



IOWA HOUSE DEMOCRATS

BILL and Amendment SUMMARY

Dram Shop HF 2391/SF 2169

Status of Bill: House Calendar
Committee: Commerce (13-10, Senate 29-20)
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Lead Democrat: Rep McConkey
Floor Manager: Rep Best

Background

Under current Iowa law a restaurant or bar licensed to sell alcohol is required to carry dram shop insurance. The establishment is liable for all damages that result from an intoxicated person if they knowingly or should have known the person was intoxicated when they served them. This also applies if they serve the person to the point of intoxication.

There are currently around 138 companies who sell some type of Dram Shop insurance to licensees.

Bill Summary

The legislation limits damages to only an innocent third party who is injured either personally, property, or means of support by an intoxicated person. It also clarifies that the licensee had to directly serve the intoxicated person and the person was visibly intoxicated at the time of sale.

The bill also caps the damages that can be awarded to an innocent third party. An innocent third party is only allowed to receive \$75,000 in damages for person or property and \$100,000 for loss of means of support, loss of services, companionship, society, or consortium resulting from the death or injury of a person.

House File Amendments

H-8074 by Fisher of Tama

This amendment increases the caps for person or property from \$75,000 to \$100,000 and for loss of means of support, loss of services, companionship, society, or consortium resulting from the death or injury of a person from \$100,000 to \$150,000.

H-8180 by Best of Carroll

This amendment conforms to the Senate File by replacing the Iowa Code reference for year 2018 with year 2017 and replacing an and with an or.

SF 2169 Amendments

H-8341 by Best of Carroll

This amendment removes the cap language and inserts a cap of \$250,000 in a civil action for each plaintiff, unless a jury determines that there is a substantial or permanent loss or impairment of a bodily function, substantial disfigurement, or death and the jury finds that such limitation would deprive the plaintiff of a just reward. The amendment also clarifies that the third party is not the third party who was intoxicated and caused the accident. The amendment also creates a study by the Alcoholic Beverage's Division on a biannual basis on minimum coverage carried by a licensed establishment; the study is to include what other state's require.