

Senate Study Bill 3123 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON McCOY)

A BILL FOR

1 An Act authorizing charitable auctions for alcoholic spirits.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.173A, Code 2011, is amended to read
2 as follows:

3 **123.173A Charity beer, spirits, and wine auction permit.**

4 1. For purposes of this section, "*authorized nonprofit*
5 *entity*" includes a nonprofit entity which has a principal office
6 in the state, a nonprofit corporation organized under chapter
7 504, or a foreign corporation as defined in section 504.141,
8 whose income is exempt from federal taxation under section
9 501(c) of the Internal Revenue Code.

10 2. An authorized nonprofit entity may, upon application to
11 the division and receipt of a charity beer, spirits, and wine
12 auction permit from the division, conduct a charity auction
13 which includes beer, spirits, and wine. The application shall
14 specify the date and time when the charity beer, spirits, and
15 wine auction is to be conducted and the premises in this state
16 where the charity beer, spirits, and wine auction is to be
17 physically conducted. The applicant shall certify that the
18 objective of the charity beer, spirits, and wine auction is
19 to raise funds solely to be used for educational, religious,
20 or charitable purposes and that the entire proceeds from the
21 charity beer, spirits, and wine auction are to be expended for
22 any of the purposes described in section 423.3, subsection 78.

23 3. An authorized nonprofit entity shall be eligible to
24 receive only two charity beer, spirits, and wine auction
25 permits during a calendar year and each charity beer, spirits,
26 and wine auction permit shall be valid for a period not to
27 exceed thirty-six consecutive hours.

28 4. The authorized nonprofit entity conducting the charity
29 beer, spirits, and wine auction shall obtain the beer, spirits,
30 and wine to be auctioned at the charity beer, spirits, and
31 wine auction from an Iowa retail beer permittee, an Iowa
32 retail alcoholic liquor permittee, an Iowa micro-distilled
33 spirits permittee, or an Iowa retail wine permittee, or may
34 receive donations of beer, spirits, or wine to be auctioned at
35 the charity beer, spirits, and wine auction ~~from persons who~~

~~1 purchased the donated beer or wine from an Iowa retail beer
2 permittee or an Iowa retail wine permittee and who present
3 a receipt documenting the purchase at the time the beer or
4 wine is donated. The authorized nonprofit entity conducting
5 the charity beer and wine auction shall retain a copy of the
6 receipt for a period of one year from the date of the charity
7 beer and wine auction.~~

8 5. Persons shall be physically present at the charity
9 beer, spirits, and wine auction to be eligible to bid on beer,
10 spirits, and wine sold at the charity auction.

11 6. The beer, spirits, and wine sold at the charity beer,
12 spirits, and wine auction shall be in original containers
13 for consumption off of the premises where the charity beer,
14 spirits, and wine auction is conducted. No other alcoholic
15 beverage may be sold by the charity beer, spirits, and wine
16 auction permittee at the charity beer, spirits, and wine
17 auction. A purchaser of beer, spirits, or wine at a charity
18 beer, spirits, and wine auction shall not take possession of
19 the beer, spirits, or wine until the person is leaving the
20 event. A purchaser of beer, spirits, or wine at a charity
21 beer, spirits, and wine auction shall not open the container
22 or consume or permit the consumption of the beer, spirits, or
23 wine purchased on the premises where the charity beer, spirits,
24 and wine auction is conducted. A purchaser of beer, spirits,
25 or wine at a charity beer, spirits, and wine auction shall not
26 resell the beer, spirits, or wine.

27 7. A liquor control licensee, beer permittee,
28 micro-distilled spirits permittee, or wine permittee shall not
29 purchase beer, spirits, or wine at a charity beer, spirits, and
30 wine auction. The charity beer, spirits, and wine auction may
31 be conducted on a premises for which a class "B" liquor control
32 license or class "C" liquor control license has been issued,
33 provided that the liquor control licensee does not participate
34 in the charity beer, spirits, and wine auction, supply beer,
35 spirits, or wine to be auctioned at the charity beer, spirits,

1 and wine auction, or receive any of the proceeds of the charity
2 beer, spirits, and wine auction.

3 Sec. 2. Section 123.179, subsection 5, Code 2011, is amended
4 to read as follows:

5 5. The fee for a charity beer, spirits, and wine auction
6 permit is one hundred dollars.

7 EXPLANATION

8 Code section 123.173A, providing for a charity beer and wine
9 auction permit, is amended to allow the auction of alcoholic
10 spirits. In addition, the Code section is amended to allow
11 the auctioning of beer, spirits, and wine that is donated
12 without the requirement that the beer, spirits, or wine donated
13 be purchased from an Iowa retailer and that a copy of the
14 purchase receipt be retained by the authorized nonprofit entity
15 conducting the auction.