

February 2, 1951.
Departmental Affairs.

House File 332
By SLOANE.

Passed House, Date

Vote: Ayes..... Nays.....

Passed Senate, Date.....

Vote: Ayes..... Nays.....

Approved

A BILL FOR

An Act to amend section one hundred twenty-three point seventeen (123.17), Code 1950, relating to rules and regulations of the Iowa liquor control commission.

Be It Enacted by the General Assembly of the State of Iowa:

1 Section 1. Section one hundred twenty-three point
2 seventeen (123.17), Code 1950, is hereby amended as follows:

3 1. By striking from subsection two (2), paragraph b,
4 line one (1), the comma “,” after the word “management” and
5 inserting in lieu thereof the word “and”; by striking from
6 line two (2) the words “and merchandise”.

7 2. By adding the following new subsections:

8 “The following rules shall apply to new listings and
9 initial liquor purchases:

10 a. No initial purchases of any item of liquor or wine
11 may be made until the supplier has made a formal presentation
12 at an ‘open hearing’. Such hearings shall be held not more
13 than two (2) times each year. It is hereby designated that
14 the commission set aside the first Tuesday in May and the
15 first Tuesday in November as the days for ‘open hearings’
16 and reviewing the applicants for new listings of liquor and

17 wine for commission's retail stores.

18 b. The initial purchase authorized on a new listing shall
19 not be more than one-half the average stock inventory in the
20 system of all brands of this type classification.

21 c. The commission may not, at any one time, purchase
22 more than ten (10) cases of liquor or wine, for any retail
23 stores if this liquor or wine is not sold in more than five (5)
24 of the seventeen (17) monopoly states. The only exception to
25 this provision is for products produced, bottled or manufactured
26 in the state of Iowa.

27 "The following rules shall apply to purchases for
28 replenishment of stock:

29 a. The most current week's sales shall be used as the
30 formula in making purchases for replenishment of the warehouse
31 stock. The stock in the warehouse of any item, shall not at
32 any time, be less than three (3) weeks' supply and not more
33 than eight (8) weeks' supply. It shall be the responsibility
34 of the commission to establish the procedure to avoid over
35 stocking or understocking in the warehouse.

36 b. The commission may not at any time make additional
37 purchases of liquor or wine when the stock in the warehouse and
38 store system represents more than twelve (12) weeks' supply.

39 c. The commission must discontinue buying any item of
40 liquor or wine which, after a six (6) month period, does not
41 have an average monthly case volume equivalent to twenty percent
42 (20%) of the average monthly sale of all brands under this

43 liquor or wine type classification.

44 “The following rules shall apply to the establishment of
45 retail prices:

46 a. The retail price shall be determined by applying a
47 uniform markup on the delivered cost of forty percent (40%)
48 for distilled spirits and of fifty percent (50%) for wine.

49 b. Only items that have “short fills”, “damaged labels”,
50 or that are discontinued because of a lack of consumer demand,
51 may be sold at less than the uniform markup as fixed by
52 statutes. The commission may not make any future purchases
53 within a period of two (2) years where a supplier refuses to
54 make adjustments for unsaleable merchandise or disposition of
55 merchandise that does not have good customers’ acceptance.

56 “The following rules shall apply to the stocking of state
57 liquor stores:

58 a. All liquor and wines purchased by the commission must
59 be stocked in all retail stores.

60 b. The most current weeks’ sales shall be used as the
61 formula for stocking individual stores. Individual stores
62 shall be stocked on a uniform basis, maintaining a minimum of
63 four (4) weeks’ supply but not more than twelve (12) weeks of
64 any item purchased by the commission. In any event, if no
65 sales exist, no store shall be stocked with less than three
66 (3) bottles of any item of merchandise listed by the commission.

67 c. If items are not available in the warehouse, it shall
68 be the responsibility of the commission to redistribute the

69 stock in the system to the stores where the demand exists.

70 d. A newly listed item on which there has been no sales
71 experience to establish a criterion in the initial stocking
72 of stores should be stocked in each individual store in an
73 amount representing fifty percent (50%) of the average stock
74 inventory of all brands in such type classification.

75 "To insure adherence to the amended provisions of the
76 liquor control Act the commission is to be held responsible
77 for the following weekly and monthly releases to a legislative
78 committee, suppliers, news services, and newspapers requesting
79 such information:

80 a. Release a weekly statistical report within ten (10)
81 days after the period covered by the report showing by supplier,
82 by brand, the current week's case sales, the inventory in
83 stores, warehouse, and total inventory in the system.

84 b. Release a monthly report representing a recapitulation
85 of the weekly reports within ten (10) days after the close of
86 the period.

87 c. Release within ten (10) days after the close of the
88 monthly period a report showing by supplier, by brand, by each
89 retail store, the current month's sales and inventory of each
90 brand in each store as of end of the period covered by the
91 report.

92 d. Each week after liquor purchases are authorized by the
93 commission a release must be prepared showing the case purchases
94 made by supplier, by brand, the case inventory in stores and

95 warehouse and the most current week's sales of each brand
96 available on the date the order was initiated.”
97 3. By striking from subsection two (2), all of paragraphs
98 c and p.
99 4. By adding to subsection two (2) the following new
100 paragraph:
101 “Prescribing the merchandise to be furnished special
102 distributors under this chapter.”

EXPLANATION OF H. F. 332

This Act will allow all suppliers to have their products considered and will make for more competitive buying. It will prevent overstocking or “hoarding” in stores and warehouses. The pricing provisions will enable all products to be considered on an equal basis.