

CHAPTER 1000
GENERAL REQUIREMENTS

Chapter rescission date pursuant to Iowa Code section 17A.7: 5/7/30

701—1000.1(123) Definitions.

“*Department*” means the department of revenue.

“*Director*” means the director of the department of revenue or the director’s designee.

This rule is intended to implement Iowa Code sections 123.3 and 123.4.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.2(123) Requirements. All applicants for licenses, permits, or certificates of compliance are subject to the following requirements, where applicable, prior to receiving a new or renewed license, permit, or certificate of compliance.

1000.2(1) *Cleanliness of premises.* The interior and exterior of the licensed premises shall be kept clean, free of litter or rubbish, painted and in good repair. Licensees and permittees shall at all times keep and maintain their respective premises in compliance with all laws, orders, rules, and ordinances of the state, county, and local authority, including but not limited to the applicable health and fire regulations.

1000.2(2) *Toilet facilities.* All licensees who mix, serve, or sell alcoholic beverages for consumption on the licensed premises shall provide for their patrons adequate, conveniently located indoor or outdoor toilet facilities. Compliance with county; city; and department of inspections, appeals, and licensing rules and regulations regarding toilet facilities, including any waivers granted by those authorities, shall constitute compliance with this rule. Outdoor toilet facilities shall be approved by the department of inspections, appeals, and licensing and the local authority where the licensed premises is located.

1000.2(3) *Water.* All licensed premises shall be equipped with hot and cold running water from a source approved by an authorized health department.

1000.2(4) *Financial standing and reputation.* A local authority or the director may consider an applicant’s financial standing and good reputation in addition to the other requirements and conditions for obtaining a license, permit, or certificate of compliance. An application for a license, permit, or certificate of compliance is subject to denial by the director or local authority if the applicant fails to demonstrate that the applicant complies with the lawful requirements and conditions for holding the license, permit, or certificate of compliance.

a. In evaluating an applicant’s “financial standing,” the local authority or the director may consider such factors as but not limited to the following:

(1) Verified source(s) of financial support and adequate operating capital for the applicant’s proposed establishment.

(2) A record of timely submission of all required federal, state, or local tax returns or forms and prompt payment of all taxes due.

(3) A record of prompt payment to the local authority of fees or charges made by a local authority for municipal utilities or other municipal services incurred in conjunction with the proposed establishment.

(4) A record of prompt payment or satisfaction of administrative penalties imposed pursuant to Iowa Code chapter 123.

(5) A record of maintaining, and providing prompt payment for, dramshop liability insurance coverage as required pursuant to Iowa Code chapter 123.

(6) A record of prompt payment for license, permit, or certificate fees.

(7) A record of prompt payment for alcoholic liquor orders placed with the department.

b. In evaluating an applicant’s “good reputation,” the local authority or the director may consider such factors as but not limited to the following:

(1) A pattern or practice of sales of alcoholic beverages to persons under the legal age for which the licensee, or the licensee’s agents or employees, have pled or have been found guilty.

(2) A pattern or practice by the licensee or permittee, or the licensee's or permittee's agents or employees, of violating alcoholic beverages laws and regulations for which corrective action has been taken since the previous license or permit was issued.

(3) Sales to intoxicated persons.

(4) Licensee or permittee convictions for violations of laws relating to operating a motor vehicle while under the influence of drugs or alcohol and the recency of such convictions.

(5) Licensee or permittee misdemeanor convictions and the recency of such convictions.

(6) A pattern or practice by the licensee or permittee, or the licensee's or permittee's agents or employees, of failing to cooperate with the department of public safety, the department, the county attorney, the county sheriff and sheriff's deputies, the city police department, or the city attorney.

(7) A pattern or practice by the licensee of violating local ordinances established by the local authority pursuant to Iowa Code section 123.39(2).

(8) A pattern or practice by the licensee of failing to report any change in the ownership or interest of the business pursuant to Iowa Code section 123.39(1) "b"(3).

c. In addition to other reasons specified by statute or rule, the department may refuse to issue a license or permit or may revoke, suspend, or not renew any license or permit for which it has jurisdiction if the centralized collection unit of the department has issued a certificate of noncompliance pursuant to the procedures set forth in Iowa Code chapter 272D.

This rule is intended to implement Iowa Code sections 123.3(40), 123.10(11), and 272D.8(2).

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.3(123) Display of license, permit, or placards. All licenses, permits, or placards issued by the department must be prominently displayed in full view on the licensed premises.

This rule is intended to implement Iowa Code sections 123.4 and 123.30.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.4(123) Determination of population. Decennial censuses and special censuses done by the U.S. Census Bureau are recognized as being the official population of a town for the purpose of deciding the price of licenses in that town, but estimates done by the U.S. Census Bureau cannot be viewed as being the official population when deciding the price of licenses.

This rule is intended to implement Iowa Code section 123.10(11).

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.5(123) Local ordinances permitted. The foregoing rules shall in no way be construed as to prevent any county, city or town from adopting more restrictive ordinances or regulations governing licensed establishments within their jurisdiction.

This rule is intended to implement Iowa Code section 123.39.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.6(123) Licensed premises.

1000.6(1) Criteria. The following criteria must be met before a "place" (as used in Iowa Code section 123.3(29)) may be licensed as a "place susceptible of precise description satisfactory to the director."

a. The place must be owned by or under the control of the prospective licensee or permittee for the entire duration of the applied-for license or permit.

b. The place must be solely within the jurisdiction of one local approving authority.

c. The place must be described by a sketch of the "premises" as defined in Iowa Code section 123.3(29) and showing the boundaries of the proposed place; showing the locations of selling/serving areas within the confines of the place; showing all entrances and exits; and indicating the measurements of the place.

d. The place must satisfy the health, safety, fire and seating requirements of the department, local authorities, and the department of inspections, appeals, and licensing.

e. Any other criteria as required by the director.

1000.6(2) Definitions.

"Separate premises" means:

1. A clearly defined area bounded on all sides and connecting angles by permanent, solid walls or windows extending from the floor to the ceiling, with entrances and exits that can be closed.
2. The entrances and exits shall not adjoin or provide direct access to an establishment licensed under this chapter for the sale of alcoholic beverages for consumption on the premises.
3. This term describes how holders of other retail alcohol licenses may establish a class “E” retail alcohol licensed establishment at the same physical address as their other licensed establishment.
4. The separate premises must operate independently from other licensed premises, including but not limited to:
 - Maintaining a separate inventory;
 - Using a separate cash register; and
 - Keeping separate books and records.

“*Square footage of the licensed premises*” means the total interior floor area of the establishment, measured in square feet. This includes all spaces within the establishment used or to be used for:

1. Storage of alcoholic beverages;
2. Distribution of alcoholic beverages;
3. Warehousing of alcoholic beverages;
4. Display of alcoholic beverage products;
5. Wholesale operations;
6. Retail sales area; and
7. Any other spaces used in the operation of the licensed business.

This rule is intended to implement Iowa Code sections 123.3(29), 123.4, and 123.30.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.7(123) Outdoor service. Any on-premises retail alcohol licensee with a discernible, contiguous, outdoor area on the same property may apply for an outdoor service privilege. An outdoor service privilege allows an on-premises licensee to sell or serve the type of alcoholic beverage permitted by the license in an outdoor area. The privilege is an extension of a licensed premises outlined under rule 701—1000.6(123). The department may grant an outdoor service privilege once the licensee provides:

1. A new sketch showing the discernible outdoor area, including a contiguous entrance.
2. Local authority approval of the outdoor area.
3. Insurance company acknowledgment that the outdoor area is covered by the dramshop insurance policy.
4. Any other information deemed necessary by the director.

This rule is intended to implement Iowa Code sections 123.3(29), 123.4, and 123.38.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.8(123) Transfer of license or permit to another location.

1000.8(1) Transfer conditions. A retail alcohol license, wine permit, or beer permit may be transferred within the jurisdiction of the local authority that approved the license or permit. A licensee or permittee is only allowed to sell or serve alcoholic beverages at the transferred license or permit location once approved by the department. Sales and service at the original location must stop during the time of the license/permit transfer. Seasonal, 14-day, and 5-day retail alcohol licenses cannot be transferred.

1000.8(2) Transfer applications.

- a. A licensee or permittee may apply for a permanent or temporary transfer by providing:
 - (1) A new sketch showing the premises to be licensed.
 - (2) Proof of control by the licensee of the premises to be licensed.
 - (3) Any other information deemed necessary by the director.
- b. The application must be approved by the local authority and the department prior to the transfer.
- c. The insurance company holding the dramshop policy listing the new address must endorse the application prior to the transfer, if applicable.
- d. If a permanent transfer is approved, the department will issue an amended license or permit showing the new permanent address. If a temporary transfer is approved, the department will issue a letter of authorization to the local authority and licensee or permittee showing the new temporary address.

This rule is intended to implement Iowa Code sections 123.4 and 123.38.
[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.9(123) Age requirements. Persons 21 years of age or older may hold a retail alcohol license, wine permit, or beer permit. Persons 16 years of age and older may sell alcoholic beverages in off-premises establishments.

This rule is intended to implement Iowa Code sections 123.30 and 123.49.
[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.10(123) Persons under the legal age in licensed establishments. A person under 21 years of age may be in a licensed establishment if the local authority does not have a local ordinance prohibiting said persons from being in licensed establishments in its jurisdiction.

This rule is intended to implement Iowa Code sections 123.3(28) and 123.10(5).
[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.11(123) Use of establishment during hours alcoholic beverages cannot be consumed. A retail alcohol licensed establishment may be used as a restaurant or for any other lawful purpose during the hours in which alcoholic beverages are not allowed to be sold, dispensed, or consumed.

This rule is intended to implement Iowa Code section 123.49.
[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.12(123) Improper conduct.

1000.12(1) *Illegality on premises.* A retail alcohol licensee, or the licensee's agent or employee, must not engage in or knowingly allow any illegal occupation or illegal act on the licensed premises.

1000.12(2) *Cooperation with law enforcement officers.* A retail alcohol licensee, or the licensee's agent or employee, must not refuse, fail, or neglect to cooperate with any law enforcement officer in the performance of such officer's duties to enforce the provisions of the alcoholic beverage control Act.

1000.12(3) *Open containers of alcoholic liquor.* A class "C," class "D," class "E," or class "F" retail alcohol licensee, or the licensee's agent or employee, must not allow any open or unsealed containers of alcoholic liquor to be taken off the licensed premises, excluding mixed drinks or cocktails pursuant to Iowa Code section 123.49(2)"d"(3).

1000.12(4) *Identifying markers.* A licensee shall not keep on the licensed premises nor use for resale alcoholic liquor that does not bear identifying markers as prescribed by the director.

This rule is intended to implement Iowa Code section 123.49(2).
[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.13(123) Change of ownership of a licensed premises—new license or permit required.

1000.13(1) A new license or permit, a new bond, and a new dramshop policy, as applicable, need to be obtained whenever one of the following occurs:

- a. When a business is sold or leased to another person.
- b. When a licensee or permittee changes to another form of business, such as a sole proprietorship to a corporation, a corporation to a sole proprietorship, a sole proprietorship to a partnership, a partnership to a sole proprietorship, a partnership to a corporation, or a corporation to a partnership.
- c. When a partner leaves a partnership or when a new partner is added to a partnership.
- d. When a corporation name is changed due to a merger or is voluntarily changed by its owners.
- e. Each time an entity obtains a seasonal or 5- or 14-day license.
- f. When a receiver takes over the operation of an establishment.

1000.13(2) A new license or permit is not necessary:

- a. When only the trade name of the business is changed.
- b. When the stock of a corporation holding a license or permit is sold. The new owner or owners and the amount of stock held by each need to be submitted to the department electronically or in a manner prescribed by the director.

c. When a name of a licensee or permittee is changed by marriage, divorce, or other legal proceeding. Proof of the legal name change needs to be submitted to the department electronically or in a manner prescribed by the director.

This rule is intended to implement Iowa Code sections 123.4, 123.10, 123.31, and 123.49.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.14(123) Dramshop liability insurance requirements. For the purpose of providing proof of financial responsibility, as required under the provisions of Iowa Code section 123.92, a dramshop liability insurance policy must meet the following requirements:

1000.14(1) Requirements.

a. *Proof of coverage—current certificate required.* The dramshop liability certificate of insurance must be issued by a company holding a current certificate of authority from the Iowa insurance commissioner authorizing the company to issue dramshop liability insurance in Iowa. A new dramshop liability certificate of insurance must be provided in the manner designated by the director each time the department issues a license. The dramshop liability certificate of insurance must contain the following information:

- (1) The name of the insurance provider.
- (2) The policy number.
- (3) The name and address of the insured.
- (4) The policy effective dates.
- (5) The license number of the insured, if applicable.

b. *Dates of coverage.*

(1) If dramshop liability insurance coverage is required as a condition of the license under Iowa Code section 123.92, the applicant or licensee must have and maintain dramshop liability insurance that covers the entire license term.

(2) If an applicant or licensee has proof of a dramshop liability insurance policy that does not cover the entire license term, the applicant or licensee will be required to provide, prior to the policy's expiration date, proof that the policy has been renewed and coverage will continue or proof that a new policy meeting the necessary requirements has been obtained.

c. *Electronic attestation.* The applicant or licensee must agree as a condition of license issuance that the applicant has read and will abide by all of the dramshop liability insurance requirements set forth in Iowa Code chapter 123 and this rule. The applicant or licensee understands that failure to adhere to these rules means the applicant no longer possesses the statutory requirement for licensure and the applicant's license may be suspended or canceled. The burden is upon the applicant or licensee to ensure that the department has on file valid proof of dramshop liability insurance.

d. *Electronic verification/endorsement by an authorized insurance representative.* An authorized representative of the insurance carrier providing dramshop liability insurance for the applicant or licensee must electronically register with the department. The insurer must electronically provide verification of coverage and notice of cancellation or expiration in accordance with the Iowa Code and this rule. Upon request, an insurance company or an insured applicant or licensee must provide a duplicate original of the policy and all pertinent endorsements.

1000.14(2) Minimum coverage required. The dramshop liability insurance policy must provide the following minimum liability coverage, exclusive in interests and cost of action, per occurrence:

- a. Fifty thousand dollars for bodily injury to or death of one person in each claim or occurrence.
- b. One hundred thousand dollars for bodily injury to or death of two or more persons in each occurrence.
- c. Twenty-five thousand dollars for loss of means of support of any one person in each occurrence.
- d. Fifty thousand dollars for loss of means of support of two or more persons in each occurrence.

1000.14(3) Permitted policies. All dramshop liability insurance policies issued under this rule must be occurrence-based policies, not claims-made-based policies.

a. *Claims-made-based policies.* Claims-made-based policies provide liability coverage only if a written claim is made during the policy period, or any applicable extended reporting period.

b. Occurrence-based policies. Occurrence-based policies provide liability coverage only for injuries or damages that occur during the policy period regardless of the number of written claims made.

1000.14(4) Civil tort liability. Subject to the ordinary or customary exclusions usually found in a policy of dramshop liability insurance, the policy must contain coverage to insure against civil tort liability of the insured, created under Iowa Code sections 123.92, 123.93, and 123.94.

1000.14(5) Assault and battery policy requirement. Any dramshop liability insurance policy issued under this rule must not contain an exclusionary clause for assault and battery or intentional force with regard to:

- a.* Employees, agents, or any person acting as an agent of the establishment.
- b.* All patrons or visitors to the establishment.

1000.14(6) Single insurance policies for multiple establishments. Any licensee that holds multiple licenses throughout the state may purchase a single dramshop liability insurance policy for all locations provided that:

- a.* The single dramshop liability insurance policy provides at least the minimum level of coverage required under this rule for each and every location covered by the policy.
- b.* All other provisions of this rule are met by the single dramshop liability insurance policy.

1000.14(7) Change of coverage by licensee. A licensee may change its dramshop liability insurer at any time, but the duty is upon the licensee to provide proof of its new insurer as set out in this rule. Additionally, the licensee must maintain dramshop liability insurance coverage with no gaps in its coverage.

1000.14(8) Cancellation of coverage by insurer.

a. An insurance company may cancel a dramshop liability insurance policy by giving a minimum of 30 days' prior notice in writing or electronically to the department of the party's intent to cancel the policy. The 30-day period will begin on the date that the notice of cancellation is received by the department. The dramshop insurance company must also mail a copy of the notice of cancellation to its insured licensee.

b. The insurance company's notice of cancellation must contain the following information:

- (1) The name of the party to whom the copy of the notice of cancellation was mailed and, if different, the name of the affected licensee;
- (2) The address to which the copy of the notice of cancellation was sent and, if different, the address of the affected licensee;
- (3) The date on which the notice of cancellation was mailed;
- (4) The date the dramshop liability insurance policy is being canceled;
- (5) The dramshop liability insurance policy number;
- (6) The affected licensee's retail alcohol license number; and
- (7) The reason for canceling the dramshop liability insurance policy.

1000.14(9) Violations. Failure to comply with this rule may subject the applicant or licensee to the penalty provisions provided in Iowa Code chapter 123, including but not limited to denial, suspension, or revocation.

This rule is intended to implement Iowa Code sections 123.92 through 123.94.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.15(123) Timely filed status.

1000.15(1) In addition to the requirements that may be imposed by a local authority upon the holder of a retail alcohol license to obtain timely filed status of a renewal application, the department may grant timely filed status if the applicant complies with the following conditions:

- a.* The applicant submits a completed application with the local authority or the department as required by applicable law.
- b.* The applicant submits a current dramshop liability certificate by the license expiration date if proof of dramshop liability is required as a condition precedent to the issuance of the license.
- c.* The applicant pays the appropriate license fee in full as required by applicable law.
- d.* A bond has been certified by the carrier if a bond is required as a condition precedent to the issuance of the license under applicable law.

1000.15(2) Timely filed status allows the holder of the license or permit to continue to operate under a license after its expiration and until the local authority and the department have finally determined whether the license should be issued. If the application for the license is denied, timely filed status continues until the last day for seeking judicial review of the department's action.

This rule is intended to implement Iowa Code sections 123.3, 123.32, 123.35, and 17A.18.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.16(123) Surety bond requirements. Each surety bond must meet the following conditions:

1000.16(1) Certificate of authority. The surety bond is issued by a company holding a current certificate of authority from the commissioner of insurance authorizing the company to issue bonds in Iowa.

1000.16(2) Forfeiture of bond. The surety bond contains a provision for the principal and surety to consent to the forfeiture of the principal sum of the bond in the event of revocation of the license or permit by the violation of any Iowa Code provision that requires forfeiture of the bond.

1000.16(3) Cancellation. A surety company or a principal may cancel a bond by giving the department a 30-day written notice of intent to cancel the bond. The 30-day period begins on the date that the department receives the notice of cancellation.

a. The party seeking to cancel a bond must submit written notice of such cancellation to the department and submit a copy of the notice of cancellation to the other party.

b. The notice of cancellation must contain the following:

- (1) The name of the party to whom the copy of the notice of cancellation was submitted.
- (2) The date on which the notice of cancellation was submitted.
- (3) The date the bond is being canceled.
- (4) The surety bond number.
- (5) The affected licensee's or permittee's license or permit number.

1000.16(4) Proof of bond. A licensee or permittee is considered to have furnished a surety bond when the licensee or permittee has:

a. Filed with the department a form prescribed by the department containing the following:

- (1) The name of the bond provider,
- (2) The city and state where the bond provider is located,
- (3) The bond number, the names of the principal, and the city and state where the principal is located,
- (4) The amount of the bond,
- (5) The type of license or permit guaranteed by the bond,
- (6) The effective date of the bond,
- (7) Signatures of the principal and the bond provider, and
- (8) Any other information the director of the department may require; or

b. Met this requirement by any other method deemed acceptable by the director of the department.

This rule is intended to implement Iowa Code sections 123.30, 123.50, 123.127, and 123.175.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.17(123) Production definitions.

“Operating still” means a still that is registered with the Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 CFR 19.75(b) in effect as of April 1, 2023, and is actively used to manufacture spirits.

“Proof gallon” means a United States gallon of proof spirits, or the alcoholic equivalent thereof, as defined by the Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 CFR 30.11 in effect as of April 1, 2023.

This rule is intended to implement Iowa Code section 123.3(35).

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.18(123) Manufacture and sale of native wine. Manufacturers of native wine as defined in Iowa Code section 123.3(36) may sell, keep, offer for sale, or deliver their native wine subject to the following conditions:

1000.18(1) *Class “A” native wine permit.* A manufacturer of native wine must display the original or a copy of its class “A” native wine permit in each of its native wineries and in each of its retail establishments. A manufacturer of native wine must register its retail establishment on forms or systems provided by the department.

1000.18(2) *Monthly combined wine production and wine gallonage tax report.* A monthly report showing the amount of wine on hand at the beginning of the month, the amount produced, the amount sold, the amount of wine gallonage tax due, and any other information requested is to be filed with the department. Report forms will be furnished by the department. A manufacturer of native wine must submit a report along with any wine gallonage tax payment to the department’s licensing system by the tenth of each month for the preceding month’s business. Reports and wine gallonage tax payments submitted by the tenth of each month for the preceding month will be considered timely. This report must be submitted for each month even if no wine sales were made during the month.

This rule is intended to implement Iowa Code sections 123.4, 123.176, and 123.183.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.19(123) Mixed drinks or cocktails not for immediate consumption. A class “C,” class “D,” or class “F” retail alcohol licensee may mix, store, and allow the consumption of mixed drinks or cocktails that are not for immediate consumption for up to 72 hours, subject to Iowa Code section 123.49(2) “d” and this rule.

1000.19(1) *Definitions.*

“*Immediate consumption,*” for the purposes of this rule, means the compounding and fulfillment of a mixed drink or cocktail order at the time of sale of the mixed drink or cocktail.

“*Mixed drink or cocktail,*” for the purposes of this rule, means an alcoholic beverage as defined in Iowa Code section 123.3(32).

1000.19(2) *Mixing and storing conditions.* A mixed drink or cocktail that is not for immediate consumption is to be in a container compliant with applicable state and federal food safety statutes and regulations at all times.

a. The mixed drink or cocktail must be mixed and stored in the same container.

b. The mixed drink or cocktail may only be removed from the stored container for one of the following dispensing purposes:

(1) To compound and fulfill a mixed drink or cocktail order at the time of sale.

(2) For transfer into a pourable container. The pourable container needs to have an affixed label displaying information identical to that on the container from which the contents were poured. The transfer of product to a pourable container will not extend the expiration date and time.

c. The mixed drink or cocktail may be strained into another container when it is returned without delay to the labeled container from which it was strained.

d. The container and process need to be conducted in compliance with applicable state and federal food safety statutes and regulations.

e. The mixed drink or cocktail shall not be mixed, stored, or dispensed from a container bearing an alcoholic beverage name brand.

f. A dispensing machine that contains a mixed drink or cocktail is subject to the conditions of this rule.

1000.19(3) *Labeling conditions.*

a. When a mixed drink or cocktail is placed into a container, a label must be affixed in a conspicuous place and legibly state the following information:

(1) The month, day, year, and time the contents are placed into the container.

(2) The month, day, year, and time the contents expire.

(3) The title of the recipe used.

(4) The identity of the person who prepared the contents of the container.

(5) The size of the batch within the container.

(6) The words “CONTAINS ALCOHOL.”

b. The label is subject to the following conditions:

(1) The label must be removed from the container once the entire contents have been consumed, transferred to a pourable container pursuant to subparagraph 1000.19(2)“b”(2), or destroyed and disposed of in accordance with applicable law.

(2) A label must not be reused or reapplied to a container.

(3) A new label must be placed on the container for each prepared batch of mixed drinks or cocktails that is not for immediate consumption.

c. A licensee may access a label template on the website of the department located at revenue.iowa.gov.

1000.19(4) *Content conditions.*

a. Contents of a mixed drink or cocktail may include alcoholic beverages, nonalcoholic ingredients, or a combination of both that are not for immediate consumption.

b. A licensee may use in the mixed drink or cocktail only alcoholic beverages allowed by the license type and obtained as specified by Iowa Code chapter 123.

c. The added flavors and other nonbeverage ingredients of the mixed drink or cocktail shall not include hallucinogenic substances; added caffeine or added stimulants, including but not limited to guarana, ginseng, and taurine; or a controlled substance as defined in Iowa Code section 124.101, including tetrahydrocannabinol.

1000.19(5) *Disposal conditions.*

a. Any mixed drink or cocktail, or portion thereof, not consumed within 72 hours of the contents being placed into the empty container is expired and must be destroyed and disposed of in accordance with applicable law.

b. An expired mixed drink or cocktail that is not for immediate consumption shall not be:

(1) Added to an empty container and relabeled; or

(2) Added to another mixed drink or cocktail that is not for immediate consumption.

1000.19(6) *Recordkeeping.* A licensee must maintain accurate and legible records for each prepared batch of mixed drinks or cocktails that is not for immediate consumption.

a. Records must contain:

(1) The month, day, year, and time the contents were placed into the empty container.

(2) The contents placed in the container, including alcoholic beverages and nonalcoholic ingredients.

(3) The recipe title and directions for preparing the contents of the container.

(4) The size of the batch.

(5) The identity of the person who prepared the contents of the container.

(6) The month, day, year, and time the contents of the container were destroyed and disposed of or entirely consumed.

(7) The method of destruction and disposal or the record that the entire contents were consumed.

(8) The identity of the person who destroyed and disposed of the contents, if the contents were not consumed.

b. A licensee may access recordkeeping forms on the website of the department located at revenue.iowa.gov.

c. Records must be maintained on the licensed premises for a period of three years and shall be open to inspection pursuant to Iowa Code sections 123.30(1) and 123.33.

1000.19(7) *Federal alcohol compliance.* A licensee who mixes, stores, and allows the consumption of mixed drinks or cocktails that are not for immediate consumption is subject to all applicable federal statutes and regulations. Prohibitions include but are not limited to processing with non-tax-paid alcoholic liquor, aging alcoholic liquor in barrels, heating alcoholic liquor, bottling alcoholic liquor, and refilling alcoholic liquor or wine bottles.

1000.19(8) *Violations.* Failure to follow this rule subjects the licensee to the penalty provisions of Iowa Code section 123.39.

This rule is intended to implement Iowa Code sections 123.49 and 123.49A.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.20(123) Filling and selling of beer in a container other than the original container. Class “B,” class “C,” special class “C,” and class “E” retail alcohol licensees, and the licensee’s employees may

fill, refill, and sell beer in a container other than the original container, otherwise known as a growler, subject to Iowa Code section 123.31A and this rule.

1000.20(1) Definitions.

“*Beer*,” for the purposes of this rule, means “beer” as defined in Iowa Code section 123.3(7) and “high alcoholic content beer” as defined in Iowa Code section 123.3(22).

“*Growler*,” for the purposes of this rule, means any fillable and sealable glass, ceramic, plastic, aluminum, or stainless steel container designed to hold beer or high alcoholic content beer.

“*Original container*,” for the purposes of this rule, means a vessel containing beer that has been lawfully obtained and has been securely capped, sealed, or corked at the location of manufacture. For special class “A” beer permit holders, an “original container” includes a tank used for storing and serving beer.

1000.20(2) Filling and refilling conditions.

a. A growler may be filled or refilled only with beer from the original container purchased from a class “A” beer permittee. However, a special class “A” beer permittee may fill or refill a growler with beer manufactured by the special class “A” beer permittee on the permittee’s licensed premises.

b. A retailer may exchange a growler to be filled or refilled.

c. The filling or refilling of a growler must be conducted in compliance with applicable state and federal food safety statutes and regulations.

1000.20(3) Sealing conditions. A filled or refilled growler must be securely sealed at the time of the sale by the licensee or permittee or the licensee’s or permittee’s employees in the following manner:

a. A growler must bear a cap, lid, stopper, or plug.

b. A plastic heat shrink wrap band, strip, or sleeve must extend around the cap or lid or over the stopper or plug to form a seal that must be broken upon the opening of the growler. A lid permanently affixed with a can seamer does not need a plastic heat shrink wrap band, strip, or sleeve.

c. The heat shrink wrap seal must be so secure that it is visibly apparent when the seal on a growler has been tampered with or a sealed growler has otherwise been reopened.

1000.20(4) Additional conditions.

a. A growler filled pursuant to this rule cannot be delivered or direct-shipped to a consumer.

b. A growler filled pursuant to this rule cannot be sold or otherwise distributed to a retailer.

c. A licensee or permittee or a licensee’s or permittee’s employees are not to allow a consumer to fill or refill a growler.

d. The filling, refilling, and selling of a growler is limited to the hours in which alcoholic beverages may be legally sold.

e. A filled or refilled growler is not to be sold to any consumer who is under legal age, intoxicated, or simulating intoxication.

f. An original container may only be opened on the premises of a class “B” or class “E” retail alcohol licensee for the limited purposes of filling or refilling a growler as provided in this rule or for a tasting in accordance with rule 701—1003.6(123).

1000.20(5) Violations. Failure to follow this rule subjects the licensee or permittee to the penalty provisions provided in Iowa Code chapter 123.

This rule is intended to implement Iowa Code section 123.31A.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.21(123) Filling and selling of wine and native wine in a container other than the original container. Class “B,” class “C,” special class “C,” and class “E” retail alcohol licensees; special class “B” and special class “C” retail native wine licensees; and a licensee’s employees may fill, refill, and sell wine or native wine in a container other than the original container, otherwise known as a growler, subject to Iowa Code sections 123.30, 123.31A, and 123.31B and this rule.

1000.21(1) Definitions.

“*Growler*,” for the purposes of this rule, means any fillable and sealable glass, ceramic, plastic, aluminum, or stainless steel container designed to hold wine or native wine.

“*Native wine*,” for the purposes of this rule, means the same as defined in Iowa Code section 123.3(36).

“Original container,” for the purposes of this rule, means a vessel containing wine or native wine that has been lawfully obtained and has been securely capped, sealed, or corked at the location of manufacture.

“Wine,” for the purposes of this rule, means the same as defined in Iowa Code section 123.3(53).

1000.21(2) Filling and refilling conditions.

a. A growler may be filled or refilled only with wine or native wine from the original container purchased from a class “A” wine permittee.

b. Special class “B” and special class “C” retail native wine licensees may fill a growler only with native wine.

c. A retailer may exchange a growler to be filled or refilled.

d. The filling or refilling of a growler must be conducted in compliance with applicable state and federal food safety statutes and regulations at all times.

1000.21(3) Sealing conditions. A filled or refilled growler must be securely sealed at the time of the sale by the licensee or the licensee’s employees in the following manner:

a. A growler must bear a cap, lid, stopper, or plug.

b. A plastic heat shrink wrap band, strip, or sleeve must extend around the cap or lid or over the stopper or plug to form a seal that must be broken upon the opening of the growler. A lid permanently affixed with a can seamer does not need a plastic heat shrink wrap band, strip, or sleeve.

c. The heat shrink wrap seal must be so secure that it is visibly apparent when the seal on a growler has been tampered with or a sealed growler has otherwise been reopened.

1000.21(4) Additional conditions.

a. A growler filled pursuant to this rule is not allowed to be delivered or direct-shipped to a consumer.

b. A growler filled pursuant to this rule is not allowed to be sold or otherwise distributed to a retailer.

c. A licensee or a licensee’s employees must not allow a consumer to fill or refill a growler.

d. The filling, refilling, and selling of a growler is limited to the hours in which alcoholic beverages may be legally sold.

e. A filled or refilled growler must not be sold to any consumer who is under legal age, intoxicated, or simulating intoxication.

f. An original container may only be opened on the premises of a class “B” or class “E” retail alcohol licensee for the limited purposes of filling or refilling a growler as provided in this rule, or for a tasting in accordance with rule 701—1003.6(123).

1000.21(5) Violations. Failure to follow this rule subjects the licensee to the penalty provisions provided in Iowa Code chapter 123.

This rule is intended to implement Iowa Code sections 123.30, 123.31A, and 123.31B.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.22(123) Filling and selling of mixed drinks or cocktails in a container other than the original container. Class “C” retail alcohol licensees and the licensee’s employees may fill and sell mixed drinks or cocktails in a container other than the original container subject to Iowa Code section 123.49(2) “d”(3) and this rule.

1000.22(1) Definitions.

“Alcoholic liquor,” for the purposes of this rule, means the same as defined in Iowa Code section 123.3(5) and includes “native distilled spirits” as defined in Iowa Code section 123.3(34).

“Mixed drink or cocktail,” for the purposes of this rule, means the same as defined in Iowa Code section 123.3(32).

“Original container,” for the purposes of this rule, means a vessel containing alcoholic liquor that has been lawfully obtained and has been securely capped, sealed, or corked at the location of manufacture.

“Sealed container,” for the purposes of this rule, means the same as defined in Iowa Code section 123.49(2) “d”(4)(a).

“Tamper-evident,” for the purposes of this rule, means the same as defined in Iowa Code section 123.49(2) “d”(4)(b).

1000.22(2) Filling conditions.

- a. A sealed container may be filled and sold only by the licensee or the licensee's employees who are 18 years of age or older.
- b. A sealed container may be filled only upon receipt of an order by a consumer of legal age.
- c. A sealed container may be filled only with mixed drinks or cocktails composed in whole or in part with alcoholic liquor from an original container purchased from a class "E" retail alcohol licensee.
- d. The filling of a sealed container needs to be conducted in compliance with applicable state and federal food safety statutes and regulations at all times.

1000.22(3) Sealing conditions. A sealed container must bear one of the following tamper-evident sealing methods:

- a. A plastic heat shrink wrap band, strip, or sleeve extending around the cap or lid to form a seal that must be broken when the sealed container is opened.
- b. A screw top cap or lid that breaks apart when the sealed container is opened.
- c. A vacuum- or heat-sealed pouch containing the mixed drink or cocktail.
- d. A lid permanently affixed to the sealed container with a can seamer.

1000.22(4) Labeling conditions. A sealed container must bear a label affixed to the sealed container in a conspicuous place and legibly state the following information:

- a. The business name of the licensee that sold the mixed drink or cocktail.
- b. The words "CONTAINS ALCOHOL."

1000.22(5) Additional conditions.

- a. A sealed container is not allowed to be filled in advance of a sale.
- b. A licensee or a licensee's employees must not allow a consumer to fill a sealed container.
- c. The filling and selling of a sealed container is limited to the hours in which alcoholic beverages may be legally sold.
- d. A sealed container must not be sold to any consumer who is under legal age, intoxicated, or simulating intoxication.

1000.22(6) Recordkeeping.

- a. A licensee must maintain records, in printed or electronic format, of all sales of sealed containers. The records shall state the following:

- (1) The business name of the licensee that sold the mixed drink or cocktail.
- (2) The date and time of the sale.
- (3) A description of the product sold.

- b. A licensee must keep the necessary records for a three-year period from the date the record was created.

- c. Records must be open to inspection pursuant to Iowa Code section 123.30(1) and may be subject to an administrative subpoena issued by the director.

1000.22(7) Violations. Failure to follow this rule shall subject the licensee to the penalty provisions provided in Iowa Code chapter 123.

This rule is intended to implement Iowa Code sections 123.30, 123.33, and 123.49.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.23(123) Vending and self-service machines to dispense alcoholic beverages.

1000.23(1) Vending machines. A retail alcohol licensee is not allowed to install or permit the installation of vending machines on the licensed premises for the purpose of selling, dispensing, or serving alcoholic beverages. A vending machine is defined as a slug-, coin-, currency-, or credit card-operated mechanical device used for dispensing merchandise, including single cans of beer or other alcoholic beverages, and includes but is not limited to a mechanical device operated by remote control and used for dispensing single cans of beer or other alcoholic beverages. A vending machine is not a unit installed in individual hotel or motel rooms used for the storage of alcoholic beverages and intended for the personal use of hotel or motel guests within the privacy of the guests' rooms or a self-service machine registered and used consistent with this rule.

1000.23(2) Self-service machines. Retail alcohol licensees may utilize a self-service machine to dispense beer or wine as authorized under the licensee's retail alcohol license. Self-service machines are only authorized to operate on an approved retail alcohol licensed premises and shall not be operated under

a catering privilege. For the purposes of this rule, “self-service machine” means any mechanical device capable of dispensing a preprogrammed amount of wine or beer, or both, directly to a consumer in exchange for a service card, wristband, or other token activated by the licensee and provided to the consumer.

a. A retail alcohol licensee seeking to use a self-service machine must register the machine with the department in a manner determined by the director at least 30 days prior to the date the licensee intends to begin use of the machine. The director will review the registration for compliance with the conditions of this rule and approve or disapprove the use of the self-service machine. A licensee must submit a new registration prior to implementing any change to the operational plan or capacity of the device. No self-service machine may be used without approval by the director.

b. The conditions for a retail alcohol licensee to use self-service machines to dispense beer or wine are as follows:

(1) At the time of sale, the retail alcohol licensee, or licensee’s employees, must determine the consumer is of legal age and is not intoxicated or simulating intoxication.

(2) During operation, the retail alcohol licensee must adequately monitor the self-service machine so as to prevent the sale or service of beer or wine to persons who are under legal drinking age or are intoxicated or simulating intoxication.

(3) The sale of beer or wine, or both, and the corresponding activation of the service card, wristband, or other token to operate a self-service machine must be conducted in-person by the licensee directly with the consumer and cannot be automated at the machine. This condition includes reactivation of an already-issued service card, wristband, or other token for further use by a consumer.

(4) A self-service machine must not dispense a serving of more than 64 ounces of beer or 24 ounces of wine before reactivation of a service card, wristband, or other token is acquired by the licensee.

(5) A self-service machine must be programmed to automatically deactivate the service card, wristband, or other token after the programmed amount of beer or wine purchased by the consumer has been dispensed.

(6) Service cards, wristbands, or other tokens must be deactivated at the end of each business day. For purposes of this rule, a “business day” means 6 a.m. until 2 a.m. the following calendar day.

(7) A licensee, or the licensee’s employees, must have the ability to deactivate a self-service machine and all associated service cards, wristbands, or other tokens remotely at all times.

This rule is intended to implement Iowa Code section 123.49.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.24(123) Delivery of alcoholic liquor. A person who does not work for the department may operate a delivery service in which the person charges class “E” retail alcohol licensees a fee for picking up the licensee’s alcoholic liquor orders at the department’s warehouse and delivering the orders to the licensee’s licensed premises.

This rule is intended to implement Iowa Code sections 123.4 and 123.10(10).

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.25(123) Prohibited storage of alcoholic beverages. Retail alcohol licensees may keep or store alcoholic beverages only on the licensed premises. However, the director may authorize the storage of alcoholic beverages on premises other than those covered by the license or permit. The director may allow class “D” retail alcohol licensees to store alcoholic beverages in a bonded warehouse to be consumed in Iowa.

This rule is intended to implement Iowa Code sections 123.4 and 123.10(11).

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.26(123) Sale of alcoholic beverages stock when licensee sells business. When a retail alcohol licensee goes out of business, the licensee may sell the licensee’s stock of alcoholic beverages to the person who is going to operate a licensed establishment in the same location.

This rule is intended to implement Iowa Code section 123.10.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.27(123) Execution and levy on alcoholic beverages. Judgments or orders requiring the payment of money or the delivery of the possession of property may be enforced against retail alcohol licensees, beer permittees, and wine permittees by execution pursuant to the provisions of Iowa Code chapter 626.

1000.27(1) Definitions.

“*Debtor*,” for the purposes of this rule, means the same as defined in Iowa Code section 554.9102(1).

“*Secured party*,” for the purposes of this rule, means the same as defined in Iowa Code section 554.9102(1).

1000.27(2) A secured party may take possession of and dispose of a retail alcohol licensee’s or permittee’s alcoholic beverages inventory in which the secured party has a security interest in such collateral pursuant to the provisions of Iowa Code chapter 554. The secured party may operate under the retail alcohol license or permit of its debtor for the purpose of disposing of the alcoholic beverages inventory. However, if the debtor is a class “E” retail alcohol licensee, the secured party cannot purchase alcoholic liquor from the department to continue to operate its debtor’s business. A secured party operating under the retail alcohol license or permit of its debtor shall dispose of the alcoholic beverages inventory by sale only to persons authorized under Iowa Code chapter 123 to purchase alcoholic beverages inventory from the debtor. When a secured party takes possession of a retail alcohol licensee’s or permittee’s alcoholic beverages inventory, the secured party must notify the department in writing of such action. A secured party must further inform the department of the manner in which it intends to dispose of the alcoholic beverages inventory and shall state the reasonable length of time in which it intends to operate under the retail alcohol license or permit of its debtor. The secured party must notify the department in writing when the disposition of its collateral has been completed, and the secured party must cease operating under the retail alcohol license or permit of its debtor.

1000.27(3) A sheriff or other officer acting pursuant to Iowa Code chapter 626 may take possession of a retail alcohol licensee’s or permittee’s alcoholic beverages inventory and may dispose of such inventory according to the provisions of Iowa Code chapter 626; however, the sheriff or other officer must sell the alcoholic beverages inventory only to those persons authorized by Iowa Code chapter 123 to purchase alcoholic beverages inventory from the retail alcohol licensee or permittee whose inventory is subject to the execution and levy. The sheriff or other officer must notify the department in writing at the time the sheriff or officer takes possession of a retail alcohol licensee’s or permittee’s alcoholic beverages inventory and must further notify the department of the time and place of the sale of such property.

This rule is intended to implement Iowa Code sections 123.4, 123.10, and 123.38.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.28(123) Dishonored payment for alcoholic liquor.

1000.28(1) If a class “E” retail alcohol licensee tenders payment for alcoholic liquor that is subsequently dishonored, the licensee will enter a certified funds status for a duration determined by the director. During the certified funds status period, the licensee will tender a bank draft in exact payment in advance of the licensee’s alcoholic liquor delivery.

1000.28(2) The department may collect from the licensee a \$20 fee for each dishonored payment for the purchase of alcoholic liquor.

1000.28(3) Any class “E” retail alcohol licensee that is enrolled in automatic license renewal and tenders payment for alcoholic liquor that is subsequently dishonored will be unenrolled from automatic license renewal.

This rule is intended to implement Iowa Code sections 123.4, 123.24, and 123.35.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.29(123) Violation by agent or employee. Any violation of the alcoholic beverage control Act or the rules of the department by any employee or agent of a licensee is considered to be the act of the licensee and subjects the licensee to civil penalty, suspension, or revocation.

This rule is intended to implement Iowa Code sections 123.4 and 123.49(2).

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.30(123) Suspension of license or permit.

1000.30(1) *Suspensions by a local authority or the department.* At the time of a license or permit suspension, a placard furnished by the department must be placed in a conspicuous place in the front door or window of the licensed or permitted establishment. The placard must state that the license or permit is suspended, the suspension duration, and the reason for the suspension. No licensee or permittee may remove, alter, obscure, or destroy a suspension placard prior to an ordered suspension's expiration without the express written approval of the department.

1000.30(2) *Effect of suspension.* Alcoholic beverages must not be sold, served, or consumed on a licensed premises during a suspension period. A licensed premises may be open during a suspension period to conduct other lawful business during the suspension period. A retail alcohol licensee must not purchase alcoholic beverages from a wholesaler or the department during the suspension period.

This rule is intended to implement Iowa Code sections 123.4 and 123.39.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

701—1000.31(123) Revocation or suspension. When the local authority revokes or suspends a retail alcohol license, the local authority must notify the department in writing stating the reasons for the revocation or suspension and, in the case of a suspension, the length of time of the suspension.

[ARC 9085C, IAB 4/2/25, effective 5/7/25]

This rule is intended to implement Iowa Code sections 123.4, 123.32, and 123.39.

[Filed ARC 9085C (Notice ARC 8726C, IAB 2/5/25), IAB 4/2/25, effective 5/7/25]