

JAN 30 1935
STATE GOVERNMENT

HOUSE FILE 105
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and COON

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the sale price of alcoholic liquor by a class
2 "E" liquor control licensee, and subjecting violators to
3 criminal and civil penalties.

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

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HF 105

1 Section 1. Section 123.24, Code 1995, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 6. a. A class "E" liquor control
4 licensee shall not sell or offer for sale an alcoholic liquor
5 product for an amount less than the current published price of
6 the alcoholic liquor product to the class "E" liquor control
7 licensee plus ten percent of the current published price.

8 b. As used in this subsection, "current published price"
9 means the sale price at which the division sells an alcoholic
10 liquor product to a liquor control licensee. If the sale
11 price of an alcoholic liquor product from the division
12 changes, the new current published price takes effect on the
13 date announced by the division.

14 c. The division shall furnish notification of price
15 changes to all class "E" license holders at least fifteen days
16 before the effective date of a price change.

17 d. Paragraph "a" shall not apply to the following sales:

18 (1) An alcoholic liquor product sold during a bona fide
19 clearance sale.

20 (2) An alcoholic liquor product sold during a final
21 liquidation of the business of an alcoholic liquor licensee.

22 (3) An alcoholic liquor product sold to a nonprofit
23 charitable organization.

24 (4) An alcoholic liquor product sold pursuant to a state
25 or federal court order.

26 e. A class "E" liquor control licensee who violates this
27 subsection is guilty of a serious misdemeanor pursuant to
28 section 123.90.

29 f. In addition to the criminal penalty imposed upon
30 conviction under paragraph "e", the administrator:

31 (1) Shall impose a civil penalty of not more than one
32 thousand dollars for the first offense, and may suspend the
33 class "E" liquor control license for a period of time
34 determined by the administrator, and may recover the costs of
35 investigation.

1 (2) Shall impose a civil penalty of not more than two
2 thousand dollars for the second violation, and may suspend the
3 class "E" liquor control license for a period of time
4 determined by the administrator, and may recover the costs of
5 investigation.

6 (3) Shall impose a civil penalty of not more than three
7 thousand dollars for the third violation, and may suspend the
8 class "E" liquor control license for a period of time
9 determined by the administrator, and may recover the costs of
10 investigation.

11 EXPLANATION

12 This bill requires a class "E" liquor control licensee to
13 sell or offer for sale an alcoholic liquor product with a
14 minimum markup of 10 percent above the current published price
15 of the liquor product to the licensee. If the price of a
16 liquor product sold by the division changes, the new price
17 becomes the current published price of the product after the
18 affected licensees have been given 15 days' notice of the new
19 cost. Exceptions to the markup of 10 percent include liquor
20 sold during a bona fide clearance sale, liquor sold during a
21 final liquidation of a liquor business, liquor sold to a
22 nonprofit charitable organization, and liquor sold pursuant to
23 a federal or state court order.

24 A class "E" liquor control licensee violating the minimum
25 markup is guilty of a serious misdemeanor. A civil penalty of
26 up to \$1,000 shall also be imposed for the first offense, up
27 to \$2,000 for the second offense, and up to \$3,000 for the
28 third offense. The administrator may also suspend the
29 violator's liquor control license for a period of time as
30 determined by the administrator and may recover the costs of
31 investigation.

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