

Senate File 2310 - Enrolled

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AN ACT

RELATING TO ALCOHOLIC BEVERAGE CONTROL AND MATTERS UNDER  
THE PURVIEW OF THE ALCOHOLIC BEVERAGES DIVISION OF THE  
DEPARTMENT OF COMMERCE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 123.3, Code 2018, is amended by adding the following new subsection:

NEW SUBSECTION. 8A. "*Brewpub*" means a commercial establishment authorized to sell beer at retail for consumption on or off the premises that is operated by a person who holds a class "C" liquor control license or a class "B" beer permit and who also holds a special class "A" beer permit that authorizes the holder to manufacture and sell beer pursuant to this chapter.

Sec. 2. Section 123.3, subsection 5, Code 2018, is amended to read as follows:

5. "*Alcoholic liquor*" ~~or "*intoxicating liquor*"~~ means the varieties of liquor defined in [subsections 3 and 43](#) which contain more than five percent of alcohol by weight, beverages made as described in [subsection 7](#) which beverages contain more than five percent of alcohol by weight or six and twenty-five hundredths percent of alcohol by volume but which are not wine as defined in [subsection 47](#) or high alcoholic content beer as defined in [subsection 19](#), and every other liquid or solid, patented or not, containing spirits and every beverage

obtained by the process described in [subsection 47](#) containing more than seventeen percent alcohol by weight or twenty-one and twenty-five hundredths percent of alcohol by volume, and susceptible of being consumed by a human being, for beverage purposes. Alcohol manufactured in this state for use as fuel pursuant to an experimental distilled spirits plant permit or its equivalent issued by the federal bureau of alcohol, tobacco and firearms is not an "*alcoholic liquor*".

Sec. 3. Section 123.3, subsection 9, Code 2018, is amended to read as follows:

9. "*Broker*" means a person who represents or promotes alcoholic liquor within the state on behalf of the holder of a distiller's certificate of compliance ~~through an agreement with the distiller, and whose name is disclosed on a distiller's current certificate of compliance as its representative in the state,~~ a manufacturer's license, or a class "A" native distilled spirits license. An employee of the holder of a distiller's certificate of compliance, a manufacturer's license, or a class "A" native distilled spirits license is not a broker.

Sec. 4. Section 123.4, Code 2018, is amended to read as follows:

**123.4 Alcoholic beverages division created.**

An alcoholic beverages division is created within the department of commerce to administer and enforce the laws of this state concerning ~~beer, wine, and alcoholic liquor~~ beverage control.

Sec. 5. Section 123.9, subsections 5, 6, and 7, Code 2018, are amended to read as follows:

5. To grant and issue beer permits, wine permits, ~~special permits,~~ liquor control licenses, and other licenses; and to suspend or revoke all such permits and licenses for cause under this chapter.

6. To license, inspect, and control the manufacture of ~~beer, wine, and alcoholic liquors~~ beverages and regulate the entire ~~beer, wine, and liquor~~ alcoholic beverage industry in the state.

7. To accept ~~intoxicating~~ alcoholic liquors ordered delivered to the alcoholic beverages division pursuant to

chapter 809A, and offer for sale and deliver the intoxicating alcoholic liquors to class "E" liquor control licensees, unless the administrator determines that the intoxicating alcoholic liquors may be adulterated or contaminated. If the administrator determines that the intoxicating alcoholic liquors may be adulterated or contaminated, the administrator shall order their destruction.

Sec. 6. Section 123.10, subsection 6, Code 2018, is amended to read as follows:

6. Providing for the issuance and electronic distribution of price lists which show the price to be paid by class "E" liquor control licensees for each brand, class, or variety of liquor kept for sale by the division, providing for the filing or posting of prices charged in sales between class "A" beer and class "A" wine permit holders and retailers, as provided in [this chapter](#), and establishing or controlling the prices based on minimum standards of fill, quantity, or alcoholic content for each individual sale of ~~intoxicating liquor or beer~~ alcoholic beverages as deemed necessary for retail or consumer protection. However, the division shall not regulate markups, prices, discounts, allowances, or other terms of sale at which alcoholic liquor may be purchased by the retail public or liquor control licensees from class "E" liquor control licensees or at which wine may be purchased and sold by class "A" and retail wine permittees, or change, nullify, or vary the terms of an agreement between a holder of a vintner certificate of compliance and a class "A" wine permittee.

Sec. 7. Section 123.14, subsection 1, Code 2018, is amended to read as follows:

1. The department of public safety is the primary ~~beer, wine, and liquor~~ alcoholic beverage control law enforcement authority for this state.

Sec. 8. Section 123.22, subsection 2, Code 2018, is amended to read as follows:

2. No person, acting individually or through another acting for the person shall directly or indirectly, or upon any pretense, or by any device, manufacture, sell, exchange, barter, dispense, give in consideration of the purchase of any property or of any services or in evasion of [this chapter](#),

or keep for sale, or have possession of any ~~intoxicating~~ alcoholic liquor, except as provided in [this chapter](#); or own, keep, or be in any way concerned, engaged, or employed in owning or keeping, any ~~intoxicating~~ alcoholic liquor with intent to violate any provision of [this chapter](#), or authorize or permit the same to be done; or manufacture, own, sell, or have possession of any manufactured or compounded article, mixture or substance, not in a liquid form, and containing alcohol which may be converted into a beverage by a process of pressing or straining the alcohol therefrom, or any instrument intended for use and capable of being used in the manufacture of ~~intoxicating~~ alcoholic liquor; or own or have possession of any material used exclusively in the manufacture of ~~intoxicating~~ alcoholic liquor; or use or have possession of any material with intent to use it in the manufacture of ~~intoxicating~~ alcoholic liquors; however, alcohol may be manufactured for industrial and nonbeverage purposes by persons who have qualified for that purpose as provided by the laws of the United States and the laws of this state. Such alcohol, so manufactured, may be denatured, transported, used, possessed, sold, and bartered and dispensed, subject to the limitations, prohibitions and restrictions imposed by the laws of the United States and this state. Any person may manufacture, sell, or transport ingredients and devices other than alcohol for the making of homemade wine or beer.

Sec. 9. Section 123.23, subsections 1 and 5, Code 2018, are amended to read as follows:

1. Any manufacturer, distiller, or importer of ~~alcoholic beverages~~ liquors shipping, selling, or having ~~alcoholic beverages~~ liquors brought into this state for resale by the state shall, as a condition precedent to the privilege of so trafficking in alcoholic liquors in this state, annually make application for and hold a distiller's certificate of compliance which shall be issued by the administrator for that purpose. No brand of alcoholic liquor shall be sold by the division in this state unless the manufacturer, distiller, importer, and all other persons participating in the distribution of that brand in this state have obtained a certificate. The certificate of compliance shall expire at the

end of one year from the date of issuance and shall be renewed for a like period upon application to the administrator unless otherwise suspended or revoked for cause. Each application for a certificate of compliance or renewal shall be submitted electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of fifty dollars payable to the division. However, [this subsection](#) need not apply to a manufacturer, distiller, or importer who ships or sells in this state no more than eleven gallons or its case equivalent during any fiscal year as a result of "special orders" which might be placed, as defined and allowed by divisional rules adopted under [this chapter](#).

5. [This section](#) shall not require the listing of those persons who are employed on premises where alcoholic ~~beverages~~ liquors are manufactured, processed, bottled or packaged in Iowa or persons who are thereafter engaged in the transporting of such alcoholic ~~beverages~~ liquors to the division.

Sec. 10. Section 123.25, Code 2018, is amended to read as follows:

**123.25 Consumption on premises.**

An officer, clerk, agent, or employee of the division employed in a state-owned warehouse shall not allow any alcoholic ~~liquor~~ beverage to be consumed on the premises, nor shall a person consume any alcoholic liquor on the premises except for testing or sampling purposes only.

Sec. 11. Section 123.28, subsections 2 and 5, Code 2018, are amended to read as follows:

2. The division shall deliver alcoholic liquor purchased by class "E" liquor control licensees. Class "E" liquor control licensees may deliver alcoholic liquor purchased by class "A", "B", ~~or~~ "C", "C" native distilled spirits, or "D" liquor control licensees, and class "A", "B", ~~or~~ "C", "C" native distilled spirits, or "D" liquor control licensees may transport alcoholic liquor purchased from class "E" liquor control licensees.

5. [This section](#) does not affect the right of a ~~special permit~~ ~~or~~ liquor control license holder to purchase, possess, or transport alcoholic liquors subject to [this chapter](#).

Sec. 12. Section 123.30, subsection 3, Code 2018, is amended

to read as follows:

3. Liquor control licenses issued under [this chapter](#) shall be of the following classes:

*a. Class "A".* A class "A" liquor control license may be issued to a club and shall authorize the holder to purchase alcoholic liquors from class "E" liquor control licensees only, wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only as provided in section 123.173 and section 123.177, ~~and native wines from native wine manufacturers,~~ and to sell ~~liquors, wine, and beer~~ alcoholic beverages to bona fide members and their guests by the individual drink for consumption on the premises only.

*b. Class "B".* A class "B" liquor control license may be issued to a hotel or motel and shall authorize the holder to purchase alcoholic liquors from class "E" liquor control licensees only, wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only as provided in section 123.173 and section 123.177, ~~and native wines from native wine manufacturers,~~ and to sell ~~liquors, wine, and beer~~ alcoholic beverages to patrons by the individual drink for consumption on the premises only. However, beer may also be sold for consumption off the premises. Each license shall be effective throughout the premises described in the application.

*c. Class "C".*

(1) A class "C" liquor control license may be issued to a commercial establishment but must be issued in the name of the individuals who actually own the entire business and shall authorize the holder to purchase alcoholic liquors from class "E" liquor control licensees only, wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only as provided in section 123.173 and section 123.177, ~~and native wines from native wine manufacturers,~~ and to sell ~~liquors, wine, and beer~~ alcoholic beverages to patrons by the individual drink for consumption on the premises only. However, beer may also be sold for consumption off the premises. The holder of a class "C" liquor control license may also hold a special class "A" beer permit

for the premises licensed under a class "C" liquor control license for the purpose of operating a brewpub pursuant to this chapter.

(2) A special class "C" liquor control license may be issued to a commercial establishment and shall authorize the holder to purchase wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only as provided in section 123.173 and section 123.177, and to sell wine and beer to patrons by the individual drink for consumption on the premises only. However, beer may also be sold for consumption off the premises. The license issued to holders of a special class "C" liquor control license shall clearly state on its face that the license is limited.

(3) A class "C" native distilled spirits liquor control license may be issued to a native distillery but shall be issued in the name of the individuals who actually own the business and shall only be issued to a native distillery which, combining all production facilities of the business, produces and manufactures not more than one hundred thousand proof gallons of distilled spirits on an annual basis. The license shall authorize the holder to sell native distilled spirits manufactured on the premises of the native distillery to patrons by the individual drink for consumption on the premises. All native distilled spirits sold by a native distillery for on-premises consumption shall be purchased from a class "E" liquor control licensee.

*d. Class "D".*

(1) A class "D" liquor control license may be issued to a railway corporation, to an air common carrier, and to passenger-carrying boats or ships for hire with a capacity of twenty-five persons or more operating in inland or boundary waters, and shall authorize the holder to sell or furnish alcoholic beverages, ~~wine, and beer~~ to passengers for consumption only on trains, watercraft as described in this section, or aircraft, respectively. Each license is valid throughout the state. Only one license is required for all trains, watercraft, or aircraft operated in the state by the licensee. However, if a watercraft is an excursion gambling boat licensed under [chapter 99F](#), the owner shall obtain a

separate class "D" liquor control license for each excursion gambling boat operating in the waters of this state.

(2) A class "D" liquor control licensee who operates a train or a watercraft intrastate only, or an excursion gambling boat licensed under [chapter 99F](#), shall purchase alcoholic liquor from a class "E" liquor control licensee only, wine from a class "A" wine permittee or a class "B" wine permittee who also holds a class "E" liquor control license only as provided in section 123.173 and section 123.177, and beer from a class "A" beer permittee only.

*e. Class "E".*

(1) A class "E" liquor control license may be issued and shall authorize the holder to purchase alcoholic liquor from the division only and high alcoholic content beer from a class "A" beer permittee only and to sell the alcoholic liquor and high alcoholic content beer at retail to patrons for consumption off the licensed premises and at wholesale to other liquor control licensees, provided the holder has filed with the division a basic permit issued by the alcohol and tobacco tax and trade bureau of the United States department of the treasury. A holder of a class "E" liquor control license may hold other retail liquor control licenses or retail wine or beer permits, but the premises licensed under a class "E" liquor control license shall be separate from other licensed premises, though the separate premises may have a common entrance. However, the holder of a class "E" liquor control license may also hold a class "B" wine or class "C" beer permit or both for the premises licensed under a class "E" liquor control license.

(2) The division may issue a class "E" liquor control license for premises covered by a liquor control license or wine or beer permit for on-premises consumption, if the premises are in a county having a population under nine thousand five hundred in which no other class "E" liquor control license has been issued by the division, and no other application for a class "E" liquor control license has been made within the previous twelve consecutive months.

Sec. 13. Section 123.32, subsection 1, Code 2018, is amended to read as follows:



1. *Filing of application.* An application for a class "A", class "B", class "C", or class "E" liquor control license, for a class "A" native distilled spirits license, for a retail beer permit as provided in [sections 123.128 and 123.129](#), or for a class "B", class "B" native, or class "C" native retail wine permit as provided in [section ~~123.178~~, ~~123.178A~~, or ~~123.178B~~ 123.175](#), accompanied by the necessary fee and bond, if required, shall be filed with the appropriate city council if the premises for which the license or permit is sought are located within the corporate limits of a city, or with the board of supervisors if the premises for which the license or permit is sought are located outside the corporate limits of a city. An application for a class "D" liquor control license and for a class "A" beer or class "A" wine permit, accompanied by the necessary fee and bond, if required, shall be submitted to the division electronically, or in a manner prescribed by the administrator, which shall proceed in the same manner as in the case of an application approved by local authorities.

Sec. 14. Section 123.33, Code 2018, is amended to read as follows:

**123.33 Records.**

Every holder of a license or permit under [this chapter](#) shall maintain records, in printed ~~and~~ or electronic format, which include income statements, balance sheets, purchase and sales invoices, purchase and sales ledgers, and any other records as the administrator may require. The records required and the premises of the licensee or permittee shall be accessible and open to inspection pursuant to [section 123.30, subsection 1](#), during normal business hours of the licensee or permittee.

Sec. 15. Section 123.34, subsection 1, Code 2018, is amended to read as follows:

1. Liquor control licenses, wine permits, and beer permits, unless sooner suspended or revoked, expire one year from date of issuance. The administrator shall ~~give~~ notify a license or permit holder electronically, or in a manner prescribed by the administrator, sixty days' written notice of days prior to the expiration to of each licensee license or permittee permit. However, the administrator may issue six-month or eight-month seasonal licenses, class "B" wine permits, or class "B" beer

permits for a proportionate part of the license or permit fee or may issue fourteen-day liquor control licenses, native wine permits, or beer permits as provided in [subsection 2](#). No refund shall be made for seasonal licenses or permits or for fourteen-day liquor control licenses, native wine permits, or beer permits. No seasonal license or permit shall be renewed. However, after a period of two months the applicant may apply for a new seasonal license or permit for the same location.

Sec. 16. Section 123.36, subsections 1 and 6, Code 2018, are amended to read as follows:

1. Class "A" liquor control licenses, the sum of six hundred dollars, except that for class "A" licenses in cities of less than two thousand population, and for clubs of less than two hundred fifty members, the license fee shall be four hundred dollars; however, the fee shall be two hundred dollars for any club which is a post, branch, or chapter of a veterans organization chartered by the Congress of the United States, if the club does not sell or permit the consumption of alcoholic beverages, ~~wine, or beer~~ on the premises more than one day in any week or more than a total of fifty-two days in a year, and if the application for a license states that the club does not and will not sell or permit the consumption of alcoholic beverages, ~~wine, or beer~~ on the premises more than one day in any week or more than a total of fifty-two days in a year.

6. Any club, hotel, motel, native distillery, or commercial establishment holding a liquor control license, subject to section 123.49, subsection 2, paragraph "b", may apply for and receive permission to sell and dispense alcoholic ~~liquor and wine~~ beverages as authorized by section 123.30 to patrons ~~on Sunday for consumption on the premises only, and beer for consumption on or off the premises~~ between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday. A class "D" liquor control licensee may apply for and receive permission to sell and dispense alcoholic beverages to patrons for consumption on the premises only between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday. For the privilege of selling beer, wine, and alcoholic liquor on the premises on Sunday the liquor control license fee of the applicant shall be increased by twenty percent of the regular

fee prescribed for the license pursuant to [this section](#), and the privilege shall be noted on the liquor control license.

Sec. 17. Section 123.37, subsection 1, Code 2018, is amended to read as follows:

1. The power to establish licenses and permits and levy taxes as imposed in [this chapter](#) is vested exclusively with the state. Unless specifically provided, a local authority shall not require the obtaining of a special license or permit for the sale of alcoholic beverages, ~~wine, or beer~~ at any establishment, or require the obtaining of a license by any person as a condition precedent to the person's employment in the sale, serving, or handling of alcoholic beverages, ~~wine, or beer~~, within an establishment operating under a license or permit.

Sec. 18. Section 123.38, subsections 1 and 2, Code 2018, are amended to read as follows:

1. A ~~special permit~~, liquor control license, wine permit, or beer permit is a personal privilege and is revocable for cause. It is not property nor is it subject to attachment and execution nor alienable nor assignable, and it shall cease upon the death of the permittee or licensee. However, the administrator of the division may in the administrator's discretion allow the executor or administrator of a permittee or licensee to operate the business of the decedent for a reasonable time not to exceed the expiration date of the permit or license. Every permit or license shall be issued in the name of the applicant and no person holding a permit or license shall allow any other person to use it.

2. Any licensee or permittee, or the licensee's or permittee's executor or administrator, or any person duly appointed by the court to take charge of and administer the property or assets of the licensee or permittee for the benefit of the licensee's or permittee's creditors, may voluntarily surrender a license or permit to the division. When a license or permit is surrendered the division shall notify the local authority, and the division or the local authority shall refund to the person surrendering the license or permit, a proportionate amount of the fee received by the division or the local authority for the license or permit as follows: if

a license or permit is surrendered during the first three months of the period for which it was issued, the refund shall be three-fourths of the amount of the fee; if surrendered more than three months but not more than six months after issuance, the refund shall be one-half of the amount of the fee; if surrendered more than six months but not more than nine months after issuance, the refund shall be one-fourth of the amount of the fee. No refund shall be made, however, for any ~~special permit~~, liquor control license, wine permit, or beer permit surrendered more than nine months after issuance. For purposes of [this subsection](#), any portion of license or permit fees used for the purposes authorized in section 331.424, subsection 1, paragraph "a", subparagraphs (1) and (2), and in section 331.424A, shall not be deemed received either by the division or by a local authority. No refund shall be made to any licensee or permittee upon the surrender of the license or permit if there is at the time of surrender a complaint filed with the division or local authority charging the licensee or permittee with a violation of [this chapter](#). If upon a hearing on a complaint the license or permit is not revoked or suspended, then the licensee or permittee is eligible, upon surrender of the license or permit, to receive a refund as provided in [this section](#). However, if the license or permit is revoked or suspended upon hearing, the licensee or permittee is not eligible for the refund of any portion of the license or permit fee.

Sec. 19. Section 123.39, subsection 1, paragraph b, subparagraph (3), Code 2018, is amended to read as follows:

(3) Any change in the ownership or interest in the business operated under a ~~class "A", class "B", or class "C"~~ liquor control license, or any wine or beer permit, which change was not previously reported ~~to~~ in a manner prescribed by the administrator within thirty days of the change and subsequently approved by the local authority and the division.

Sec. 20. Section 123.39, subsection 1, paragraph c, Code 2018, is amended to read as follows:

c. A criminal conviction is not a prerequisite to suspension, revocation, or imposition of a civil penalty pursuant to [this section](#). A local authority which acts

pursuant to this section, ~~or section 123.32~~, or section 123.50 shall notify the division in writing of the action taken, and shall notify the licensee or permit holder of the right to appeal a suspension, revocation, or imposition of a civil penalty to the division. Civil penalties imposed and collected by the local authority under this section shall be retained by the local authority. Civil penalties imposed and collected by the division under this section shall be retained by the division.

Sec. 21. Section 123.39, subsections 2 and 3, Code 2018, are amended to read as follows:

2. Local authorities may suspend any ~~retail wine or beer permit or liquor control license~~ or retail wine or beer permit for a violation of any ordinance or regulation adopted by the local authority. Local authorities may adopt ordinances or regulations for the location of the premises of ~~retail wine or beer and liquor control licensed~~ and retail wine or beer permitted establishments and local authorities may adopt ordinances, not in conflict with this chapter and that do not diminish the hours during which ~~beer, wine, or~~ alcoholic beverages may be sold or consumed at retail, governing any other activities or matters which may affect the retail sale and consumption of ~~beer, wine, and alcoholic liquor~~ beverages and the health, welfare and morals of the community involved.

3. When a liquor control license or retail wine or beer permit is suspended after a hearing as a result of violations of this chapter by the licensee, permittee or the licensee's or permittee's agents or employees, the premises which were licensed by the license or permit shall not be relicensed for a new applicant until the suspension has terminated or time of suspension has elapsed, or ninety days have elapsed since the commencement of the suspension, whichever occurs first. However, this section does not prohibit the premises from being relicensed to a new applicant before the suspension has terminated or before the time of suspension has elapsed or before ninety days have elapsed from the commencement of the suspension, if the premises prior to the time of the suspension had been purchased under contract, and the vendor under that contract had exercised the person's rights under chapter 656

and sold the property to a different person who is not related to the previous licensee or permittee by marriage or within the third degree of consanguinity or affinity and if the previous licensee or permittee does not have a financial interest in the business of the new applicant.

Sec. 22. Section 123.41, subsection 2, Code 2018, is amended to read as follows:

2. As a condition precedent to the approval and granting of a manufacturer's license, an applicant shall file with the division a basic permit issued by the alcohol and tobacco tax and trade bureau of the United States department of the treasury, and a statement under oath with the division that the applicant is a bona fide manufacturer of alcoholic liquors, and that the applicant will faithfully observe and comply with all laws, rules, and regulations governing the manufacture and sale of alcoholic liquor.

Sec. 23. Section 123.42, subsection 1, Code 2018, is amended to read as follows:

1. Prior to representing or promoting a ~~distiller's~~ alcoholic liquor products in the state, the broker shall submit an application to the division electronically, or in a manner prescribed by the administrator, for a broker's permit. The administrator may in accordance with [this chapter](#) issue a broker's permit which shall be valid for one year from the date of issuance unless it is sooner suspended or revoked for a violation of [this chapter](#). ~~A broker's permit is valid throughout the state, and a broker who represents more than one distiller is required to obtain only one broker's permit.~~

Sec. 24. Section 123.42, Code 2018, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. At the time of applying for a broker's permit, each applicant shall submit to the division a list of names and addresses of all manufacturers, distillers, and importers whom the applicant has been appointed to represent in the state of Iowa for any purpose. The listing shall be amended by the broker as necessary to keep the listing current with the division.

NEW SUBSECTION. 1B. A broker's permit is valid throughout the state, and a broker who represents more than one

certificate or license holder is required to obtain only one broker's permit.

Sec. 25. Section 123.42, subsection 4, Code 2018, is amended to read as follows:

4. The holder of a distiller's certificate of compliance, a manufacturer's license, or a class "A" native distilled spirits license is not required to appoint a broker to represent its alcoholic liquor products in the state. ~~If the holder of a distiller's certificate of compliance appoints a broker to represent its alcoholic liquor products in the state, the name and address of the broker shall be disclosed on the distiller's application for a certificate of compliance, and the requirements in this section shall apply to the appointed broker.~~

Sec. 26. Section 123.43, subsection 2, paragraph d, Code 2018, is amended to read as follows:

d. That the applicant ~~is a bona fide manufacturer of alcoholic liquors~~ has filed with the division a basic permit issued by the alcohol and tobacco tax and trade bureau of the United States department of the treasury, and that the applicant will faithfully observe and comply with all laws, rules, and regulations governing the manufacture and sale of alcoholic liquor.

Sec. 27. Section 123.44, Code 2018, is amended to read as follows:

**123.44 ~~Gift of liquors~~ Gifts prohibited.**

A manufacturer or broker shall not give away alcoholic liquor at any time in connection with the manufacturer's or broker's business except for testing or sampling purposes only. A manufacturer, distiller, vintner, brewer, broker, wholesaler, or importer, organized as a corporation pursuant to the laws of this state or any other state, who deals in alcoholic liquor, wine, or beer beverages subject to regulation under this chapter shall not offer or give anything of value to a commission member, official or employee of the division, or directly or indirectly contribute in any manner any money or thing of value to a person seeking a public or appointive office or a recognized political party or a group of persons seeking to become a recognized political party.

Sec. 28. Section 123.47, subsection 1, Code 2018, is amended to read as follows:

1. A person shall not sell, give, or otherwise supply any alcoholic liquor, wine, or beer beverage to any person knowing or having reasonable cause to believe that person to be under legal age.

Sec. 29. Section 123.47, subsection 2, paragraph a, Code 2018, is amended to read as follows:

a. Except for the purposes described in subsection 3, a person who is the owner or lessee of, or who otherwise has control over, property that is not a licensed premises, shall not knowingly permit any person, knowing or having reasonable cause to believe the person to be under the age of eighteen, to consume or possess on such property any alcoholic ~~liquor, wine, or beer~~ beverage.

Sec. 30. Section 123.47, subsection 2, paragraph c, subparagraph (2), Code 2018, is amended to read as follows:

(2) A person under legal age who consumes or possesses any alcoholic ~~liquor, wine, or beer~~ beverage in connection with a religious observance, ceremony, or rite.

Sec. 31. Section 123.47, subsection 3, Code 2018, is amended to read as follows:

3. A person or persons under legal age shall not purchase or attempt to purchase, consume, or individually or jointly have alcoholic ~~liquor, wine, or beer~~ beverages in their possession or control; except in the case of ~~liquor, wine, or beer~~ any alcoholic beverage given or dispensed to a person under legal age within a private home and with the knowledge, presence, and consent of the parent or guardian, for beverage or medicinal purposes or as administered to the person by either a physician or dentist for medicinal purposes and except to the extent that a person under legal age may handle alcoholic beverages, ~~wine, and beer~~ during the regular course of the person's employment by a liquor control licensee, or wine or beer permittee under this chapter.

Sec. 32. Section 123.47, subsection 4, paragraph a, unnumbered paragraph 1, Code 2018, is amended to read as follows:

A person who is eighteen, nineteen, or twenty years of age,



other than a licensee or permittee, who violates [this section](#) regarding the purchase of, attempt to purchase, or consumption of any alcoholic liquor, wine, or beer beverage, or possessing or having control of any alcoholic liquor, wine, or beer beverage, commits the following:

Sec. 33. Section 123.47, subsections 5, 6, and 7, Code 2018, are amended to read as follows:

5. Except as otherwise provided in [subsections 6 and 7](#), a person who is of legal age, other than a licensee or permittee, who sells, gives, or otherwise supplies any alcoholic liquor, wine, or beer beverage to a person who is under legal age in violation of [this section](#) commits a serious misdemeanor punishable by a minimum fine of five hundred dollars.

6. A person who is of legal age, other than a licensee or permittee, who sells, gives, or otherwise supplies any alcoholic liquor, wine, or beer beverage to a person who is under legal age in violation of [this section](#) which results in serious injury to any person commits an aggravated misdemeanor.

7. A person who is of legal age, other than a licensee or permittee, who sells, gives, or otherwise supplies any alcoholic liquor, wine, or beer beverage to a person who is under legal age in violation of [this section](#) which results in the death of any person commits a class "D" felony.

Sec. 34. Section 123.49, subsection 1, Code 2018, is amended to read as follows:

1. A person shall not sell, dispense, or give to an intoxicated person, or one simulating intoxication, any alcoholic liquor, wine, or beer beverage.

a. A person other than a person required to hold a license or permit under [this chapter](#) who dispenses or gives an alcoholic beverage, wine, or beer in violation of this subsection is not civilly liable to an injured person or the estate of a person for injuries inflicted on that person as a result of intoxication by the consumer of the alcoholic beverage, wine, or beer.

b. The general assembly declares that [this subsection](#) shall be interpreted so that the holding of *Clark v. Mincks*, 364 N.W.2d 226 (Iowa 1985) is abrogated in favor of prior judicial interpretation finding the consumption of alcoholic beverages,

~~wine, or beer~~ rather than the serving of alcoholic beverages,  
~~wine, or beer~~ as the proximate cause of injury inflicted upon  
another by an intoxicated person.

Sec. 35. Section 123.49, subsection 2, paragraphs c, f, h,  
i, and j, Code 2018, are amended to read as follows:

c. Sell alcoholic beverages, ~~wine, or beer~~ to any person on  
credit, except with a bona fide credit card. This provision  
does not apply to sales by a club to its members, to sales by a  
hotel or motel to bona fide registered guests, nor to retail  
sales by the managing entity of a convention center, civic  
center, or events center.

f. Employ a person under eighteen years of age in the sale  
or serving of alcoholic ~~liquor, wine, or beer~~ beverages for  
consumption on the premises where sold.

h. Sell, give, or otherwise supply any alcoholic beverage,  
~~wine, or beer~~ to any person, knowing or failing to exercise  
reasonable care to ascertain whether the person is under legal  
age, or permit any person, knowing or failing to exercise  
reasonable care to ascertain whether the person is under legal  
age, to consume any alcoholic beverage, ~~wine, or beer~~.

i. In the case of a retail ~~beer~~ wine or ~~wine~~ beer permittee,  
knowingly allow the mixing or adding of alcohol or any  
alcoholic beverage to wine, beer, ~~wine~~, or any other beverage  
in or about the permittee's place of business.

j. Knowingly permit or engage in any criminal activity  
on the premises covered by the license or permit. However,  
the absence of security personnel on the licensed premises  
is insufficient, without additional evidence, to prove that  
criminal activity occurring on the licensed premises was  
knowingly permitted in violation of this paragraph "j". For  
purposes of this paragraph "j", "premises" includes parking  
lots and areas adjacent to the premises of a liquor control  
licensee or wine or beer permittee authorized to sell alcoholic  
beverages for consumption on the licensed premises and used  
by patrons of the liquor control licensee or wine or beer  
permittee.

Sec. 36. Section 123.49, subsections 3 and 4, Code 2018, are  
amended to read as follows:

3. A person under legal age shall not misrepresent the

person's age for the purpose of purchasing or attempting to purchase any alcoholic beverage, ~~wine, or beer~~ from any liquor control licensee or wine or beer permittee. If any person under legal age misrepresents the person's age, and the licensee or permittee establishes that the licensee or permittee made reasonable inquiry to determine whether the prospective purchaser was over legal age, the licensee or permittee is not guilty of selling alcoholic ~~liquor, wine, or beer~~ beverages to a person under legal age.

4. No privilege of selling alcoholic ~~liquor, wine, or beer~~ beverages on Sunday as provided in section 123.36, subsection 6, and [section 123.134, subsection 4](#), shall be granted to a club or other organization which places restrictions on admission or membership in the club or organization on the basis of sex, race, religion, or national origin. However, the privilege may be granted to a club or organization which places restrictions on membership on the basis of sex, if the club or organization has an auxiliary organization open to persons of the other sex.

Sec. 37. Section 123.50, subsection 2, Code 2018, is amended to read as follows:

2. The conviction of any liquor control licensee, or wine permittee, ~~or beer permittee~~, or beer permittee for a violation of any of the provisions of [section 123.49](#), subject to [subsection 3](#) of this section, is grounds for the suspension or revocation of the license or permit by the division or the local authority. However, if any liquor control licensee is convicted of any violation of [section 123.49, subsection 2](#), paragraph "a", "d", or "e", or any wine or beer permittee is convicted of a violation of [section 123.49, subsection 2](#), paragraph "a" or "e", the liquor control licensee, or wine permit, ~~or beer permit~~, shall be revoked and shall immediately be surrendered by the holder, and the bond, if any, of the license or permit holder shall be forfeited to the division.

Sec. 38. Section 123.50, subsection 3, unnumbered paragraph 1, Code 2018, is amended to read as follows:

If any liquor control licensee, wine ~~permittee~~, or beer permittee, or employee of a licensee or permittee is convicted or found in violation of [section 123.49, subsection 2](#),

paragraph "h", the administrator or local authority shall, in addition to criminal penalties fixed for violations by this section, assess a civil penalty as follows:

Sec. 39. Section 123.50, subsection 5, Code 2018, is amended to read as follows:

5. If an employee of a liquor control licensee or wine or beer permittee violates [section 123.49, subsection 2](#), paragraph "h", the licensee or permittee shall not be assessed a penalty under [subsection 3](#), and the violation shall be deemed not to be a violation of [section 123.49, subsection 2](#), paragraph "h", for the purpose of determining the number of violations for which a penalty may be assessed pursuant to subsection 3, if the employee holds a valid certificate of completion of the alcohol compliance employee training program pursuant to [section 123.50A](#) at the time of the violation, and if the violation involves selling, giving, or otherwise supplying any alcoholic beverage, ~~wine, or beer~~ to a person between the ages of eighteen and twenty years of age. A violation involving a person under the age of eighteen years of age shall not qualify for the bar against assessment of a penalty pursuant to [subsection 3](#), for a violation of section 123.49, subsection 2, paragraph "h". A licensee or permittee may assert only once in a four-year period the bar under [this subsection](#) against assessment of a penalty pursuant to [subsection 3](#), for a violation of [section 123.49, subsection 2](#), paragraph "h", that takes place at the same place of business location.

Sec. 40. Section 123.50A, subsection 1, Code 2018, is amended to read as follows:

1. If sufficient funding is appropriated, the division shall develop an alcohol compliance employee training program, not to exceed two hours in length for employees and prospective employees of licensees and permittees, to inform the employees about state ~~and federal liquor~~ laws and regulations regarding the sale of alcoholic ~~liquor, wine, or beer~~ beverages to persons under legal age, and compliance with and the importance of laws regarding the sale of alcoholic ~~liquor, wine, or beer~~ beverages to persons under legal age. In developing the alcohol compliance employee training program, the division may consult with stakeholders who have expertise in the laws and

regulations regarding the sale of alcoholic ~~liquor, wine, or beer~~ beverages to persons under legal age.

Sec. 41. Section 123.56, subsections 2 and 3, Code 2018, are amended to read as follows:

2. Native wine may be sold at retail for off-premises consumption when sold on the premises of the manufacturer, or in a retail establishment operated by the manufacturer. Sales may also be made to class "A" or retail wine permittees or liquor control licensees as authorized by ~~the class "A" wine permit~~ section 123.173 and section 123.177. A manufacturer of native wines shall not sell the wines other than as permitted in [this chapter](#) and shall not allow wine sold to be consumed upon the premises of the manufacturer. However, prior to sale, native wines may be tasted pursuant to the rules of the division on the premises where made, when no charge is made for the tasting.

3. A manufacturer of native wines may ship wine in closed containers to individual purchasers inside this state by obtaining a wine direct shipper ~~license~~ permit pursuant to section 123.187.

Sec. 42. Section 123.81, Code 2018, is amended to read as follows:

**123.81 Forfeiture of bond.**

If the owner of a property who has filed an abatement bond as provided in [this chapter](#) fails to abate the alcoholic liquor, wine, or beer nuisance on the premises covered by the bond, or fails to prevent the maintenance of any alcoholic liquor, wine, or beer nuisance on the premises at any time within a period of one year after entry of the abatement order, the court shall, after a hearing in which such fact is established, direct an entry of the violation of the terms of the owner's bond to be made on the record and the undertaking of the owner's bond shall be forfeited.

Sec. 43. Section 123.84, Code 2018, is amended to read as follows:

**123.84 Judgment.**

If the court after a hearing in an action filed pursuant to [section 123.82](#) finds a an alcoholic liquor, wine, or beer nuisance has been maintained on the premises covered by the

abatement bond and that alcoholic liquor, wine, or beer has been sold or kept for sale on the premises contrary to law within one year from the date of the giving of the bond, then the court shall order the forfeiture of the bond and enter judgment for the full amount of the bond against the principal and sureties on the bond. The lien on the real estate created pursuant to [section 123.79](#) shall be decreed foreclosed and the court shall provide for a special and general execution for the enforcement of the decree and judgment.

Sec. 44. Section 123.91, unnumbered paragraph 1, Code 2018, is amended to read as follows:

Any person who has been convicted, in a criminal action, in any court of record, of a violation of a provision of this chapter, a provision of the prior laws of this state relating to ~~intoxicating~~ alcoholic liquors, wine, or beer which was in force prior to the enactment of [this chapter](#), or a provision of the laws of the United States or of any other state relating to ~~intoxicating~~ alcoholic liquors, wine, or beer, and who is thereafter convicted of a subsequent criminal offense against any provision of [this chapter](#) is guilty of the following offenses:

Sec. 45. Section 123.92, subsection 1, paragraph a, Code 2018, is amended to read as follows:

a. Any person who is injured in person or property or means of support by an intoxicated person or resulting from the intoxication of a person, has a right of action for all damages actually sustained, severally or jointly, against any licensee or permittee, whether or not the license or permit was issued by the division or by the licensing authority of any other state, who sold and served any ~~beer, wine, or intoxicating liquor~~ alcoholic beverage to the intoxicated person when the licensee or permittee knew or should have known the person was intoxicated, or who sold to and served the person to a point where the licensee or permittee knew or should have known the person would become intoxicated.

Sec. 46. Section 123.92, subsection 2, paragraph c, Code 2018, is amended to read as follows:

c. The purpose of dramshop liability insurance is to provide protection for members of the public who experience damages

as a result of licensees or permittees serving patrons ~~beer, wine, or intoxicating liquor~~ any alcoholic beverage to a point that reaches or exceeds the standard set forth in law for liability. Minimum coverage requirements for such insurance are not for the purpose of making the insurance affordable for all licensees or permittees regardless of claims experience. A dramshop liability insurance policy obtained by a licensee or permittee shall meet the minimum insurance coverage requirements as determined by the division and is a mandatory condition for holding a license or permit.

Sec. 47. Section 123.92, subsection 3, Code 2018, is amended to read as follows:

3. *a.* Notwithstanding [section 123.49, subsection 1](#), any person who is injured in person or property or means of support by an intoxicated person who is under legal age or resulting from the intoxication of a person who is under legal age, has a right of action for all damages actually sustained, severally or jointly, against a person who is not a licensee or permittee and who dispensed or gave any ~~beer, wine, or intoxicating liquor~~ alcoholic beverage to the intoxicated underage person when the nonlicensee or nonpermittee who dispensed or gave the ~~beer, wine, or intoxicating liquor~~ alcoholic beverage to the underage person knew or should have known the underage person was intoxicated, or who dispensed or gave ~~beer, wine, or intoxicating liquor~~ alcoholic beverage to the underage person to a point where the nonlicensee or nonpermittee knew or should have known that the underage person would become intoxicated.

*b.* If the injury was caused by an intoxicated person who is under legal age, a person who is not a licensee or permittee and who dispensed or gave ~~beer, wine, or intoxicating liquor~~ the alcoholic beverage to the underage person may establish as an affirmative defense that the intoxication did not contribute to the injurious action of the underage person.

*c.* For purposes of [this subsection](#), “dispensed” or “gave” means the act of physically presenting a receptacle containing ~~beer, wine, or intoxicating liquor~~ any alcoholic beverage to the underage person whose actions or intoxication results in the sustaining of damages by another person. However, a person who dispenses or gives ~~beer, wine, or intoxicating liquor~~ any

alcoholic beverage to an underage person shall only be liable for any damages if the person knew or should have known that the underage person was under legal age.

Sec. 48. Section 123.98, Code 2018, is amended to read as follows:

**123.98 Labeling shipments.**

1. It shall be unlawful for any common carrier or for any person to transport or convey by any means, whether for compensation or not, within this state, any ~~intoxicating liquors~~ alcoholic liquor, wine, or beer, unless the vessel or other package containing such ~~liquors~~ alcoholic liquor, wine, or beer shall be plainly and correctly identified, showing the quantity and kind of ~~liquors~~ alcoholic liquor, wine, or beer contained therein, the name of the party to whom they are to be delivered, and the name of the shipper, or unless such information is shown on a bill of lading or other document accompanying the shipment. No person shall be authorized to receive or keep such ~~liquors~~ alcoholic liquor, wine, or beer unless the same be marked or labeled as required by this section. The violation of any provision of [this section](#) by any common carrier, or any agent or employee of any carrier, or by any person, shall be punished under the provisions of this chapter.

2. ~~Liquors~~ Any alcoholic liquor, wine, or beer conveyed, carried, transported, or delivered in violation of this section, whether in the hands of the carrier or someone to whom they shall have been delivered, shall be subject to seizure and condemnation, as ~~liquors~~ alcoholic liquor, wine, or beer kept for illegal sale.

Sec. 49. Section 123.99, Code 2018, is amended to read as follows:

**123.99 False statements.**

If any person, for the purpose of procuring the shipment, transportation, or conveyance of any ~~intoxicating~~ alcoholic liquor, wine, or beer within this state, shall make to any person, company, corporation, or common carrier, or to any agent thereof, any false statements as to the character or contents of any box, barrel, or other vessel or package containing such alcoholic liquor, wine, or beer; or shall



refuse to give correct and truthful information as to the contents of any such box, barrel, or other vessel or package so sought to be transported or conveyed; or shall falsely mark, brand, or label such box, barrel, or other vessel or package in order to conceal the fact that the same contains ~~intoxicating~~ alcoholic liquor, wine, or beer; or shall by any device or concealment procure or attempt to procure the conveyance or transportation of such alcoholic liquor, wine, or beer as herein prohibited, the person shall be guilty of a simple misdemeanor.

Sec. 50. Section 123.100, Code 2018, is amended to read as follows:

**123.100 Packages in transit.**

Any peace officer of the county under process or warrant to the peace officer directed shall have the right to open any box, barrel, or other vessel or package for examination, if the peace officer has reasonable ground for believing that it contains ~~intoxicating~~ alcoholic liquor, wine, or beer, either before or while the same is being so transported or conveyed.

Sec. 51. Section 123.101, Code 2018, is amended to read as follows:

**123.101 Record of shipments.**

It shall be the duty of all common carriers, or corporations, or persons who shall for hire carry any ~~intoxicating~~ alcoholic liquor, wine, or beer into the state, or from one point to another within the state, for the purpose of delivery, and who shall deliver such ~~intoxicating~~ alcoholic liquor, wine, or beer to any person, company, or corporation, to maintain a proper record of the name of the consignor of each shipment of ~~intoxicating~~ alcoholic liquor, wine, or beer from where shipped, the date of arrival, the quantity and kind of ~~intoxicating~~ alcoholic liquor, wine, or beer, so far as disclosed by lettering on the package or by the carrier's records, and to whom and where consigned, and the date delivered.

Sec. 52. Section 123.103, Code 2018, is amended to read as follows:

**123.103 Record and certification upon delivery.**

The full name and residence or place of business of

the consignee of a shipment billed in whole or in part as ~~intoxicating~~ alcoholic liquor, wine, or beer, shall be properly recorded at the time of delivery and the consignee shall certify that the ~~intoxicating~~ alcoholic liquor, wine, or beer is for the consignee's own lawful purposes.

Sec. 53. Section 123.104, Code 2018, is amended to read as follows:

**123.104 Unlawful delivery.**

It is a simple misdemeanor for any corporation, common carrier, person, or any agent or employee thereof:

1. To deliver any ~~intoxicating~~ alcoholic liquor, wine, or beer to any person other than to the consignee.

2. To deliver any ~~intoxicating~~ alcoholic liquor, wine, or beer without having the same properly recorded as provided in section 123.103.

3. To deliver any ~~intoxicating~~ alcoholic liquor, wine, or beer where there is reasonable ground to believe that such ~~intoxicating~~ alcoholic liquor, wine, or beer is intended for unlawful use.

Sec. 54. Section 123.106, Code 2018, is amended to read as follows:

**123.106 Federal statutes.**

The requirements of [this chapter](#) relative to the shipment and delivery of ~~intoxicating~~ alcoholic liquor, wine, or beer and the records to be kept thereof shall be construed in harmony with federal statutes relating to interstate commerce in such liquor, wine, or beer.

Sec. 55. Section 123.107, subsection 1, paragraph a, Code 2018, is amended to read as follows:

a. To set out exactly the kind or quantity of ~~intoxicating~~ alcoholic liquor, wine, or beer manufactured, sold, given in evasion of the statute, or kept for sale.

Sec. 56. Section 123.111, Code 2018, is amended to read as follows:

**123.111 Purchaser as witness.**

The person purchasing any ~~intoxicating~~ alcoholic liquor, wine, or beer sold in violation of [this chapter](#) shall in all cases be a competent witness to prove such sale.

Sec. 57. Section 123.115, Code 2018, is amended to read as

follows:

**123.115 Defense.**

In any prosecution under [this chapter](#) for the unlawful transportation of ~~intoxicating~~ alcoholic liquor, wine, or beer it shall be a defense that the character and contents of the shipment or thing transported were not known to the accused or to the accused's agent or employee.

Sec. 58. Section 123.116, Code 2018, is amended to read as follows:

**123.116 Right to receive alcoholic liquor, wine, or beer.**

The consignee of ~~intoxicating~~ alcoholic liquor, wine, or beer shall, on demand of the carrier transporting such alcoholic liquor, wine, or beer, furnish the carrier, at the place of delivery, with legal proof of the consignee's legal right to receive such alcoholic liquor, wine, or beer at the time of delivery, and until such proof is furnished the carrier shall be under no legal obligation to make delivery nor be liable for failure to deliver.

Sec. 59. Section 123.119, Code 2018, is amended to read as follows:

**123.119 Evidence.**

In all actions, civil or criminal, under the provisions of [this chapter](#), the finding of ~~intoxicating~~ alcoholic liquors or of instruments or utensils used in the manufacture of ~~intoxicating~~ alcoholic liquors, or materials which are being used, or are intended to be used in the manufacture of ~~intoxicating~~ alcoholic liquors, in the possession of or under the control of any person, under and by authority of a search warrant or other process of law, and which shall have been finally adjudicated and declared forfeited by the court, shall be competent evidence of maintaining a nuisance or bootlegging, or of illegal transportation of ~~intoxicating~~ alcoholic liquors, as the case may be, by such person.

Sec. 60. Section 123.120, Code 2018, is amended to read as follows:

**123.120 Attempt to destroy.**

The destruction of or attempt to destroy any liquid by any person while in the presence of peace officers or while a property is being searched by a peace officer, shall be

competent evidence that such liquid is ~~intoxicating~~ alcoholic liquor, wine, or beer and intended for unlawful purposes.

Sec. 61. Section 123.121, Code 2018, is amended to read as follows:

**123.121 Venue.**

1. In any prosecution under this chapter for the unlawful sale of alcoholic liquor, wine, or beer, including a sale of ~~alcoholic liquor, wine, or beer~~ which requires a shipment or delivery of the alcoholic liquor, wine, or beer, shall be deemed to be made in the county in which the delivery is made by the carrier to the consignee, or the consignee's agent or employee.

2. In any prosecution under this chapter for the unlawful transportation of ~~intoxicating~~ alcoholic liquor, wine, or beer, the offense shall be held to have been committed in any county in which such alcoholic liquor, wine, or beer is received for transportation, through which it is transported, or in which it is delivered.

Sec. 62. Section 123.127, subsection 2, Code 2018, is amended by adding the following new paragraph:

NEW PARAGRAPH. *od.* That the applicant has filed with the division a basic permit issued by the alcohol and tobacco tax and trade bureau of the United States department of the treasury, and that the applicant will faithfully observe and comply with all laws, rules, and regulations governing the manufacture and sale of beer.

Sec. 63. Section 123.130, subsection 3, Code 2018, is amended to read as follows:

3. All special class "A" premises shall be located within the state. A person who holds a special class "A" beer permit for the same location at which the person holds a class "C" liquor control license or class "B" beer permit for the purpose of operating as a brewpub may manufacture and sell beer to be consumed on the premises, may sell at retail at the manufacturing premises for consumption off the premises beer that is transferred at the time of sale to another container subject to the requirements of section 123.131, subsection 2, may sell beer to a class "A" beer permittee for resale purposes, and may sell beer to distributors outside of the

state that are authorized by the laws of that jurisdiction to sell beer at wholesale. The permit issued to holders of a special class "A" beer permit shall clearly state on its face that the permit is limited.

Sec. 64. Section 123.131, Code 2018, is amended by adding the following new subsection:

NEW SUBSECTION. 5. A person holding a class "B" beer permit may also hold a special class "A" beer permit for the premises licensed under a class "B" beer permit for the purpose of operating as a brewpub pursuant to this chapter.

Sec. 65. Section 123.139, Code 2018, is amended to read as follows:

**123.139 Separate locations — class "A" or special class "A" beer permit.**

A class "A" or special class "A" beer permittee having more than one place of business is required to have a separate beer permit for each separate place of business maintained by the permittee where beer is manufactured, stored, warehoused, or sold.

Sec. 66. Section 123.173, subsections 2 and 4, Code 2018, are amended to read as follows:

2. A class "A" wine permit allows the holder to manufacture and sell, or sell at wholesale, in this state, wine. The holder of a class "A" wine permit may manufacture in this state wine having an alcoholic content greater than seventeen percent by weight or twenty-one and twenty-five hundredths percent of alcohol by volume for shipment outside this state. All class "A" premises shall be located within the state. A class "B" or class "B" native wine permit allows the holder to sell wine at retail for consumption off the premises. A class "B" or class "B" native wine permittee who also holds a class "E" liquor control license may sell wine to class "A", class "B", class "C", ~~and~~ special class "C", and class "D" liquor control licensees for resale for consumption on the premises. Such wine sales shall be in quantities of less than one case of any wine brand but not more than one such sale shall be made to the same liquor control licensee in a twenty-four-hour period. A class "B" or class "B" native wine permittee shall not sell wine to other class "B" or class "B" native wine permittees. A

class "C" native wine permit allows the holder to sell native wine for consumption on or off the premises.

4. When a class "B" or class "B" native wine permittee who also holds a class "E" liquor control license sells wine to a ~~class "A", class "B", or class "C"~~ liquor control licensee, the liquor control licensee shall sign a report attesting to the purchase. The class "B" or class "B" native wine permittee who also holds a class "E" liquor control license shall submit a report to the division electronically, or in a manner prescribed by the administrator, not later than the tenth of each month stating each sale of wine to ~~class "A", class "B", and class "C"~~ liquor control licensees during the preceding month, the date of each sale, and the brands and numbers of bottles with each sale. A class "B" permittee who holds a class "E" liquor control license may sell to class "A", class "B", or class "C" liquor control licensees only if the licensed premises of the liquor control licensee is located within the geographic territory of the class "A" wine permittee from which the wine was originally purchased by the class "B" or class "B" native wine permittee.

Sec. 67. Section 123.175, subsection 2, Code 2018, is amended by adding the following new paragraph:

NEW PARAGRAPH. *Od.* That, in the case of a class "A" wine permit, the applicant has filed with the division a basic permit issued by the alcohol and tobacco tax and trade bureau of the United States department of the treasury, and that the applicant will faithfully observe and comply with all the laws, rules, and regulations governing the manufacture and sale of wine.

Sec. 68. Section 123.177, subsection 1, Code 2018, is amended to read as follows:

1. A person holding a class "A" wine permit may manufacture and sell, or sell at wholesale, wine for consumption off the premises. Sales within the state may be made only to persons holding a class "A" or "B" wine permit and to persons holding a retail liquor control license. However, if the person holding the class "A" permit is a manufacturer of native wine, the person may sell only native wine to a person holding a retail wine permit or a retail liquor control license. A class "A"

wine permittee having more than one place of business shall obtain a separate permit for each place of business where wine is to be manufactured, stored, warehoused, or sold.

Sec. 69. Section 123.181, subsection 2, Code 2018, is amended to read as follows:

2. A class "A" wine permittee shall not sell wine on credit to a retail ~~liquor~~ licensee or wine permittee for a period exceeding thirty days from date of delivery.

Sec. 70. Section 123.186, Code 2018, is amended by adding the following new subsection:

NEW SUBSECTION. 3. A licensee or permittee who permits or assents to or is a party in any way to a violation or infringement of a rule adopted pursuant to this section is guilty of a violation of this section. A violation of this section shall subject the licensee or permittee to the general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty or suspension or revocation of the license or permit pursuant to section 123.39.

Sec. 71. Section 123.187, Code 2018, is amended to read as follows:

**123.187 Direct shipment of wine — licenses permits and requirements.**

1. A wine manufacturer licensed or permitted pursuant to laws regulating alcoholic beverages in this state or another state may apply for a wine direct shipper license permit, as provided in this section. For the purposes of this section, a "wine manufacturer" means a person who processes the fruit, vegetables, dandelions, clover, honey, or any combination of these ingredients, by fermentation into wines.

2. a. Only a wine manufacturer that holds a wine direct shipper permit issued pursuant to this section shall sell wine at retail for direct shipment to any person within this state. This section shall not prohibit an authorized retail licensee or permittee from delivering wine pursuant to section 123.46A.

~~a. b. The administrator shall issue~~ A wine manufacturer applying for a wine direct shipper license to a wine manufacturer who submits permit shall submit an application for the license permit electronically, or in a manner prescribed by the administrator, accompanied by a true copy of the

manufacturer's current alcoholic beverage license or permit issued by the state where the manufacturer is primarily located and a copy of the manufacturer's winery license basic permit issued by the ~~federal~~ alcohol and tobacco tax and trade bureau of the United States department of the treasury.

~~b.~~ c. An application submitted pursuant to paragraph "a" "b" shall be accompanied by a license permit fee in the amount of twenty-five dollars.

~~e.~~ d. An application submitted pursuant to paragraph "a" shall also be accompanied by a bond in the amount of five thousand dollars in the form prescribed and furnished by the division with good and sufficient sureties to be approved by the division conditioned upon compliance with this chapter. However, a wine manufacturer that has submitted a bond pursuant to section 123.175, subsection 2, paragraph "f", shall not be required to provide a bond as provided in this paragraph.

~~d.~~ e. A license permit issued pursuant to this section may be renewed annually by ~~resubmitting the information required in paragraph "a"~~ submitting a renewal application with the administrator in a manner prescribed by the administrator, accompanied by the twenty-five dollar license permit fee.

3. The direct shipment of wine pursuant to this section shall be subject to the following requirements and restrictions:

a. Wine ~~may~~ shall only be shipped by a ~~wine direct shipper licensee~~ to a resident of this state who is at least twenty-one years of age, for the resident's personal use and consumption and not for resale.

b. Wine subject to direct shipping shall be properly registered with the federal alcohol and tobacco tax and trade bureau, and fermented on the winery premises of the wine direct shipper licensee permittee.

c. All containers of wine shipped directly to a resident of this state shall be conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY" or shall be conspicuously labeled with alternative wording preapproved by the administrator.

d. All containers of wine shipped directly to a resident of this state shall be shipped by an ~~alcohol carrier licensed a~~



holder of a wine carrier permit as provided in subsection 6.

e. Shipment of wine pursuant to this subsection does not require a refund value for beverage container control purposes under chapter 455C.

4. ~~a.~~ ~~In addition to the annual license fee, a~~ A wine direct shipper licensee permittee shall remit to the division an amount equivalent to the wine gallonage tax on wine subject to direct shipment at the rate specified in [section 123.183](#) for deposit as provided in [section 123.183](#), subsections 2 and 3. The amount shall be remitted at the time and in the manner provided in [section 123.184, subsection 2](#), and the ten percent penalty specified therein shall be applicable.

~~b. Shipment of wine pursuant to [this subsection](#) does not require a refund value for beverage container control purposes under [chapter 455C](#).~~

5. A wine direct shipper licensee permittee shall be deemed to have consented to the jurisdiction of the division or any other agency or court in this state concerning enforcement of this section and any related laws, rules, or regulations. A licensee permit holder shall ~~permit~~ allow the division to perform an audit of shipping records upon request.

6. ~~a.~~ Wine subject to direct shipment within this state pursuant to this section shall be delivered only by a carrier ~~having obtained from the division an alcohol carrier license. An alcohol carrier license shall be issued upon payment of~~ holder of a wine carrier permit as provided in this subsection.

b. A person applying for a wine carrier permit shall submit an application for the permit electronically, or in a manner prescribed by the administrator.

c. An application for a wine carrier permit shall be accompanied by a one hundred dollar license permit fee, and shall be subject to requirements, and issued pursuant to application forms, to be determined by the administrator by rule.

~~b.~~ d. ~~An alcohol~~ A wine carrier licensee permittee shall not deliver wine to any person under twenty-one years of age, or to any person who either is or appears to be in an intoxicated state or condition. A licensee permittee shall obtain valid proof of identity and age prior to delivery,

and shall obtain the signature of an adult as a condition of delivery.

~~e. e.~~ ~~An alcohol~~ A wine carrier licensee permittee shall maintain records of wine shipped which include the license permit number and name of the wine manufacturer, quantity of wine shipped, recipient's name and address, and an electronic or paper form of signature from the recipient of the wine. Records shall be submitted to the division on a monthly basis in a form and manner to be determined by the division ~~by rule~~.

7. A violation of this section shall subject ~~a licensee~~ the permittee to the ~~penalty provisions of~~ general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty or suspension or revocation of the permit pursuant to section 123.39.

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CHARLES SCHNEIDER  
President of the Senate

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LINDA UPMEYER  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2310, Eighty-seventh General Assembly.

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W. CHARLES SMITHSON  
Secretary of the Senate

Approved \_\_\_\_\_, 2018

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KIM REYNOLDS  
Governor