

FEB 26 1997

STATE GOVERNMENT

HOUSE FILE
BY THOMSON

364

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

A BILL FOR

1 An Act relating to retail sale of alcoholic beverages at a
 2 discount for consumption on the premises and providing a
 3 penalty for violations.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

HF 364

1 Section 1. NEW SECTION. 123.51A DISCOUNTED DRINKS

2 PROHIBITED -- PENALTY.

3 1. A retailer who holds a license or permit to sell
4 alcoholic beverages for consumption on the premises pursuant
5 to this chapter shall maintain a schedule of the prices
6 charged for all drinks of alcoholic beverages to be served and
7 consumed on the licensed premises. If the retailer who holds
8 a license or permit operates two or more establishments within
9 the licensed premises to sell individual drinks of alcoholic
10 beverages, each establishment shall maintain a separate
11 schedule of drink prices.

12 2. A retailer who holds a license or permit to sell
13 alcoholic beverages for consumption on the premises or an
14 agent or employee of the retailer shall not do any of the
15 following acts:

16 a. Serve two or more individual drinks of an alcoholic
17 beverage at one time to one individual for consumption by that
18 one individual, except selling or delivering wine by the
19 bottle or carafe.

20 b. Sell, offer to sell, or serve to an individual an
21 unlimited number of drinks of an alcoholic beverage during a
22 period of time for a fixed price, except at a private function
23 which is not open to the general public.

24 c. Sell, offer to sell, or serve any drink of an alcoholic
25 beverage to an individual on any one date at a reduced price
26 other than that offered other purchasers of drinks on that
27 day, except at a private function which is not open to the
28 general public.

29 d. Increase the volume of alcoholic beverage contained in
30 an individual drink, or the size of the drink of alcoholic
31 liquor without increasing proportionately the price regularly
32 charged for the drink on that day.

33 e. Encourage or permit, on the licensed premises, any game
34 or contest which involves drinking alcoholic beverages or the
35 awarding of drinks of alcoholic beverages as prizes for the

1 game or contest.

2 3. Subsection 2 shall not prohibit a retailer from any one
3 of the following practices:

4 a. Offering free food or entertainment at any time.

5 b. Including drinks of an alcoholic beverage as a part of
6 a meal package.

7 c. Including drinks of an alcoholic beverage as a part of
8 a hotel or motel package.

9 d. Negotiating the prices of drinks of alcoholic liquor as
10 a part of a contract between a hotel, motel, or multi-use
11 establishment and another party for the holding of a function,
12 meeting, convention, or other event.

13 e. Providing room service to persons renting rooms in a
14 hotel or motel.

15 f. Selling pitchers, carafes, bottles, or other multi-
16 serving containers of an alcoholic beverage which are
17 customarily sold in those containers and delivered to two or
18 more persons at one time.

19 g. Increasing the prices of drinks of alcoholic beverages
20 in lieu of, in whole or part, a coverage charge to offset the
21 cost of special entertainment which is not regularly
22 scheduled.

23 4. A violation of subsection 1 or 2 is grounds for the
24 suspension or revocation of the license or permit of a
25 retailer.

26 EXPLANATION

27 This bill provides that retailers who sell alcoholic
28 beverages by the drink for consumption on the premises shall
29 not engage in practices which tend to encourage drinking
30 alcoholic beverage during certain periods of time or in
31 certain quantities at discounted prices. The periods of time
32 are sometimes known as happy hours.

33 The bill requires that each bar establishment have a
34 schedule of drink prices and that an alcoholic beverage shall
35 not be sold at a price other than the listed price at a

1 certain time of the day or two or more individual drinks shall
 2 not be sold to an individual for consumption at the same time.
 3 The bill prohibits selling an unlimited number of alcoholic
 4 beverage drinks at a fixed price except to a private party to
 5 which the public is not invited. The bill also prohibits
 6 selling individual drinks with a larger than normal volume of
 7 alcoholic beverage included and prohibits games or contests in
 8 licensed premises which encourage or award drinks as prizes.

9 The bill does not prohibit the use of alcoholic beverages
 10 as part of a hotel package, meal package, or as part of a
 11 contract for convention facilities, meetings, and other
 12 functions. The bill does not prohibit the offering of free
 13 food or entertainment, the provision of room service to hotel
 14 or motel guests, or the sale of alcoholic beverages in
 15 pitchers, carafes, or bottles to two or more persons if
 16 containers are a customary method of sales.

17 A violation of the prohibited practices is suspension or
 18 revocation of the retailer's license or permit to sell
 19 alcoholic beverages.

- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34
- 35