

**House File 342 - Introduced**

HOUSE FILE 342

BY WINDSCHITL

**A BILL FOR**

1 An Act allowing the issuance of joint permits to manufacture  
2 various types of alcoholic beverages and providing for fees.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.45, Code 2011, is amended to read as  
2 follows:

3 **123.45 Limitations on business interests.**

4 1. Except as provided in section 123.6, a commission  
5 member or division employee shall not, directly or indirectly,  
6 individually, or as a member of a partnership or shareholder  
7 in a corporation, have any interest in dealing in or in the  
8 manufacture of alcoholic liquor, wine, or beer, and shall  
9 not receive any kind of profit nor have any interest in the  
10 purchase or sale of alcoholic liquor, wine, or beer by persons  
11 so authorized under this chapter. However, this provision does  
12 not prohibit any member or employee from lawfully purchasing  
13 and keeping alcoholic liquor, wine, or beer in the member's or  
14 employee's possession for personal use.

15 2. A person engaged in the business of manufacturing,  
16 bottling, or wholesaling alcoholic beverages, wine, or beer, or  
17 any jobber, representative, broker, employee, or agent of such  
18 a person, shall not directly or indirectly supply, furnish,  
19 give, or pay for any furnishings, fixtures, or equipment used  
20 in the storage, handling, serving, or dispensing of alcoholic  
21 beverages, wine, beer, or food within the place of business of  
22 a licensee or permittee authorized under this chapter to sell  
23 at retail; nor shall the person directly or indirectly extend  
24 any credit for alcoholic beverages or beer or pay for any such  
25 license or permit~~;~~ nor directly or indirectly be interested in  
26 the ownership, conduct, or operation of the business of another  
27 licensee or permittee authorized under this chapter to sell at  
28 retail~~;~~ nor hold a retail liquor control license or retail  
29 wine or beer permit. ~~However, a~~

30 3. The limitations contained in subsection 2 shall be  
31 subject to the following exceptions:

32 a. A person engaged in the wholesaling of beer or wine  
33 may sell only disposable glassware, which is constructed of  
34 paper, paper laminated, or plastic materials and designed  
35 primarily for personal consumption on a one-time usage

1 basis, to retailers for use within the premises of licensed  
2 establishments, for an amount which is greater than or equal  
3 to an amount which represents the greater of either the amount  
4 paid for the disposable glassware by the supplier or the amount  
5 paid for the disposable glassware by the wholesaler. ~~Also, a~~  
6 b. A person engaged in the business of manufacturing beer  
7 may sell beer at retail for consumption on or off the premises  
8 of the manufacturing facility and, notwithstanding any other  
9 provision of this chapter or the fact that a person is the  
10 holder of a class "A" beer permit, may be granted not more than  
11 one class "B" beer permit as defined in section 123.124 for  
12 that purpose.

13 c. A permit to manufacture any combination of native  
14 wine, micro-distilled spirits, or beer may be issued to the  
15 same person or group of persons, and the person or group of  
16 persons may operate the businesses out of the same physical  
17 location, provided the required permits have been issued for  
18 each respective entity, as provided in section 123.151.

19 4. A licensee or permittee who permits or assents to or is a  
20 party in any way to a violation or infringement of this section  
21 is guilty of a violation of this section.

22 **Sec. 2. NEW SECTION. 123.151 Joint permits — joint**  
23 **physical locations.**

24 The division shall by rule develop a procedure for the  
25 issuance of a joint permit to manufacture any combination of  
26 native wine, micro-distilled spirits, or beer to the same  
27 person or group of persons, and the person or group of persons  
28 may operate the businesses out of the same physical location,  
29 provided the person or group of persons qualifies for issuance  
30 of individual permits for each respective business. The  
31 total annual permit fees and any other applicable fees or  
32 charges shall be the cumulative total of the fees applicable  
33 if individual permits for the manufacture of native wine,  
34 micro-distilled spirits, or beer were obtained.

35

EXPLANATION

1 This bill directs the alcoholic beverages division of the  
2 department of commerce to develop a procedure for the issuance  
3 of a joint permit to manufacture any combination of native  
4 wine, micro-distilled spirits, or beer to the same person  
5 or group of persons, and the person or group of persons may  
6 operate the businesses out of the same physical location,  
7 provided the person or group of persons qualifies for issuance  
8 of individual permits for each respective business. The bill  
9 provides that the total annual permit fees and any other  
10 applicable fees or charges shall be the cumulative total of  
11 the fees applicable if individual permits for each entity were  
12 obtained. The bill adds a corresponding provision to Code  
13 section 123.45, as an exception to current provisions which  
14 restrict or limit potentially conflicting business interests  
15 among alcoholic beverage, wine, or beer licensees under Code  
16 chapter 123.