

## CHAPTER 48

### ALCOHOLIC BEVERAGE CONTROL — BREWPUBS AND BEER MANUFACTURER ALTERNATING PROPRIETORSHIP ARRANGEMENTS

H.F. 478

**AN ACT** concerning alcoholic beverage control relating to brewpubs and alternating proprietorship arrangements for beer manufacturers.

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

Section 1. [Section 123.30, subsection 3](#), paragraph b, subparagraph (2), Code 2023, is amended by adding the following new subparagraph division:

NEW SUBPARAGRAPH DIVISION. (0d) The holder of a special class “C” retail alcohol license may also hold a special class “A” beer permit for the premises licensed under a special class “C” retail alcohol license for the purpose of operating a brewpub pursuant to [this chapter](#).

Sec. 2. [Section 123.130, subsection 4](#), Code 2023, is amended to read as follows:

4. *a.* All special class “A” premises shall be located within the state. A

*b.* Except as provided in paragraph “c”, a person who holds a special class “A” beer permit for the same location at which the person holds a class “C” or special class “C” retail alcohol license for the purpose of operating as a brewpub may manufacture and sell beer to be consumed on the premises, may sell beer at retail at the manufacturing premises for consumption off the premises, may sell beer to a class “A” beer permittee for resale purposes, and may sell beer to distributors outside of the state that are authorized by the laws of that jurisdiction to sell beer at wholesale.

*c.* A person who holds a special class “A” beer permit for the same location at which the person holds a class “C” or special class “C” retail alcohol license for the purpose of operating as a brewpub may manufacture beer under an alternating proprietorship arrangement as provided in [subsection 4A](#). However, the person may not sell beer to be consumed on the premises where manufactured or sell beer at retail for consumption off the premises where manufactured unless the person is also the holder of a class “C” or special class “C” retail alcohol license issued for the premises of the alternating proprietorship whose space and equipment is being used for the purpose of manufacturing beer.

*d.* The permit issued to holders of a special class “A” beer permit shall clearly state on its face that the permit is limited.

Sec. 3. [Section 123.130](#), Code 2023, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. *a.* For purposes of [this subsection](#), “*manufacturer*” includes only those persons who hold a class “A” or special class “A” beer permit and manufacture beer in Iowa.

*b.* Notwithstanding any provision of law to the contrary, a manufacturer may use the space and equipment of another manufacturer for the purpose of manufacturing beer, provided that such an alternating proprietorship arrangement has been approved by the alcohol and tobacco tax and trade bureau of the United States department of the treasury. A separate class “A” or special class “A” beer permit shall be issued to each manufacturer, and each manufacturer shall be subject to the provisions of [this chapter](#) and the rules of the department.

*c.* Notwithstanding any provision of law to the contrary, not more than one class “C” retail alcohol license or special class “C” retail license shall be issued to a premises with alternating proprietorships as authorized by [this subsection](#).

Approved April 28, 2023