

185—5.2(123) Annual production of a native distillery. A native distillery is a business with an operating still which produces and manufactures native distilled spirits and holds a class “A” native distilled spirits license. The total number of proof gallons of native distilled spirits produced and manufactured by a native distillery on an annual basis shall be used to determine the amount of native distilled spirits that may be sold per person per day from the native distillery’s licensed premises for off-premises consumption and to determine eligibility to obtain a class “C” native distilled spirits liquor control license.

5.2(1) Definitions.

“*Annual basis,*” for the purpose of this rule, means a year as defined in Iowa Code section 4.1(40) beginning January 1 and ending December 31.

“*Native distilled spirits*” means an alcoholic beverage as defined in Iowa Code section 123.3(28).

“*Operating still,*” for the purpose of this rule, means a still that is registered with the Alcohol and Tobacco Tax and Trade Bureau pursuant to 27 CFR 19.75(b) and is actively used to manufacture spirits.

“*Proof gallon,*” for the purpose of this rule, 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.

5.2(2) The total number of proof gallons of native distilled spirits produced and manufactured by a native distillery on an annual basis shall combine all production facilities of the business and shall be determined based on the 12-month sum of line 26 of Alcohol and Tobacco Tax and Trade Bureau Form 5110.28, Monthly Report of Processing Operations, filed monthly by the native distillery with the division, pursuant to Iowa Code section 123.43A(5).

5.2(3) The amount of native distilled spirits that may be sold per person per day from a native distillery’s licensed premises for off-premises consumption shall be determined based on the total number of proof gallons of native distilled spirits as determined in subrule 5.2(2) for the preceding calendar year beginning January 1 and ending December 31.

5.2(4) As a condition of obtaining a class “C” native distilled spirits liquor control license, a native distillery shall report to the division, at the time of application, the total number of proof gallons of native distilled spirits as determined in subrule 5.2(2) for the preceding calendar year beginning January 1 and ending December 31.

This rule is intended to implement Iowa Code sections 123.3(29), 123.30(3)“c”(3), 123.31(6) and 123.43A.

[ARC 3928C, IAB 8/1/18, effective 9/5/18]