved by the local authority, the administrator shall
- 19 disapprove the application, so notify the applicant by
- 20 registered certified mail, and return the fee and any bond to
- 21 the applicant. Upon receipt of an application having been
- 22 approved by the local authority, the department-of-inspections
- 23 and-appeals division shall make such investigation as the
- 24 administrator deems necessary and may require the applicant to
- 25 appear before-the-department-of-inspections-and-appeals-and to
- 26 be examined under oath regarding any matters pertinent to the
- 27 application, in which case a record shall be made of all
- 28 testimony or evidence and the same shall become a part of the
- 29 application. The administrator may appoint a member of the
- 30 division or may request the department of inspections and
- 31 appeals to receive the testimony under oath and evidence. If
- 32 the application is approved by the administrator, the license
- 33 or permit applied for shall be issued. If the application is
- 34 disapproved by the administrator, the applicant and the
- 35 appropriate local authority shall be so notified by restricted

1 certified mail, and the fee and any bond returned to the 2 applicant.
3055, 3054, 3 Sec. 8. Section 455C.4, subsection 3. Code 1989. is

- 3 Sec. 8. Section 455C.4, subsection 3, Code 1989, is 4 amended to read as follows:
- A dealer or a distributor may not refuse to accept and
- 6 to pay the refund value of an empty wine or alcoholic liquor
- 7 container which is marked to indicate that it was sold by a
- 8 state liquor store. The alcoholic beverages division shall
- 9 not reimburse a dealer or a distributor the refund value on an
- 10 empty wine or alcoholic liquor container which is marked to
- 11 indicate that the container was sold by a state liquor store.
- 12 EXPLANATION
- 13 This bill eliminates the requirement that a person must not
- 14 possess a federal gambling stamp in order to be a "person of
- 15 good moral character" and therefore be eligible to hold a
- 16 liquor license or permit.
- 17 The bill converts the quantity of allowable liquor which
- 18 can be imported into the state by an individual to the metric
- 19 system of measurement.
- 20 The bill allows the administrator of the alcoholic
- 21 beverages division of the department of commerce to designate
- 22 legal holidays on which the division may do business and
- 23 strikes the provision requiring the approval of the executive
- 24 council.
- The bill exempts members of the clergy from obtaining
- 26 special permits to purchase, possess, or transport vinous
- 27 liquor in relation to sacramental ceremonies. The bonding
- 28 requirement for holders of special permits is eliminated. The
- 29 bill vests in the administrator of the alcoholic beverages
- 30 division of the department of commerce the power to
- 31 investigate license and permit applications.
- 32 The bill authorizes dealers or distributors of alcoholic
- 33 beverages to discontinue refunding empty wine or alcoholic
- 34 beverage containers which were purchased in state liquor
- 35 stores. The bill further allows the alcoholic beverages di-

1 vision to discontinue payment of the refund to dealers and 2 distributors.

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SENATE FILE 118

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S-3054
      Amend Senate File 118 as follows:
       1. Page 3, by inserting after line 2 the
  3 following:
       "Sec.
                   Section 123.180, subsection 2, Code
  5 1989, is amended to read as follows:
       2. At the time of applying for a vintner's
  7 certificate of compliance, each applicant shall file
  8 with the division a list of all class "A" wine
  9 permittees with whom it intends to do business and
 10 shall-designate-the-geographic-area-in-which-its
 11 products-are-to-be-distributed-by-the-permittees.
12 Winther+s-certificate-holders-may-appoint-more-than
 13 one-class-"A"-wine-permittee-to-service-the-same
14 geographic-territory. The listing of class "A" wine
15 permittees and-geographic-areas as filed with the
16 division may be amended from time to time by the
17 holder of the certificate of compliance."
                               By JOE WELSH
S-3054 FILED FEBRUARY 9, 1989
 ADOPTED (\rho, 337)
                   SENATE FILE
                                118
S = 3055
      Amend Senate File 118 as follows:
        Page 3, by inserting after line 2 the
 3 following:
                 Section 123.180, subsection 2, Code
      "Sec.
  1989, is amended to read as follows:
      2. At the time of applying for a vintner's
 7 certificate of compliance, each applicant shall file
 8 with the division a list of all class "A" wine
 9 permittees with whom it intends to do business and
10 shall-designate-the-geographic-area-in-which-its
11 products-are-to-be-distributed-by-the-permittees-
12 Vintner's-certificate-holders-may-appoint-more-than
13 one-class-"A"-wine-permittee-to-service-the-same
14 geographic-territory. The listing of class "A" wine
15 permittees and-geographic-areas as filed with the
16 division may be amended from time to time by the
17 holder of the certificate of compliance."
                              By JIM LIND
S-3055 FILED FEBRUARY 9, 1989
  Not germane (0.360) 2-13-89
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SENATE FILE 118 FISCAL NOTE

A fiscal note for AMENDMENT S 3055 TO SF 118 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Amendment S 3055 Changes the definition of wine to include any beverage which contains not more than 17% alcohol by weight. This is the equivalent of 42.5 proof. Currently, the Code of Iowa excludes products containing alcohol derived from malt or by the distillation process from grain, cereal, molasses or cactus.

FISCAL EFFECT: In FY 1988 the Alcoholic Beverages Division of the Department of Commerce generated \$1,171,542 in profits from the sales of these "low proof" liquors. Under the Amendment the wine tax of \$1.75 per gallon would be substituted for the revenues from sales. The gallonage tax would have generated \$240,165 or a net loss of revenue to the General Fund of \$931,377.

The Division also noted that this may encourage the sale of "look alike" products containing 42.5 proof liquor from private wine and beer wholesalers. This could further reduce revenues from sale of "hard" liquors by an estimated \$.3 to \$5.2 million annually.

*/rther, wine-only retailers currently pay \$500, while Class "E" licenses pay \$750-\$7,500. This may create an unfavorable competitive advantage for the wine-only retailers. Also, these liquors could be sold "off-premise" at fricertain bars, taverns, clubs, restaurants and gas stations.

(Source: Alcoholic Beverages Division, Department of Commerce) (LSB 1678s, DPW)

FILED FEBRUARY 9, 1989

BY DENNIS PROUTY, FISCAL DIRECTOR

SENATE FILE 118 BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SSB 110)

(AS AMENDED AND PASSED BY THE SENATE FEBRUARY 13, 1989)

	- New Language by the Senate
	Passed Senate, Date $\frac{2}{12}/89(4361)$ Passed House, Date $41081(9)41$
•	Vote: Ayes 4/ Nays 5 Vote: Ayes 73 Nays 17
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	Approved May 15 1989
	motion to reconside
	A BILL FOR 40-51 (P1436)
	A BILL FOR 40-89 (21436)- WHYDUWN 40-8
	(O, V, V)
1	An Act relating to the administration of the state's liquor
2	control laws by the alcoholic beverages division of the
3	department of commerce.
4	BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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SF 118

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- 6 the state of all forms of alcoholic liquor, except as
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- 8 import alcoholic liquor, except that an individual of legal
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- 13 consumption only in a private home or other private
- 14 accommodation. A distillery shall not sell alcoholic liquor
- 15 within the state to any person but only to the division,
- 16 except as otherwise provided in this chapter. This section
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- 18 purchaser of all alcoholic liquor sold by distilleries within
- 19 the state or imported, except beer and wine, and except as
- 20 otherwise provided in this chapter. The division shall
- 21 receive alcoholic liquor on a bailment system for resale by
- 22 the division in the manner set forth in this chapter. The
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- 24 to class "E" liquor control licensees.
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- 29 Sec. 4. Section 123.29, subsection 3, Code 1989, is
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- 31 Sec. 5. Section 123.29, subsection 4, paragraph c,
- 32 unnumbered paragraph 2, Code 1989, is amended to read as
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- 35 such affidavit are true and that the applicant is a person fit

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- 2 permit shall be issued upon-the-filing-by-the-applicant-of-a
- 3 bond-in-the-penal-sum-of-two-thousand-dollars,-with-approved
- 4 sureties,-conditioned-that-the-applicant-will-faithfully
- 5 observe-the-provisions-of-this-chapter.
- 6 Sec. 6. Section 123.29, Code 1989, is amended by adding
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- 8 NEW UNNUMBERED PARAGRAPH. This section does not prohibit a
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l certified mail, and the fee and any bond returned to the 2 applicant.

- 3 Sec. 8. Section 123.180, subsection 2, Code 1989, is 4 amended to read as follows:
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- 6 compliance, each applicant shall file with the division a list
- 7 of all class "A" wine permittees with whom it intends to do
- 8 business and-shall-designate-the-geographic-area-in-which-its
- 9 products-are-to-be-distributed-by-the-permittees---Vintner's
- 10 certificate-holders-may-appoint-more-than-one-class-"A"-wine
- 11 permittee-to-service-the-same-geographic-territory. The
- 12 listing of class "A" wine permittees and-geographic-areas as
- 13 filed with the division may be amended from time to time by
- 14 the holder of the certificate of compliance.
- 15 Sec. 9. Section 455C.4, subsection 3, Code 1989, is
- 16 amended to read as follows:
- 17 3. A dealer or a distributor may not refuse to accept and
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- 19 container which is marked to indicate that it was sold by a
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- 21 not reimburse a dealer or a distributor the refund value on an
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RUNNING, CH. CARR DRAKE

SSB 110

STATE GOVERNMENT

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SENATE FILE // 9

BY (PROPOSED COMMITTEE ON STATE GOVERNMENT BILL)

Passed	Senate,	Date	Passed	House,	Date	
Vote:	Ayes	Nays	Vote:	Ayes	Nays	
	Ap	proved				

A BILL FOR

1 An Act relating to the administration of the state's liquor

2 control laws by the alcoholic beverages division of the

3 department of commerce.

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

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- 15 within the state to any person but only to the division,
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- 17 vests in the division exclusive control within the state as
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- 20 otherwise provided in this chapter. The division shall
- 21 receive alcoholic liquor on a bailment system for resale by
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- 3 bond-in-the-penal-sum-of-two-thousand-dollars,-with-approved
- 4 sureties,-conditioned-that-the-applicant-will-faithfully
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- 24 administrator deems necessary and may require the applicant to
- 25 appear before-the-department-of-inspections-and-appeals-and to
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- 32 application is approved by the administrator, the license or
- 33 permit applied for shall be issued. If the application is
- 34 disapproved by the administrator, the applicant and the
- 35 appropriate local authority shall be so notified by restricted

1 certified mail, and the fee and any bond returned to the 2 applicant. **EXPLANATION** This bill eliminates the requirement that a person must not 5 possess a federal gambling stamp in order to be a "person of 6 good moral character" and therefore be eligible to hold a 7 liquor license or permit. 8 The bill converts the quantity of allowable liquor which 9 can be imported into the state by an individual to the metric 10 system of measurement. The bill allows the administrator of the alcoholic 11 12 beverages division of the department of commerce to designate 13 legal holidays on which the division may do business and 14 strikes the provision requiring the approval of the executive 15 council. The bill exempts members of the clergy from obtaining 16 17 special permits to purchase, possess, or transport vinous 18 liquor in relation to sacramental ceremonies. The bonding 19 requirement for holders of special permits is eliminated. 20 bill vests in the administrator of the alcoholic beverages 21 division of the department of commerce the power to 22 investigate license and permit applications. 23 24 25 26 27 28 29 30 31

SENATE FILE 118

AN ACT

RELATING TO THE ADMINISTRATION OF THE STATE'S LIQUOR CONTROL LAWS BY THE ALCOHOLIC BEVERAGES DIVISION OF THE DEPARTMENT OF COMMERCE.

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

Section 1. Section 123.3, subsection 12, paragraph b, Code 1989, is amended by striking the paragraph.

Sec. 2. Section 123.22, unnumbered paragraph 1, Code 1989, is amended to read as follows:

The division has the exclusive right of importation into the state of all forms of alcoholic liquor, except as otherwise provided in this chapter, and a person shall not import alcoholic liquor, except that an individual of legal age may import and have in the individual's possession an amount of alcoholic liquor not exceeding one quart liter or, in the case of alcoholic liquor personally obtained outside the United States, one-gation four liters for personal consumption only in a private home or other private accommodation. A distillery shall not sell alcoholic liquor within the state to any person but only to the division. except as otherwise provided in this chapter. This section vests in the division exclusive control within the state as purchaser of all alcoholic liquor sold by distilleries within the state or imported, except beer and wine, and except as otherwise provided in this chapter. The division shall receive alcoholic liquor on a bailment system for resale by

Senate File 118, p. 2

the division in the manner set forth in this chapter. The division shall act as the sole wholesaler of alcoholic liquor to class "E" liquor control licensees.

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- On any legal holiday except those designated by the administrator and approved by the executive council.
- Sec. 4. Section 123.29, subsection 3, Code 1989, is amended by striking the subsection.
- Sec. 5. Section 123.29, subsection 4, paragraph c, unnumbered paragraph 2, Code 1989, is amended to read as follows:

If the administrator is satisfied that the facts stated in such affidavit are true and that the applicant is a person fit and proper to be entrusted with the permit applied for, it the permit shall be issued upon-the-filing-by-the-applicant-of-a bond-in-the-penal-sum-of-two-thousand-dollars; with-approved sureties; conditioned-that-the-applicant-will-faithfully observe-the-provisions-of-this-chapter.

Sec. 6. Section 123.29, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. This section does not prohibit a member of the clergy of any church or denomination which uses vinous liquor in its sacramental ceremonies from purchasing, having shipped by interstate or intrastate common carrier, possessing, and using such vinous liquor for sacramental purposes.

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DONALD D. AVENSON Speaker of the House

President of the Senate

I hereby certify that this bill originated in the Senate and is known as Senate File 118, Seventy-third General Assembly.

empty wine or alcoholic liquor container which is marked to

indicate that the container was sold by a state liquor store.

Approved Myy /5, 1989

JOHN F. DWYER

Secretary of the Senate

TERRY E. BRANSTAD Governor

approved by the local authority, the department-of-inspections and-appeals division shall make such investigation as the administrator deems necessary and may require the applicant to appear before-the-department-of-inspections-and-appeals-and to be examined under oath regarding any matters pertinent to the application, in which case a record shall be made of all testimony or evidence and the same shall become a part of the application. The administrator may appoint a member of the division or may request the department of inspections and appeals to receive the testimony under oath and evidence. 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 and the appropriate local authority shall be so notified by restricted certified mail, and the fee and any bond returned to the applicant.

Sec. 8. Section 123.180, subsection 2, Code 1989, is amended to read as follows:

2. At the time of applying for a vintner's certificate of compliance, each applicant shall file with the division a list of all class "A" wine permittees with whom it intends to do business and-shall-designate-the-geographic-area-in-which-its products-are-to-be-distributed-by-the-permitteesr--Vintner's certificate-holders-may-appoint-more-than-one-class-"A"-wine permittee-to-service-the-same-geographic-territory. The listing of class "A" wine permittees and-geographic-areas as filed with the division may be amended from time to time by the holder of the certificate of compliance.

Sec. 9. Section 455C.4, subsection 3, Code 1989, is amended to read as follows:

3. A dealer or a distributor may not refuse to accept and to pay the refund value of an empty wine or alcoholic liquor container which is marked to indicate that it was sold by a state liquor store. The alcoholic beverages division shall not reimburse a dealer or a distributor the refund value on an

SF 11