
BUDGET UNIT BRIEF – FY 2024

Fiscal Services Division

July 1, 2023



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Alcoholic Beverages Operations

Purpose

Alcoholic beverages operations are managed by the Iowa Department of Revenue (IDR). The IDR 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 control the sale and distribution of alcoholic beverages based on a three-tier system between manufacturers, wholesalers, and retailers. In addition, the IDR is responsible for the enforcement of State and federal laws and regulations regarding the sale and use of alcohol and tobacco products.

The IDR 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 IDR transfers all profits to the State General Fund, Executive Branch agencies, and cities and counties to support city, county, and State programs. Alcoholic beverages operations annually generate 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 IDR transfers additional funds to support Iowa beer, wine, and spirits promotion.

Iowa Alcoholic Beverages Commission

The Iowa Alcoholic Beverages Commission has five members, who are 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 alcoholic beverages operations 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 alcoholic beverages operations is located in Ankeny and provides work space for 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 1,700-plus Class "E" licensees. Weekly online liquor orders are filled at the warehouse, loaded onto tractor-trailers, and delivered by truck to retailers across Iowa.

Funding

The IDR receives an annual appropriation from the State General Fund to cover administrative expenses for alcoholic beverages operations.

More Information

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

Related Statutes and Administrative Rules

Iowa Code chapter [123](#)

Iowa Administrative Code [185](#)

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