

123.3 Definitions.

As used in [this chapter](#), unless the context otherwise requires:

1. “*Air common carrier*” means a person engaged in transporting passengers for hire in interstate or foreign commerce by aircraft and operating regularly scheduled flights under a certificate of public convenience issued by the civil aeronautics board.

2. “*Alcohol*” means the product of distillation of any fermented liquor rectified one or more times, whatever may be the origin thereof, and includes synthetic ethyl alcohol.

3. “*Alcoholic beverage*” means any beverage containing more than one-half of one percent of alcohol by volume including alcoholic liquor, wine, and beer.

4. “*Alcoholic liquor*” means the varieties of liquor defined in [subsections 2 and 49](#) which contain more than six and twenty-five hundredths percent of alcohol by volume, beverages made as described in [subsection 6](#) which beverages contain more than six and twenty-five hundredths percent of alcohol by volume but which are not wine as defined in [subsection 53](#), high alcoholic content beer as defined in [subsection 22](#), or canned cocktails as defined in [subsection 10](#), and every other liquid or solid, patented or not, containing spirits and every beverage obtained by the process described in [subsection 53](#) containing more than twenty-one and twenty-five hundredths percent of alcohol by volume, and susceptible of being consumed by a human being, for beverage purposes. Alcohol manufactured in this state for use as fuel pursuant to an experimental distilled spirits plant permit or its equivalent issued by the federal bureau of alcohol, tobacco and firearms is not an “*alcoholic liquor*”.

5. “*Application*” means a written request for the issuance of a permit, license, or certificate that is supported by a verified statement of facts and submitted electronically, or in a manner prescribed by the director.

6. “*Beer*” means any liquid capable of being used for beverage purposes made by the fermentation of an infusion in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains or made by the fermentation of or by distillation of the fermented products of fruit, fruit extracts, or other agricultural products, containing more than one-half of one percent of alcohol by volume but not more than six and twenty-five hundredths percent of alcohol by volume.

7. “*Brewer*” means any person who manufactures beer for the purpose of sale, barter, exchange, or transportation.

8. “*Brewpub*” means a commercial establishment authorized to sell beer at retail for consumption on or off the premises that is operated by a person who holds a class “C” or special class “C” retail alcohol license and who also holds a special class “A” beer permit that authorizes the holder to manufacture and sell beer pursuant to [this chapter](#).

9. “*Broker*” means a person who represents or promotes alcoholic liquor within the state on behalf of the holder of a distiller’s certificate of compliance, a manufacturer’s license, or a class “A” native distilled spirits license. An employee of the holder of a distiller’s certificate of compliance, a manufacturer’s license, or a class “A” native distilled spirits license is not a broker.

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.

11. “*City*” means a municipal corporation but not including a county, township, school district, or any special purpose district or authority.

12. “*Club*” means any nonprofit corporation or association of individuals, which is the owner, lessee, or occupant of a permanent building or part thereof, membership in which entails the prepayment of regular dues and is not operated for a profit other than such profits as would accrue to the entire membership.

13. “*Commercial establishment*” means a place of business which is at all times equipped with sufficient tables and seats to accommodate twenty-five persons at one time, and the licensed premises of which conform to the standards and specifications of the department.

14. “*Commission*” means the alcoholic beverages commission established by [this chapter](#).
15. “*Completed application*” means an application where all necessary fees have been paid in full, any required bonds have been submitted, the applicant has provided all information requested by the department, and the application meets the requirements of [section 123.92, subsection 2](#), if applicable.
16. “*Department*” means the department of revenue.
17. “*Designated security employee*” means an agent, contract employee, independent contractor, servant, or employee of a licensee or permittee who works in a security position in any capacity at a commercial establishment licensed or permitted under [this chapter](#).
18. “*Director*” means the director of the department of revenue or the director’s designee.
19. “*Distillery*”, “*winery*”, and “*brewery*” mean not only the premises where alcohol or spirits are distilled, wine is fermented, or beer is brewed, but in addition mean a person owning, representing, or in charge of such premises and the operations conducted there, including the blending and bottling or other handling and preparation of alcoholic liquor, wine, or beer in any form.
20. “*Grape brandy*” means brandy produced by the distillation of fermented grapes or grape juice.
21. “*Grocery store*” means any retail establishment, the business of which consists of the sale of food, food products, or beverages for consumption off the premises.
22. “*High alcoholic content beer*” means beer which contains more than six and twenty-five hundredths percent of alcohol by volume, but not more than nineteen percent of alcohol by volume, that is made by the fermentation of an infusion in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains. Not more than one and five-tenths percent of the volume of a “*high alcoholic content beer*” may consist of alcohol derived from added flavors and other nonbeverage ingredients containing alcohol. The added flavors and other nonbeverage ingredients may not include added caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine.
23. “*Hotel*” or “*motel*” means premises licensed by the department of inspections, appeals, and licensing and regularly or seasonally kept open in a bona fide manner for the lodging of transient guests, and with twenty or more sleeping rooms.
24. “*Import*” means the transporting or ordering or arranging the transportation of alcoholic liquor, wine, or beer into this state whether by a resident of this state or not.
25. “*Importer*” means the person who transports or orders, authorizes, or arranges the transportation of alcoholic liquor, wine, or beer into this state whether the person is a resident of this state or not.
26. The terms “*in accordance with the provisions of this chapter*”, “*pursuant to the provisions of this title*”, or similar terms shall include all rules and regulations of the department adopted to aid in the administration or enforcement of those provisions.
27. “*Institutional investor*” means a person who maintains a diversified portfolio of investments through a state or federally chartered bank, a mutual fund, a retirement plan or account created by an employer, the person, or another individual to provide retirement benefits or deferred compensation to the person, a private investment firm, or a holding company publicly traded on the New York stock exchange, the American stock exchange, or NASDAQ stock market and who has a majority of investments in businesses other than businesses that manufacture, bottle, wholesale, or sell at retail alcoholic beverages.
28. “*Legal age*” means twenty-one years of age or more.
29. “*Licensed premises*” or “*premises*” means all rooms, enclosures, contiguous areas, or places susceptible of precise description satisfactory to the director where alcoholic beverages, wine, or beer is sold or consumed under authority of a retail alcohol license, wine permit, or beer permit. A single licensed premises may consist of multiple rooms, enclosures, areas, or places if they are wholly within the confines of a single building or contiguous grounds.
30. “*Local authority*” means the city council of any incorporated city in this state, or the county board of supervisors of any county in this state, which is empowered by [this chapter](#) to approve or deny applications for retail alcohol licenses; empowered to recommend that

such licenses be granted and issued by the department; and empowered to take other actions reserved to them by [this chapter](#).

31. “*Manufacture*” means to distill, rectify, ferment, brew, make, mix, concoct, or process any substance capable of producing a beverage containing more than one-half of one percent of alcohol by volume and includes blending, bottling, or the preparation for sale.

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.

33. “*Native brewery*” means a business which manufactures beer or high alcoholic content beer and is operated by a person who holds a class “A” beer permit that authorizes the holder to manufacture and sell beer pursuant to [this chapter](#).

34. “*Native distilled spirits*” means spirits fermented, distilled, or, for a period of two years, barrel matured on the licensed premises of the native distillery where fermented, distilled, or matured. “*Native distilled spirits*” also includes blended or mixed spirits comprised solely of spirits fermented, distilled, or, for a period of two years, barrel matured at a native distillery.

35. “*Native distillery*” means a business with an operating still which produces and manufactures native distilled spirits.

36. “*Native wine*” means wine manufactured pursuant to [section 123.176](#) by a manufacturer of native wine.

37. “*Package*” means any container or receptacle used for holding alcoholic liquor.

38. “*Permit*” or “*license*” means an express written authorization issued by the department for the manufacture or sale, or both, of alcoholic liquor, wine, or beer.

39. “*Person*” means any individual, association, or partnership, any corporation, limited liability company, or other similar legal entity, any club, hotel or motel, or any municipal corporation owning or operating a bona fide airport, marina, park, coliseum, auditorium, or recreational facility in or at which the sale of alcoholic liquor, wine, or beer is only an incidental part of the ownership or operation.

40. “*Person of good moral character*” means any person who meets all of the following requirements:

a. The person has such financial standing and good reputation as will satisfy the director that the person will comply with [this chapter](#) and all laws, ordinances, and regulations applicable to the person’s operations under [this chapter](#). However, the director shall not require the person to post a bond to meet the requirements of this paragraph.

b. The person is not prohibited by [section 123.40](#) from obtaining a retail alcohol license or a wine or beer permit.

c. Notwithstanding paragraph “e”, the applicant is a citizen of the United States and a resident of this state, or licensed to do business in this state in the case of a corporation. Notwithstanding paragraph “e”, in the case of a partnership, only one general partner need be a resident of this state.

d. The person has not been convicted of a felony. However, if the person’s conviction of a felony occurred more than five years before the date of the application for a license or permit, and if the person’s rights of citizenship have been restored by the governor, the director may determine that the person is of good moral character notwithstanding such conviction.

e. The requirements of [this subsection](#) apply to the following:

(1) Each of the officers, directors, and partners of such person.

(2) A person who directly or indirectly owns or controls ten percent or more of any class of stock of such person.

(3) A person who directly or indirectly has an interest of ten percent or more in the ownership or profits of such person.

41. “*Pharmacy*” means a drug store in which drugs and medicines are exposed for sale and sold at retail, or in which prescriptions of licensed physicians and surgeons, dentists, prescribing psychologists, or veterinarians are compounded and sold by a registered pharmacist.

42. “*Private place*” means a location which, at the time alcoholic beverages are kept, dispensed, or consumed, meets all of the following criteria:

a. The general public does not have access to the location and attendees are limited to bona fide social hosts and invited guests.

b. The location is not of a commercial nature.

c. Goods or services are neither sold nor purchased at the location.

d. The location is not a licensed premises.

e. Admission fees or other kinds of entrance fees, fare, ticket, donation or charges are not made or are required of the invited guests to enter the location.

43. “*Public place*” means any place, building, or conveyance to which the public has or is permitted access.

44. “*Residence*” means the place where a person resides, permanently or temporarily.

45. “*Retail alcohol license*” means a class “B”, class “C”, special class “C”, class “D”, class “E”, or class “F” retail alcohol license, or a special class “B” or special class “C” retail native wine license issued under [this chapter](#).

46. “*Retailer*” means any person who shall sell, barter, exchange, offer for sale, or have in possession with intent to sell any alcoholic liquor, wine, or beer for consumption either on or off the premises where sold.

47. The prohibited “*sale*” of alcoholic liquor, wine, or beer under [this chapter](#) includes soliciting for sales, taking orders for sales, keeping or exposing for sale, delivery or other trafficking for a valuable consideration promised or obtained, and procuring or allowing procurement for any other person.

48. “*School*” means a public or private school or that portion of a public or private school which provides facilities for teaching any grade from kindergarten through grade twelve.

49. “*Spirits*” means any beverage which contains alcohol obtained by distillation mixed with drinkable water and other substances in solution, including, but not limited to, brandy, rum, whisky, and gin.

50. “*Unincorporated town*” means a compactly populated area recognized as a distinct place with a distinct place-name which is not itself incorporated or within the corporate limits of a city.

51. “*Warehouse*” means any premises or place primarily constructed or used or provided with facilities for the storage in transit or other temporary storage of perishable goods or for the conduct of normal warehousing business.

52. “*Wholesaler*” means any person, other than a vintner, brewer or bottler of beer or wine, who shall sell, barter, exchange, offer for sale, have in possession with intent to sell, deal or traffic in alcoholic liquor, wine, or beer. A wholesaler shall not sell for consumption upon the premises.

53. “*Wine*” means any beverage containing more than six and twenty-five hundredths percent of alcohol by volume but not more than twenty-one and twenty-five hundredths percent of alcohol by volume obtained by the fermentation of the natural sugar contents of fruits or other agricultural products but excluding any product containing alcohol derived from malt or by the distillation process from grain, cereal, molasses, or cactus.

[C35, §1921-f5, 1921-f97; C39, §1921.005, 1921.096; C46, 50, 54, 58, 62, 66, 71, §123.5, 124.2; C73, 75, 77, 79, 81, §123.3; 81 Acts, ch 55, §1]

85 Acts, ch 32, §5 – 8; 86 Acts, ch 1122, §2 – 4; 86 Acts, ch 1246, §724, 725; 88 Acts, ch 1088, §1; 88 Acts, ch 1241, §1; 89 Acts, ch 161, §1; 93 Acts, ch 91, §1; 94 Acts, ch 1017, §1; 97 Acts, ch 126, §1; 2000 Acts, ch 1201, §1; 2003 Acts, ch 143, §1, 2, 17; 2005 Acts, ch 13, §1; 2006 Acts, ch 1032, §1; 2006 Acts, ch 1185, §118; 2010 Acts, ch 1031, §87, 88, 96; 2011 Acts, ch 17, §1 – 3, 17; 2011 Acts, ch 30, §2; 2013 Acts, ch 35, §1, 24; 2014 Acts, ch 1092, §27; 2016 Acts, ch 1112, §1; 2017 Acts, ch 119, §1, 39; 2018 Acts, ch 1060, §1 – 3; 2019 Acts, ch 8, §1; 2019 Acts, ch 107, §1, 2, 6; 2019 Acts, ch 113, §1, 2; 2021 Acts, ch 155, §1; 2022 Acts, ch 1099, §16 – 19, 88; 2023 Acts, ch 19, §1872, 2351 – 2354; 2023 Acts, ch 157, §1; 2025 Acts, ch 31, §1, 15

Referred to in §7D.16, 99F.4, 123.31, 123.31A, 123.32, 123.35, 123.43, 123.127, 123.130, 123.175, 123A.2, 142D.2, 455B.301, 455C.1, 455C.5, 455C.16

Subsections 10 and 32 amended