

MAR 8 2004
Place On Calendar

HOUSE FILE 2499
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HF 220)

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

A BILL FOR

1 An Act relating to the sales of beer kegs by requiring an
2 identification number on each keg of beer, recording of the
3 purchase of beer by the keg, and providing penalties.

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

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HF 2499

1 Section 1. Section 123.50, subsection 1, Code 2003, is
2 amended to read as follows:

3 1. Any person who violates any of the provisions of
4 section 123.49, except subsection 2, paragraph "h", or who
5 fails to affix upon sale, defaces, or fails to record a keg
6 identification sticker or produce a record of keg
7 identification stickers pursuant to section 123.138, shall be
8 guilty of a simple misdemeanor. A person who violates section
9 123.49, subsection 2, paragraph "h", commits a simple
10 misdemeanor punishable as a scheduled violation under section
11 805.8C, subsection 2.

12 Sec. 2. Section 123.138, Code 2003, is amended to read as
13 follows:

14 123.138 BOOKS OF ACCOUNT REQUIRED.

15 1. Each class "A" or special class "A" permittee shall
16 keep proper books of account and records showing the amount of
17 beer sold by the permittee, and these books of account shall
18 be at all times open to inspection by the administrator and to
19 other persons pursuant to section 123.30, subsection 1. Each
20 class "B" and class "C" permittee shall keep proper books of
21 account and records showing each purchase of beer made by the
22 permittee, and the date and the amount of each purchase and
23 the name of the person from whom each purchase was made, which
24 books of account and records shall be open to inspection
25 pursuant to section 123.30, subsection 1, during normal
26 business hours of the permittee.

27 2. Each class "B", "C", or special class "C" liquor
28 control licensee and class "B" or "C" beer permittee who sells
29 beer for off-premises consumption shall affix to each keg of
30 beer exceeding five gallons in capacity an identification
31 sticker provided by the administrator. For the purposes of
32 this section, "keg" means all durable and disposable
33 containers with a liquid capacity of five gallons or more.
34 Each class "B", "C", or special class "C" liquor control
35 licensee and class "B" or "C" beer permittee shall also keep a

1 identification stickers. The bill provides that the
2 provisions of the bill shall be enforced and implemented
3 uniformly across the state, and that a county or municipality
4 shall not set requirements or establish a penalty which is
5 higher or more stringent than the penalty provisions made
6 applicable in Code section 123.50.

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**Fiscal Services Division
Legislative Services Agency
Fiscal Note**

HF 2499 - Keg Registration (LSB 6813 HV)

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Fiscal Note Version - New

Description

House File 2499 requires liquor control licensees and beer permittees, that sell beer for off-premises consumption, to affix an identification sticker provided by the Alcoholic Beverages Division to each keg of beer exceeding five gallons at the time of a retail sale. The licensee or permittee is required to purchase the sticker from the Division at cost.

The Bill makes it a simple misdemeanor for any liquor control licensee or beer permittee to fail to affix at the time of sale, deface, fail to record a keg identification sticker, or make a record of keg identification stickers available for inspection by a law enforcement officer during normal business hours.

Assumptions

1. The licensees and permittees record and keep track of the sticker numbers and who purchased the keg. The store clerk would do this as part of the clerk's normal duties.
2. The Division would post on their web page, for review by law enforcement, a list of numbers issued to licensees or permittees. The Division will use current staff to perform the additional duties.
3. The actual production cost of the sticker and the actual postage cost is the only cost passed on to the licensees and permittees. No Division staff time is associated with the sticker cost.
4. There are 75,000 kegs of beer exceeding five gallons sold in Iowa by licensees each year requiring 3,000 sticker books.
5. Each book of stickers will contain 25 stickers and cost \$3.25 to produce. Each book of stickers will cost \$1.75 to mail to the licensee. The Alcoholic Beverages Division will obtain and distribute the books utilizing current staff.
6. The Division will distribute 5,000 books in FY 2005, 1,000 books in FY 2006, and 3,000 books each year thereafter.
7. There is no readily available data with which to predict the number of violations involving affixing and recording identification stickers.

Correctional Impact

There is no readily available information to determine the correctional impact for the new crime created under the Bill. To the extent that additional violations are prosecuted, the average State costs associated with imposing criminal penalties for one conviction of a simple misdemeanor ranges from \$14 (court costs) to \$300 (court costs plus indigent defense).

Fiscal Impact

House File 2499 will have no net fiscal impact on the Beer and Liquor Control Fund. The cost to produce and distribute the identification stickers will be paid from the Beer and Liquor Control Fund and liquor control licensees and beer permittees will reimburse those costs to the Fund.

Licensees and permittees will reimburse the Beer and Liquor Control Fund \$25,000 in FY 2005, \$5,000 in FY 2006, and \$15,000 each year thereafter.

The Bill will have no fiscal impact on local government.

Source

Department of Commerce Alcoholic Beverages Division

Dennis C Prouty

March 10, 2004

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Fiscal Services Division, Legislative Services Agency to members of the Legislature upon request.
