

Senate File 230 - Enrolled

Senate File 230

AN ACT

RELATING TO MANUFACTURERS OF ALCOHOLIC BEVERAGES.

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

Section 1. Section 123.43A, subsection 6, Code 2019, is amended to read as follows:

6. Notwithstanding any provision of [this chapter](#) to the contrary or the fact that a person is the holder of a class "A" native distilled spirits license, a native distillery which, combining all production facilities of the business, produces and manufactures not more than one hundred thousand proof gallons of native distilled spirits on an annual basis may sell those native distilled spirits manufactured on the premises of the native distillery for consumption on the premises by applying for a class "C" native distilled spirits liquor control license as provided in [section 123.30](#). A native distillery may be granted not more than one class "C" native distilled spirits liquor control license. All native distilled spirits sold by a native distillery for on-premises consumption shall be purchased from a class "E" liquor control licensee. A manufacturer of native distilled spirits may be issued a class "C" native distilled spirits liquor control license regardless of whether the manufacturer is also a manufacturer of beer pursuant to a class "A" beer permit or a manufacturer of native wine pursuant to a class "A" wine permit. ~~A native distillery engaged in the business of manufacturing beer shall not be~~

~~issued a class "C" native distilled spirits liquor control license.~~

Sec. 2. Section 123.45, subsection 2, Code 2019, is amended to read as follows:

2. However, a person engaged in the wholesaling of beer or wine may sell only disposable glassware, which is constructed of paper, paper laminated, or plastic materials and designed primarily for personal consumption on a one-time usage basis, to retailers for use within the premises of licensed establishments, for an amount which is greater than or equal to an amount which represents the greater of either the amount paid for the disposable glassware by the supplier or the amount paid for the disposable glassware by the wholesaler. Also, a person engaged in the business of manufacturing beer may sell beer at retail for consumption on or off the premises of the manufacturing facility and, notwithstanding any other provision of [this chapter](#) or the fact that a person is the holder of a class "A" beer permit, may be granted not more than one class "B" beer permit as defined in [section 123.124](#) for that purpose regardless of whether that person is also a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license or a manufacturer of native wine pursuant to a class "A" wine permit.

Sec. 3. Section 123.56, subsection 5, Code 2019, is amended to read as follows:

5. Notwithstanding any other provision of [this chapter](#), a person engaged in the business of manufacturing native wine may sell native wine at retail for consumption on the premises of the manufacturing facility by applying for a class "C" native wine permit as provided in [section 123.178B](#). A manufacturer of native wine may be granted not more than one class "C" native wine permit. A manufacturer of native wine may be issued a class "C" native wine permit regardless of whether the manufacturer is also a manufacturer of beer pursuant to a class "A" beer permit or a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license.

Sec. 4. Section 123.141, Code 2019, is amended to read as follows:

123.141 Keeping liquor where beer is sold.

No alcoholic liquor for beverage purposes shall be used, or kept for any purpose in the place of business of class "B" beer permittees, or on the premises of such class "B" beer permittees, at any time. A violation of any provision of this section shall be grounds for suspension or revocation of the beer permit pursuant to section 123.50, subsection 3. **This section** shall not apply in any manner or in any way to the premises of any hotel or motel for which a class "B" beer permit has been issued, other than that part of such premises regularly used by the hotel or motel for the principal purpose of selling beer or food to the general public, to a premises for which both a class "B" beer permit and a class "A" native distilled spirits license have been issued, or to keep a pharmacy from having alcohol in stock for medicinal and compounding purposes.

CHARLES SCHNEIDER
President of the Senate

LINDA UPMEYER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 230, Eighty-eighth General Assembly.

W. CHARLES SMITHSON
Secretary of the Senate

Approved _____, 2019

KIM REYNOLDS
Governor