

**Senate Study Bill 1087 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT  
OF COMMERCE/ALCOHOLIC  
BEVERAGES DIVISION BILL)

**A BILL FOR**

1 An Act relating to matters under the purview of the alcoholic  
2 beverages division of the department of commerce.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.3, Code 2011, is amended by adding  
2 the following new subsections:

3 NEW SUBSECTION. 014A. "*Grocery store*" means any retail  
4 establishment, the business of which consists of the sale of  
5 food, food products, or beverages for consumption off the  
6 premises.

7 NEW SUBSECTION. 022A. "*Micro-distilled spirits*" means  
8 distilled spirits fermented, distilled, or, for a period of  
9 two years, barrel matured on the licensed premises of the  
10 micro-distillery where fermented, distilled, or matured.  
11 "*Micro-distilled spirits*" also includes blended or mixed spirits  
12 comprised solely of spirits fermented, distilled, or, for a  
13 period of two years, barrel matured at a micro-distillery.

14 NEW SUBSECTION. 022B. "*Micro-distillery*" means a business  
15 with an operational still which, combining all production  
16 facilities of the business, produces and manufactures less than  
17 fifty thousand proof gallons of distilled spirits on an annual  
18 basis.

19 NEW SUBSECTION. 26A. "*Pharmacy*" means a drug store in  
20 which drugs and medicines are exposed for sale and sold at  
21 retail, or in which prescriptions of licensed physicians and  
22 surgeons, dentists, or veterinarians are compounded and sold by  
23 a registered pharmacist.

24 NEW SUBSECTION. 32A. "*School*" means a public or private  
25 school or that portion of a public or private school which  
26 provides facilities for teaching any grade from kindergarten  
27 through grade twelve.

28 Sec. 2. Section 123.3, subsection 22A, Code 2011, is amended  
29 to read as follows:

30 22A. "*Native wine*" means wine manufactured ~~in this state~~  
31 pursuant to section 123.56 by a manufacturer of native wine.

32 Sec. 3. Section 123.9, Code 2011, is amended to read as  
33 follows:

34 **123.9 Commission meetings.**

35 The commission shall meet on or before July 1 of each year

1 for the purpose of selecting one of its members as chairperson,  
2 ~~which member shall serve in such capacity~~ for the succeeding  
3 year. The commission shall otherwise meet quarterly or at  
4 the call of the chairperson or administrator or, when any  
5 three members file ~~with the chairperson~~ a written request  
6 for a meeting. Written notice of the time and place of each  
7 meeting shall be given to each member of the commission. All  
8 ~~commission meetings shall be held within the state.~~ A majority  
9 of the commission members shall constitute a quorum.

10 Sec. 4. Section 123.31, unnumbered paragraph 1, Code 2011,  
11 is amended to read as follows:

12 ~~Except as otherwise provided in section 123.35, verified~~  
13 Verified applications for the original issuance or the renewal  
14 of liquor control licenses shall be filed at the time and in  
15 the number of copies as the administrator shall prescribe, on  
16 forms prescribed by the administrator, and shall set forth  
17 under oath the following information:

18 Sec. 5. Section 123.43A, subsection 1, Code 2011, is amended  
19 by striking the subsection.

20 Sec. 6. Section 123.46, subsection 1, paragraph d, Code  
21 2011, is amended by striking the paragraph.

22 Sec. 7. Section 123.129, subsection 1, Code 2011, is amended  
23 by striking the subsection.

24 Sec. 8. Section 123.134, subsection 5, Code 2011, is amended  
25 by striking the subsection.

26 Sec. 9. Section 123.141, Code 2011, is amended to read as  
27 follows:

28 **123.141 Keeping liquor where beer is sold.**

29 No alcoholic liquor for beverage purposes shall be used,  
30 or kept for any purpose in the place of business of class "B"  
31 permittees, or on the premises of such class "B" permittees, at  
32 any time. A violation of any provision of this section shall  
33 be grounds for suspension or revocation of the permit pursuant  
34 to section 123.50, subsection 3. This section shall not apply  
35 in any manner or in any way, ~~to any railway car of any dining~~

1 ~~car company, sleeping car company, railroad company or railway~~  
2 ~~company, having a special class "B" permit;~~ to the premises  
3 of any hotel or motel for which a class "B" permit has been  
4 issued, other than that part of such premises regularly used by  
5 the hotel or motel for the principal purpose of selling beer  
6 or food to the general public; or to drug stores regularly and  
7 continuously employing a registered pharmacist, from having  
8 alcohol in stock for medicinal and compounding purposes.

9 Sec. 10. Section 123.142, unnumbered paragraph 1, Code  
10 2011, is amended to read as follows:

11 It is unlawful for the holder of a class "B" or class "C"  
12 permit issued under this chapter to sell beer, except beer  
13 brewed on the premises covered by a special class "A" permit or  
14 beer purchased from a person holding a class "A" permit issued  
15 in accordance with this chapter, and on which the tax provided  
16 in section 123.136 has been paid. However, this section does  
17 not apply to ~~the holders of special class "B" permits issued~~  
18 ~~under section 123.133 for sales in cars engaged in interstate~~  
19 ~~commerce nor to class "D" liquor control licensees as provided~~  
20 in this chapter.

21 Sec. 11. REPEAL. Sections 123.35, 123.133, 123.153,  
22 123.154, 123.155, 123.156, 123.157, 123.158, 123.159, 123.160,  
23 123.161, and 123.162, Code 2011, are repealed.

24 EXPLANATION

25 This bill makes several changes regarding matters under the  
26 purview of the alcoholic beverages division of the department  
27 of commerce.

28 The bill deletes definitions of grocery store,  
29 micro-distillery, micro-distilled spirits, pharmacy, and school  
30 contained in respective provisions within Code chapter 123, and  
31 inserts the definitions into the general definitions section  
32 for the chapter in Code section 123.3. The bill modifies the  
33 definition of native wine contained within Code section 123.3  
34 to remove reference to wine manufactured "in this state",  
35 instead providing that "native wine" means wine manufactured

1 pursuant to Code section 123.56 by a manufacturer of native  
2 wine.

3 The bill amends provisions governing meetings of the  
4 alcoholic beverages commission, providing that the commission  
5 shall meet to elect a chairperson on or before July 1 annually,  
6 rather than on July 1 under current law. The bill provides  
7 that the commission shall otherwise meet quarterly, or at any  
8 time called by the administrator of the division in addition  
9 to the chairperson. The bill deletes a current provision  
10 prohibiting commission meetings from being held outside of the  
11 state.

12 The bill repeals Code section 123.35, which had prescribed  
13 simplified application forms for the renewal of liquor control  
14 licenses, wine permits, and beer permits when qualifications  
15 had not changed since the license or permit was originally  
16 issued. The bill also repeals Code section 123.133 providing  
17 for the issuance of a special class "B" permit for the sale  
18 of beer on trains, and deletes a provision which currently  
19 states that Code section 123.141, regarding keeping liquor at  
20 a location where beer is sold, shall not be applicable to any  
21 railway car of any dining car company, sleeping car company,  
22 railroad company, or railway company in possession of a special  
23 class "B" beer permit. The bill makes conforming changes  
24 consistent with the repeal of these Code sections.

25 The bill additionally repeals Code sections 123.153 through  
26 123.162, comprising division IV of Code chapter 123, entitled  
27 "Warehouse Project". The provisions allowed the alcoholic  
28 beverages commission to issue revenue bonds for a one-time  
29 warehouse project.