

CHAPTER 31

ALCOHOLIC BEVERAGE CONTROL — DEFINITIONS, COMPLIANCE FOR FUTURE CONSUMPTION, LICENSE AUTHORIZATIONS, BOND REQUIREMENTS, AND FEES

H.F. 470

AN ACT relating to alcoholic beverages, including license authorizations, bond requirements, and fee determinations, and including effective date and applicability provisions.

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

DIVISION I

DEFINITIONS — LICENSE AUTHORIZATIONS — BOND REQUIREMENTS

Section 1. [Section 123.3, subsections 10 and 32](#), Code 2025, are amended to read as follows:

10. “*Canned cocktail*” means a mixed drink or cocktail, the alcohol component of which is primarily composed of alcoholic liquor, that is premixed and packaged in a metal can and contains more than one-half of one percent of alcohol by volume but not more than fifteen percent of alcohol by volume. A mixed drink or cocktail mixed and packaged in a metal can pursuant to [section 123.49, subsection 2](#), paragraph “d”, subparagraph (3), shall not be considered a canned cocktail.

32. “*Mixed drink or cocktail*” means an alcoholic beverage, composed in whole or in part of alcoholic liquor, wine, or beer, that is combined with other alcoholic beverages or nonalcoholic beverages or ingredients including but not limited to ice, water, soft drinks, or flavorings.

Sec. 2. [Section 123.30, subsection 1](#), paragraph a, Code 2025, is amended to read as follows:

a. A retail alcohol license may be issued to any person who is of good moral character as defined by [this chapter](#), the state of Iowa, or any state agency as defined in [section 669.2](#).

Sec. 3. [Section 123.30, subsection 3](#), paragraph b, subparagraph (2), subparagraph division (c), Code 2025, is amended to read as follows:

(c) The holder of a special class “C” retail alcohol license shall be authorized to sell wine and beer to patrons by the individual drink for consumption on the premises only. However, wine and beer in original unopened containers may also be sold for consumption off the premises. In addition, a mixed drink or cocktail that does not contain alcoholic liquor may be sold for consumption off the premises subject to the requirements of [section 123.49, subsection 2](#), paragraph “d”.

Sec. 4. [Section 123.30, subsection 4](#), Code 2025, is amended to read as follows:

4. Notwithstanding any provision of [this chapter](#) to the contrary, a person holding a retail alcohol license to sell alcoholic beverages for consumption on the licensed premises may permit a customer to remove one unsealed bottle of wine for consumption off the premises if the customer has purchased and consumed a portion of the bottle of wine on the licensed premises. The licensee or the licensee’s agent shall securely reseal such bottle in a bag designed so that it is visibly apparent that the resealed bottle of wine has not been tampered with and provide a dated receipt for the resealed bottle of wine to the customer. A wine bottle resealed pursuant to the requirements of [this subsection](#) is subject to the requirements of [sections 321.284 and 321.284A](#). ~~A person holding a retail alcohol license to sell alcoholic beverages for consumption on the licensed premises may permit a customer to carry an open container of wine from the person’s licensed premises into another immediately adjacent licensed premises that is covered by a license or permit that authorizes the consumption of wine, a temporarily closed public right-of-way, or a private place.~~

Sec. 5. [Section 123.30](#), Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 5. a. Notwithstanding any provision of [this chapter](#) to the contrary, a person holding a retail alcohol license to sell alcoholic beverages for consumption on the

licensed premises may permit a customer to carry an alcoholic beverage in an open container from the licensed premises to any of the following immediately adjacent locations:

(1) A licensed premises authorized to sell the same type of alcoholic beverage for consumption on the licensed premises.

(2) A temporarily closed public right-of-way.

(3) A private place.

b. The licensee of the immediately adjacent licensed premises, or owner of the immediately adjacent private place, may refuse to allow the customer to enter the licensed premises or private place with an alcoholic beverage in an open container.

Sec. 6. [Section 123.31, subsection 2](#), paragraphs b and c, Code 2025, are amended to read as follows:

b. That the applicant is a person of good moral character as provided in [section 123.3, subsection 40](#). This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in [section 669.2](#).

c. That the applicant is a citizen of the state of Iowa or, if a corporation, that the applicant is authorized to do business in the state. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in [section 669.2](#).

Sec. 7. [Section 123.31C, subsection 1](#), Code 2025, is amended to read as follows:

1. A person holding a special class “C” retail native wine license may sell beer and native wine only at retail for consumption on or off the premises. Sales of beer and native wine for consumption off the premises made pursuant to [this section](#) shall be made in original containers except as provided in [subsection 5](#). A sale of a mixed drink or cocktail that does not contain alcoholic liquor may be sold for consumption off the premises subject to the requirements of [section 123.49, subsection 2](#), paragraph “d”.

Sec. 8. [Section 123.43, subsection 2](#), paragraphs b and c, Code 2025, are amended to read as follows:

b. That the applicant is a person of good moral character as provided in [section 123.3, subsection 40](#). This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in [section 669.2](#).

c. That the applicant is a citizen of the state of Iowa or, if a corporation, that the applicant is authorized to do business in the state. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in [section 669.2](#).

Sec. 9. [Section 123.43](#), Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 5. For purposes of [this section](#), “premises”, in addition to premises as defined in [section 123.3](#), may include any of the following noncontiguous locations, provided that such noncontiguous locations are approved by the alcohol and tobacco tax and trade bureau of the United States department of the treasury:

a. Any number of locations which are only separated from the premises as defined in [section 123.3](#) by public waterways, roads, or carrier rights-of-way.

b. Any number of locations in the same general location as the premises as defined in [section 123.3](#).

c. An additional warehouse or warehouses, located somewhere other than on the premises as defined in [section 123.3](#) or a location described in paragraph “a” or “b”.

Sec. 10. [Section 123.49, subsection 2](#), paragraph d, subparagraphs (2), (3), and (4), Code 2025, are amended to read as follows:

(2) Mixed drinks or cocktails mixed on the premises that are not for immediate consumption may be consumed on the licensed premises subject to the requirements of this subparagraph pursuant to rules adopted by the department. as follows:

(a) The rules shall provide that the mixed drinks or cocktails shall be stored, for no longer than seventy-two hours, in the shortest period outlined in the minimum standards of the specific ingredients of the mixed drink or cocktail in the rules established by the department of inspections, appeals, and licensing to protect consumers from foodborne illness as described in [section 137F.2](#). A licensee who mixes, stores, and allows the consumption of

mixed drinks or cocktails that are not for immediate consumption shall comply with all applicable state and federal food safety laws and regulations.

(b) A mixed drink or cocktail that is not for immediate consumption shall be mixed, stored, and dispensed on the licensed premises from a labeled container in a quantity that does not exceed three gallons. The rules shall also provide that A mixed drink or cocktail, or portion thereof, not consumed within the time frame outlined in subparagraph division (a) is considered expired and must be destroyed. An expired mixed drink or cocktail shall not be added to an empty container and relabeled or added to another mixed drink or cocktail.

(i) A mixed drink or cocktail that is not for immediate consumption shall at all times be in a container compliant with applicable state and federal food safety laws and regulations. The mixed drink or cocktail shall be mixed and remain stored in the same container. The mixed drink or cocktail shall be removed from the stored container to compound and fulfill a mixed drink or cocktail order upon receipt of the order for the mixed drink or cocktail or for transfer into a pourable container. The pourable container shall have affixed a label compliant with subparagraph subdivision (ii) displaying label information identical to that on the container from which the contents were poured. The expiration date and time shall not be extended by the transfer of product to a pourable container. The mixed drink or cocktail may be strained into another container when the mixed drink or cocktail is returned without delay to the labeled container from which it was strained and the container and process are compliant with applicable state and federal food safety laws and regulations. An original container of alcoholic liquor or an original container of wine shall not be used to mix, store, or dispense a mixed drink or cocktail. The mixed drink or cocktail shall not be mixed, stored, or dispensed from a container bearing an alcoholic beverage name brand. A dispensing machine which contains a mixed drink or cocktail is subject to the requirements and restrictions of this subparagraph (2).

(ii) A label must be placed on a container when the contents of the mixed drink or cocktail are placed into the empty container. The label shall be affixed to the container in a conspicuous place. The label must legibly identify the month, day, year, and time the contents are placed into the empty container. The label must legibly identify the month, day, year, and time the contents expire. The label must legibly specify the title of the recipe used for the contents of the container. The label must legibly identify the person who prepared the contents of the container. The label must legibly identify the size of the batch within the container and be conspicuously marked with the words "CONTAINS ALCOHOL". The label shall be removed from the container once the entire contents have been consumed, transferred to a pourable container, or destroyed and disposed of in accordance with applicable law. A label shall not be reused, and a removed label shall not be reapplied to a container. A new label shall be placed on the container for each prepared batch of mixed drinks or cocktails that is not for immediate consumption.

(iii) A mixed drink or cocktail that is not for immediate consumption shall not include added flavors and other nonbeverage ingredients included in the mixed drinks or cocktails shall not include containing hallucinogenic substances or added caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine. The rules shall also require that the A licensee is limited to utilizing alcoholic beverages in the mixed drink or cocktail that are authorized by the retail alcohol license and obtained as prescribed by [this chapter](#).

(iv) The licensee shall keep records as to when the contents in each prepared batch of mixed drinks or cocktails are mixed in a particular container were mixed and the recipe used for that mixture. The records must include the month, day, year, and time the contents are placed into the empty container, each alcoholic beverage, including the brand and the amount utilizing the metric system, and each nonalcoholic ingredient placed in the container. The recipe must contain the title and directions for preparing the contents, the identity of the person who prepared the contents of the container, and the size of the batch. The records must include the month, day, year, and time the contents of the container are destroyed and disposed of, the identity of the person who destroyed and disposed of the contents, and the method of destruction and disposal, or a statement that the contents were entirely consumed. Records shall be maintained on the licensed premises for a period of three years and shall be open to inspection pursuant to [section 123.33](#).

(c) In addition, mixed drinks or cocktails mixed on the premises pursuant to this subparagraph (2) may be sold for consumption off the licensed premises as provided in and subject to the requirements of subparagraph (3).

(3) Mixed drinks or cocktails mixed on premises covered by a class “C” or special class “C” retail alcohol license, or a special class “C” retail native wine license, for consumption off the licensed premises may be sold if the mixed drink or cocktail is immediately filled in a sealed container and is promptly taken from the licensed premises prior to consumption of the mixed drink or cocktail. A mixed drink or cocktail that is sold in a sealed container in compliance with the requirements of this subparagraph and rules adopted by the department shall not be deemed an open container subject to the requirements of [sections 321.284 and 321.284A](#) if the sealed container is unopened and the seal has not been tampered with, and the contents of the container have not been partially removed.

(4) For purposes of this paragraph:

(a) “Immediate consumption” means the compounding and fulfillment of a mixed drink or cocktail order upon receipt of the order for the mixed drink or cocktail.

(b) “Sealed container” means a vessel containing a mixed drink or cocktail that is designed to prevent consumption without removal of a tamper-evident lid, cap, or seal. “Sealed container” does not include a container with a sipping hole or other opening for a straw, a cup made of plastic that is intended for one-time use, or a cup made of paper or polystyrene foam.

(c) “Tamper-evident” means a lid, cap, or seal that visibly demonstrates when a container has been opened.

Sec. 11. [Section 123.127, subsection 2](#), paragraphs b and c, Code 2025, are amended to read as follows:

b. That the applicant is a person of good moral character as provided in [section 123.3, subsection 40](#). This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in [section 669.2](#).

c. That the applicant is a citizen of the state of Iowa or, if a corporation, that the applicant is authorized to do business in the state. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in [section 669.2](#).

Sec. 12. [Section 123.127, subsection 2](#), paragraph g, Code 2025, is amended by striking the paragraph.

Sec. 13. [Section 123.175, subsection 2](#), paragraphs b and c, Code 2025, are amended to read as follows:

b. That the applicant is a person of good moral character as provided in [section 123.3, subsection 40](#). This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in [section 669.2](#).

c. That the applicant is a citizen of the state of Iowa or, if a corporation, that the applicant is authorized to do business in the state. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in [section 669.2](#).

Sec. 14. [Section 123.175, subsection 2](#), paragraph g, Code 2025, is amended by striking the paragraph.

Sec. 15. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION II LICENSE FEE DETERMINATION

Sec. 16. [Section 123.36, subsection 1](#), paragraph a, subparagraph (4), Code 2025, is amended to read as follows:

(4) For premises located outside the corporate limits of any city, a fee equal to that charged to for a premises with of the same square footage in the nearest incorporated city located nearest the premises to be licensed, as determined by the address assigned by the United

~~States postal service. If there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail. However, if the premises is located in an unincorporated town, for purposes of this paragraph, the unincorporated town shall be treated as if it is a city.~~

Sec. 17. [Section 123.36, subsection 1](#), paragraph c, subparagraph (4), Code 2025, is amended to read as follows:

(4) Commercial establishments located outside the corporate limits of any city, a fee equal to that charged in the incorporated city located nearest the premises to be licensed, ~~and in case there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail as determined by the address assigned by the United States postal service.~~ However, if a commercial establishment is located in an unincorporated town, for purposes of this paragraph, the unincorporated town shall be treated as if it is a city.

Sec. 18. [Section 123.36, subsection 1](#), paragraph d, subparagraph (4), Code 2025, is amended to read as follows:

(4) Commercial establishments located outside the corporate limits of any city, a fee equal to that charged in the incorporated city located nearest the premises to be licensed, ~~and in case there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail as determined by the address assigned by the United States postal service.~~ However, if a commercial establishment is located in an unincorporated town, for purposes of this paragraph, the unincorporated town shall be treated as if it is a city.

Sec. 19. [Section 123.36, subsection 1](#), paragraph g, subparagraph (4), Code 2025, is amended to read as follows:

(4) For premises located outside the corporate limits of any city, a fee equal to that charged ~~to for~~ a premises ~~with~~ of the same square footage in the nearest incorporated city ~~located nearest the premises to be licensed,~~ as determined by the address assigned by the United States postal service. ~~If there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail. However, if the premises is located in an unincorporated town, for purposes of this paragraph, the unincorporated town shall be treated as if it is a city.~~

Sec. 20. APPLICABILITY. This division of this Act applies to licenses issued or renewed on or after November 10, 2025. A license issued prior to that date and in effect on that date shall continue in full force and effect with the authority originally granted by the license until expiration or renewal.

Approved April 25, 2025