

Budget Unit Brief

FY 2017



Alcoholic Beverages Division

Overview

The Iowa Alcoholic Beverages Division (ABD) is part of the Department of Commerce and is responsible for the regulation and control of alcohol in the state of Iowa. Iowa is one of 19 control states that, since the repeal of prohibition, directly controls the sale and distribution of alcoholic beverages based on a three-tier system between distributors, retailers, and consumers. In addition, the Division is responsible for the enforcement of state and federal laws and regulations regarding the sale and use of alcohol and tobacco products.

The ABD generates revenue for state and local governments from the net profit from the direct sale of alcohol, liquor license fees, excise tax on beer and wine, and civil penalties levied through administrative sanctions. The ABD transfers all profits to the State General Fund, Executive Branch agencies, and cities and counties to support city, county, and state programs. In recent years, the Division typically has generated over \$100.0 million to support state and local programs. The funds are used for substance abuse treatment programs and local programs at the city and county level. The Division transfers additional funds to support Iowa beer and wine promotion.

In FY 2015, the ABD produced \$319.3 million in profits: \$104.2 million was transferred to the State General Fund, \$22.3 million was transferred to the State Treasurer as beer and wine tax collections, \$3.6 million was remitted to cities and counties, and \$313,200 went to native wine and beer economic development. The ABD also transferred \$20.4 million to the Department of Public Health (IDPH) to administer substance abuse programs.

Iowa Alcoholic Beverages Commission

The Commission has five members appointed by the Governor and confirmed by the Senate. Commissioners are appointed for five-year staggered terms and eligible for one five-year reappointment. Commissioners are chosen on the basis of managerial ability and experience as business executives. The Commission acts as a policymaking body and serves in an advisory capacity to the Division administrator. Commissioners may review, affirm, reverse, or amend all actions of the administrator in the wholesale liquor sales operation and in the licensing and regulating of the alcoholic beverages industry.

Facility

The facility housing the ABD is located in Ankeny and provides work space for the Division's three bureaus: Spirits and Distribution, Regulatory Compliance, and Financial and Asset Management. The state liquor warehouse is part of the facility and stocks more than 1,600 liquor products for distribution to the state's 1,300-plus Class E licensees. Weekly liquor orders (now available online) are filled at the warehouse, loaded onto tractor-trailers, and delivered by state truck drivers to retailers across Iowa.

Funding

For FY 2017, the Division received a State General Fund appropriation of approximately \$1.2 million and a total of 15.56 appropriated full-time equivalent (FTE) positions.

Related Statutes and Administrative Rules

Iowa Code chapter [123](#)
[185](#) Iowa Administrative Code

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More Information

Alcoholic Beverages Division, Department of Commerce: <https://abd.iowa.gov/>

Iowa General Assembly: <https://www.legis.iowa.gov/>

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