

February 23, 1951.
Police Regulation, Suppression
of Crime, Intemperance.

House File 545
By BUTLER, BROWN, SHEPARD,
LOSS, FREY, JUDD, BLOEDEL,
and METZ.

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

A BILL FOR

An Act to amend chapter one hundred twenty-four (124), Code 1950, relating to beer, requiring the payment of cash therefor, and providing penalty for violation thereof, and to amend section one hundred twenty-four point two (124.2), Code 1950, by adding a definition of the word "cash".

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

- 1 Section 1. Chapter one hundred twenty-four (124), Code
- 2 1950, is amended by adding thereto the following:
- 3 "In all transactions between brewer and wholesaler,
- 4 beer shall be paid for in cash on or before the day invoice
- 5 for said beer is received. It is unlawful for any retailer
- 6 to purchase beer from any wholesaler and/or for any wholesaler
- 7 to sell beer to any retailer except for cash. It is unlawful
- 8 for any retailer to sell beer to any consumer except for cash.
- 9 It is unlawful for any permittee to consign any beer to
- 10 any person.
- 11 "From and after the effective date of this act, a
- 12 period of ninety days shall be allowed to all permittees

13 for the purpose of collecting outside accounts incurred
14 prior to the effective date of this act, and in the event
15 said accounts are not collected or legal action commenced
16 by the expiration of the aforesaid period, said accounts
17 shall be deemed uncollectible and all rights for collection
18 of same shall be forever barred. However, nothing in this
19 section shall be construed as prohibiting the prosecution
20 of any legal action commenced during the ninety day period
21 for the collection of accounts.

22 "All cooperage shall constitute merchandise and shall
23 be paid for in cash by the permittee receiving it and
24 nothing in this act shall prohibit any permittee from
25 giving proper credit at the time said cooperage is returned.

26 "In the event any check is returned to a wholesaler
27 by any bank for any reason, the wholesaler shall be allowed
28 three days from the rejection date of said check by the bank,
29 Saturdays, Sundays and holidays excluded, in which to collect
30 the amount of said checks. Not later than the fourth day
31 thereafter, the permittee holding such checks shall report
32 to the county attorney of the county in which the check was
33 issued the fact that said check was given by a retailer for
34 beer delivered, and the county attorney shall immediately
35 commence prosecution against the issuer of said check as a
36 violation of this act. After the expiration of the fourth
37 day following the rejection of the check or checks by the
38 bank, the wholesaler may commence legal proceedings to

39 collect the amount of said check; however, failure to report
40 to the county attorney as hereinbefore provided shall
41 constitute a bar to the commencement of said action.

42 “Any permittee who shall violate the provisions of
43 this act shall upon the first conviction be subjected to a
44 fine of not less than one hundred dollars and not more than
45 one thousand dollars; upon the second conviction the license
46 of the said permittee shall be suspended for a period of not
47 less than thirty days or more than sixty days; on the third
48 conviction the license of said permittee shall be suspended.
49 for not less than sixty days or more than six months; and
50 upon the fourth conviction the license of the permittee
51 shall be revoked.”

1 Sec. 2. Section one hundred twenty-four point two
2 (124.2), Code 1950, is amended by adding thereto the
3 following:

4 “The term “cash” as used herein shall mean lawful
5 currency of the United States and/or valid check issued by
6 the permittee and dated prior to or on the day of the
7 delivery of beer to the purchaser. All checks so issued
8 must be signed by the permittee or by his duly authorized
9 agent.”

EXPLANATION OF H. F. 545

This bill is designed to prevent the accumulation of excessive credit accounts at the retailer and consumer level.