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## BUDGET UNIT BRIEF – FY 2023

Fiscal Services Division

July 1, 2022



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

## Alcoholic Beverages Division

### Overview

The Iowa Alcoholic Beverages Division (ABD) is part of the Department of Commerce and is responsible for the regulation and control of alcohol in the State of Iowa. Iowa is one of 19 control states that, since the repeal of prohibition, directly controls the sale and distribution of alcoholic beverages based on a three-tier system between distributors, retailers, and consumers. In addition, the Division is responsible for the enforcement of State and federal laws and regulations regarding the sale and use of alcohol and tobacco products.

The ABD generates revenue for State and local governments from the net profit from the direct sale of alcohol, liquor license fees, excise tax on beer and wine, and civil penalties levied through administrative sanctions. The ABD transfers all profits to the State General Fund, Executive Branch agencies, and cities and counties to support city, county, and State programs. The Division annually generates more than \$100.0 million to support State and local programs. The funds are used for substance abuse treatment programs and local programs at the city and county level. The Division transfers additional funds to support Iowa beer and wine promotion.

Each year the ABD produces more than \$350.0 million in revenues: over \$100.0 million is transferred to the State General Fund, over \$9.0 million is deposited into the State General Fund as beer tax collections, over \$2.5 million is remitted to cities and counties, and over \$200,000 goes to native wine and beer economic development. The ABD also transfers over \$20.0 million to the Department of Public Health (DPH) to administer substance abuse programs.

### Iowa Alcoholic Beverages Commission

The Commission has five members appointed by the Governor and confirmed by the Senate. Commissioners are appointed for five-year staggered terms and eligible for one five-year reappointment. Commissioners are chosen on the basis of managerial ability and experience as business executives. The Commission acts as a policymaking body and serves in an advisory capacity to the Division administrator. Commissioners may review, affirm, reverse, or amend all actions of the administrator in the wholesale liquor sales operation and in the licensing and regulating of the alcoholic beverages industry.

### Facility

The facility housing the ABD is located in Ankeny and provides work space for the Division's administrative staff, regulatory and licensing employees, and warehouse workers. The State liquor warehouse is part of the facility and stocks more than 1,600 liquor products for distribution to the State's

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### More Information

Alcoholic Beverages Division: [abd.iowa.gov](http://abd.iowa.gov)  
LSA Staff Contact: Xavier Leonard (515.725.0509) [xavier.leonard@legis.iowa.gov](mailto:xavier.leonard@legis.iowa.gov)

1,700-plus Class E licensees. Weekly online liquor orders are filled at the warehouse, loaded onto tractor-trailers, and delivered by truck drivers employed by Ruan to retailers across Iowa.

### **Funding**

The ABD receives an annual appropriation from the State General Fund to cover administrative expenses.

### **Related Statutes and Administrative Rules**

Iowa Code chapter [123](#)

Iowa Administrative Code [185](#)

### **Budget Unit Number**

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