

185—5.9(123) Surety bond requirements. A \$5,000 penal bond must be filed with the division with each application for a Class “A” wine permit, Class “A” beer permit, special Class “A” beer permit and manufacturer’s license. A \$5,000, \$10,000 or \$15,000 penal bond must be filed with the division with each application for a Class “E” liquor control license. A Class “E” liquor control licensee may determine the amount of the bond to be posted with the division, and may increase or decrease the face amount of the bond in increments of \$5,000 on one occasion during the licensee’s first year of business. Thereafter, a licensee may increase or decrease the face amount of the bond in increments of \$5,000 only when the liquor control license is renewed. Each penal bond must meet the following requirements.

5.9(1) Certificate of authority. It must be issued by a company holding a current certificate of authority from the commissioner of insurance authorizing the company to issue bonds in Iowa.

5.9(2) Forfeiture of bond. It must contain a provision for the principal and surety to consent to the forfeiture of principal sum of the bond in the event of revocation of the license or permit by the violation of any Iowa Code provision which requires forfeiture of the bond.

5.9(3) Cancellation. A surety company or a principal may cancel a bond by giving a minimum of 30 days’ written notice to this division of the party’s intent to cancel the bond. The 30-day period shall commence on the date that this division receives the notice of cancellation. The party seeking to cancel a bond shall mail written notice of such cancellation to the division in Ankeny, Iowa, by certified mail, and further shall mail a copy of the notice of cancellation to the other party, at that party’s post office address. The notice of cancellation shall contain: the name of the party to whom the copy of the notice of cancellation was mailed, the address to which the copy of the notice of cancellation was sent, the date on which the notice of cancellation was mailed, the date the bond is being canceled, and the license or permit number of the licensee or permittee to be affected by such cancellation.

The cancellation or notice thereof shall have no force or effect in the event that the principal’s license or permit has been revoked during the period of the bond or when an administrative hearing complaint has been filed, and charges are currently pending against the licensee or permittee which could result in revocation of the license or permit after an administrative hearing on the complaint.

5.9(4) Proof of bond. A licensee or permittee shall be deemed to have furnished a surety bond when the licensee or permittee has filed with the division at its offices in Ankeny, Iowa, a form described by 185—subrule 12.2(7).

5.9(5) Alternate for surety bond. Rescinded IAB 5/15/91, effective 6/19/91.

5.9(6) Two bonds. Rescinded IAB 5/15/91, effective 6/19/91.

5.9(7) Class “E” bond. Rescinded IAB 10/31/01, effective 12/5/01.

This rule is intended to implement Iowa Code sections 123.21, 123.30, 123.128 and 123.129.