

123.32 Action by local authorities and department on applications for retail alcohol licenses, native distilled spirits licenses, and wine and beer permits.

1. *Filing of application.*

a. A completed application for a retail alcohol license as provided in [section 123.31](#), except a class “D” retail alcohol license, shall be filed with the appropriate city council if the premises for which the license is sought are located within the corporate limits of a city, or with the board of supervisors if the premises for which the license is sought are located outside the corporate limits of a city.

b. A completed application for a class “D” retail alcohol license and for any of the following certificates, licenses, or permits shall be submitted to the department electronically, or in a manner prescribed by the director, which shall proceed in the same manner as in the case of an application approved by local authorities:

- (1) A certificate of compliance as provided in [sections 123.23](#), [123.135](#), and [123.180](#).
- (2) A class “D” retail alcohol license as provided in [section 123.31](#).
- (3) A manufacturer’s license as provided in [section 123.41](#).
- (4) A broker’s permit as provided in [section 123.42](#).
- (5) A class “A” native distilled spirits license as provided in [section 123.43](#).
- (6) A class “A” or special class “A” beer permit as provided in [section 123.127](#).
- (7) A charity beer, spirits, and wine special event license as provided in [section 123.173A](#).
- (8) A class “A” wine permit as provided in [section 123.175](#).
- (9) A wine direct shipper’s permit as provided in [section 123.187](#).
- (10) A wine carrier permit as provided in [section 123.188](#).
- (11) A wine auction permit as provided in [section 123.173C](#).

2. *Action by local authorities.* The local authority shall either approve or disapprove the issuance of a retail alcohol license, shall endorse its approval or disapproval on the application, and shall forward the application with the necessary fee and bond, if required, to the department. There is no limit upon the number of retail alcohol licenses which may be approved for issuance by local authorities.

3. *Licensed premises for local events.* A local authority may define, by motion of the local authority, licensed premises which shall be used by holders of retail alcohol licenses at festivals, fairs, or celebrations which are sponsored or authorized by the local authority. The licensed premises defined by motion of the local authority shall be used by the holders of five-day or fourteen-day class “C”, special class “C”, class “D”, or class “F” retail alcohol licenses.

4. *Security employee training.* A local authority, as a condition of obtaining and holding a license for on-premises consumption, may require a designated security employee as defined in [section 123.3](#) to be trained and certified in security methods. The training shall include but is not limited to de-escalation techniques, anger management techniques, civil rights or unfair practices awareness as provided in [section 216.7](#), recognition of fake or altered identification, information on laws applicable to the serving of alcohol at a licensed premises, use of force and techniques for safely removing patrons, and instruction on the proper physical restraint methods used against a person who has become combative.

5. *Occupancy rates.* A local authority located in a county with a population that exceeds three hundred thousand persons, as a condition of obtaining and holding a license for on-premises consumption, shall require the applicant or licensee to provide, and update if necessary, the occupancy rate of the licensed premises.

6. *Action by director.*

a. Upon receipt of an application having been disapproved by the local authority, the director shall notify the applicant that the applicant may appeal the disapproval of the application to the director. The applicant shall be notified by certified mail or personal service, and the application, the fee, and any bond shall be returned to the applicant.

b. Upon receipt of an application having been approved by the local authority, the department shall make an investigation as the director deems necessary to determine that the applicant complies with all requirements for holding a license, and may require the applicant to appear to be examined under oath to demonstrate that the applicant complies

with all of the requirements to hold a license. If the director requires the applicant to appear and to testify under oath, a record shall be made of all testimony or evidence and the record shall become a part of the application. The director may appoint a member of the department or may request an administrative law judge of the department of inspections, appeals, and licensing to receive the testimony under oath and evidence, and to issue a proposed decision to approve or disapprove the application for a license. The director may affirm, reverse, or modify the proposed decision to approve or disapprove the application for the license. If the application is approved by the director, the license shall be issued. If the application is disapproved by the director, the applicant shall be so notified by certified mail or personal service and the appropriate local authority shall be notified electronically, or in a manner prescribed by the director.

7. *Appeal to director.* An applicant for a retail alcohol license may appeal from the local authority's disapproval of an application for a license to the director. In the appeal the applicant shall be allowed the opportunity to demonstrate in an evidentiary hearing conducted pursuant to [chapter 17A](#) that the applicant complies with all of the requirements for holding the license. The director may appoint a member of the department or may request an administrative law judge from the department of inspections, appeals, and licensing to conduct the evidentiary hearing and to render a proposed decision to approve or disapprove the issuance of the license. The director may affirm, reverse, or modify the proposed decision. If the director determines that the applicant complies with all of the requirements for holding a license, the director shall order the issuance of the license. If the director determines that the applicant does not comply with the requirements for holding a license, the director shall disapprove the issuance of the license.

8. *Judicial review.* The applicant or the local authority may seek judicial review of the action of the director in accordance with the terms of the Iowa administrative procedure Act, [chapter 17A](#). Notwithstanding the terms of the Iowa administrative procedure Act, [chapter 17A](#), petitions for judicial review may be filed in the district court of the county where the premises covered by the application are situated.

9. *Suspension by local authority.* A retail alcohol licensee whose license has been suspended or revoked or a civil penalty imposed by a local authority for a violation of [this chapter](#) or suspended by a local authority for violation of a local ordinance may appeal the suspension, revocation, or civil penalty to the director. The director may appoint a member of the department or may request an administrative law judge from the department of inspections, appeals, and licensing to hear the appeal which shall be conducted in accordance with [chapter 17A](#) and to issue a proposed decision. The director may review the proposed decision upon the motion of a party to the appeal or upon the director's own motion in accordance with [chapter 17A](#). Upon review of the proposed decision, the director may affirm, reverse, or modify the proposed decision. A retail alcohol licensee or a local authority aggrieved by a decision of the director may seek judicial review of the decision pursuant to [chapter 17A](#).

[C35, §1921-f27; C39, §1921.027; C46, 50, 54, 58, 62, 66, 71, §123.27; C73, 75, 77, 79, 81, §123.32]

85 Acts, ch 32, §23; 86 Acts, ch 1246, §743; 88 Acts, ch 1088, §4; 89 Acts, ch 161, §7; 90 Acts, ch 1177, §1; 91 Acts, ch 97, §22; 93 Acts, ch 91, §10 – 12; 2000 Acts, ch 1201, §3; 2003 Acts, ch 44, §114; 2003 Acts, ch 143, §3, 17; 2005 Acts, ch 13, §2; 2008 Acts, ch 1166, §1; 2009 Acts, ch 137, §1; 2010 Acts, ch 1031, §83; 2013 Acts, ch 35, §4; 2016 Acts, ch 1008, §4; 2017 Acts, ch 119, §7, 41; 2018 Acts, ch 1060, §13; 2019 Acts, ch 113, §15; 2020 Acts, ch 1114, §1; 2022 Acts, ch 1099, §28, 88; 2023 Acts, ch 19, §1876, 1877, 2388, 2389; 2023 Acts, ch 66, §24; 2024 Acts, ch 1088, §1

Referred to in §123.39, 331.303