

House Study Bill 108 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT
OF COMMERCE/ALCOHOLIC
BEVERAGES DIVISION BILL)

A BILL FOR

1 An Act relating to alcoholic beverage control and matters under
2 the purview of the alcoholic beverages division of the
3 department of commerce.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

ALCOHOLIC BEVERAGE CONTROL

1
2
3 Section 1. Section 123.3, subsection 25, Code 2017, is
4 amended to read as follows:

5 25. *“Licensed premises”* or *“premises”* means all rooms,
6 enclosures, contiguous areas, or places susceptible of precise
7 description satisfactory to the administrator where alcoholic
8 beverages, wine, or beer is sold or consumed under authority
9 of a liquor control license, wine permit, or beer permit.
10 A single licensed premises may consist of multiple rooms,
11 enclosures, areas, or places if they are wholly within the
12 confines of a single building or contiguous grounds, or areas
13 or places susceptible of precise description satisfactory to
14 the administrator.

15 Sec. 2. Section 123.3, Code 2017, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 30A. *“Original container”* means a vessel
18 containing an alcoholic beverage that has been lawfully
19 obtained, bears a label approved by the alcohol and tobacco
20 tax and trade bureau of the United States department of the
21 treasury, and has been securely capped, sealed, or corked at
22 the location of manufacture.

23 Sec. 3. Section 123.22, Code 2017, is amended to read as
24 follows:

25 **123.22 State monopoly.**

26 1. The division has the exclusive right of importation
27 into the state of all forms of alcoholic liquor, except as
28 otherwise provided in [this chapter](#), and a person shall not
29 import alcoholic liquor, except that an individual of legal age
30 may import and have in the individual’s possession an amount
31 of alcoholic liquor not exceeding one liter or, in the case of
32 alcoholic liquor personally obtained outside the United States,
33 four liters for personal consumption only in a private home
34 or other private accommodation. A distillery shall not sell
35 alcoholic liquor within the state to any person but only to

1 the division, except as otherwise provided in [this chapter](#).
2 This section vests in the division exclusive control within the
3 state as purchaser of all alcoholic liquor sold by distilleries
4 within the state or imported, except beer and wine, and except
5 as otherwise provided in [this chapter](#). The division shall
6 receive alcoholic liquor on a bailment system for resale by the
7 division in the manner set forth in [this chapter](#). The division
8 shall act as the sole wholesaler of alcoholic liquor to class
9 "E" liquor control licensees.

10 2. No person, acting individually or through another
11 acting for the person shall directly or indirectly, or upon
12 any pretense, or by any device, manufacture, sell, exchange,
13 barter, dispense, give in consideration of the purchase of any
14 property or of any services or in evasion of [this chapter](#), or
15 keep for sale, or have possession of any intoxicating liquor,
16 except as provided in [this chapter](#); or own, keep, or be in any
17 way concerned, engaged, or employed in owning or keeping, any
18 intoxicating liquor with intent to violate any provision of
19 this chapter, or authorize or permit the same to be done; or
20 manufacture, own, sell, or have possession of any manufactured
21 or compounded article, mixture or substance, not in a liquid
22 form, and containing alcohol which may be converted into a
23 beverage by a process of pressing or straining the alcohol
24 therefrom, or any instrument intended for use and capable of
25 being used in the manufacture of intoxicating liquor; or own
26 or have possession of any material used exclusively in the
27 manufacture of intoxicating liquor; or use or have possession
28 of any material with intent to use it in the manufacture of
29 intoxicating liquors; however, alcohol may be manufactured
30 for industrial and nonbeverage purposes by persons who have
31 qualified for that purpose as provided by the laws of the
32 United States and the laws of this state. Such alcohol, so
33 manufactured, may be denatured, transported, used, possessed,
34 sold, and bartered and dispensed, subject to the limitations,
35 prohibitions and restrictions imposed by the laws of the United

1 States and this state. Any person may manufacture, sell, or
2 transport ingredients and devices other than alcohol for the
3 making of homemade wine or beer.

4 Sec. 4. Section 123.23, subsection 2, Code 2017, is amended
5 to read as follows:

6 2. At the time of applying for a certificate of compliance,
7 each applicant shall submit to the division electronically,
8 or in a manner prescribed by the administrator, the name and
9 address of its authorized agent for service of process which
10 shall remain effective until changed for another, and a list
11 of names and addresses of all representatives, employees, or
12 attorneys whom the applicant has appointed in the state of Iowa
13 to represent it for any purpose. The listing shall be amended
14 ~~from time to time~~ by the certificate holder as necessary to
15 keep the listing current with the division.

16 Sec. 5. Section 123.28, Code 2017, is amended to read as
17 follows:

18 **123.28 Restrictions on transportation.**

19 1. It is lawful to transport, carry, or convey alcoholic
20 liquors from the place of purchase by the division to a state
21 warehouse or depot established by the division or from one such
22 place to another and, when so permitted by **this chapter**, it is
23 lawful for the division, a common carrier, or other person to
24 transport, carry, or convey alcoholic liquor sold from a state
25 warehouse, depot, or point of purchase by the state to any
26 place to which the liquor may be lawfully delivered under this
27 chapter.

28 2. The division shall deliver alcoholic liquor purchased by
29 class "E" liquor control licensees. Class "E" liquor control
30 licensees may deliver alcoholic liquor purchased by class "A",
31 "B", or "C" liquor control licensees, and class "A", "B", or
32 "C" liquor control licensees may transport alcoholic liquor
33 purchased from class "E" liquor control licensees.

34 3. A common carrier or other person shall not break or
35 open or allow to be broken or opened a container or package

1 containing alcoholic liquor or use or drink or allow to be used
2 or drunk any alcoholic liquor while it is being transported or
3 conveyed, ~~but this.~~

4 4. This section does not prohibit a private person from
5 transporting individual bottles or containers of alcoholic
6 liquor exempted pursuant to section 123.22 and individual
7 bottles or containers bearing the identifying mark prescribed
8 in section 123.26 which have been opened previous to the
9 commencement of the transportation.

10 5. This section does not affect the right of a special
11 permit or liquor control license holder to purchase, possess,
12 or transport alcoholic liquors subject to this chapter.

13 Sec. 6. Section 123.30, subsection 1, paragraph c, Code
14 2017, is amended to read as follows:

15 c. As a further condition for the issuance of a class "E"
16 liquor control license, the applicant shall post a bond in
17 a sum of not less than five thousand nor more than fifteen
18 thousand dollars as determined on a sliding scale established
19 by the division; however, a bond shall not be required if all
20 purchases of alcoholic liquor from the division by the licensee
21 are made ~~by cash payment or~~ by means that ensure that the
22 division will receive full payment in advance of delivery of
23 the alcoholic liquor.

24 Sec. 7. Section 123.31, subsections 6 and 7, Code 2017, are
25 amended by striking the subsections.

26 Sec. 8. Section 123.32, subsection 6, paragraph b, Code
27 2017, is amended to read as follows:

28 b. Upon receipt of an application having been approved by
29 the local authority, the division shall make an investigation
30 as the administrator deems necessary to determine that the
31 applicant complies with all requirements for holding a license
32 or permit, and may require the applicant to appear to be
33 examined under oath to demonstrate that the applicant complies
34 with all of the requirements to hold a license or permit. If
35 the administrator requires the applicant to appear and to

1 testify under oath, a record shall be made of all testimony or
2 evidence and the record shall become a part of the application.
3 The administrator may appoint a member of the division or
4 may request an administrative law judge of the department of
5 inspections and appeals to receive the testimony under oath
6 and evidence, and to issue a proposed decision to approve
7 or disapprove the application for a license or permit. The
8 administrator may affirm, reverse, or modify the proposed
9 decision to approve or disapprove the application for the
10 license or permit. If the application is approved by the
11 administrator, the license or permit shall be issued. If the
12 application is disapproved by the administrator, the applicant
13 ~~and the appropriate local authority~~ shall be so notified by
14 certified mail and the appropriate local authority shall be
15 notified electronically, or in a manner prescribed by the
16 administrator.

17 Sec. 9. Section 123.33, Code 2017, is amended to read as
18 follows:

19 **123.33 Records.**

20 Every holder of a ~~liquor control license shall keep a daily~~
21 ~~record, in printed or electronic format, of the gross receipts~~
22 ~~of the holder's business~~ or permit under this chapter shall
23 maintain records, in printed and electronic format, which
24 include income statements, balance sheets, purchase and sales
25 invoices, purchase and sales ledgers, and any other records as
26 the administrator may require. The records required and the
27 premises of the licensee or permittee shall be accessible and
28 open to inspection pursuant to [section 123.30, subsection 1,](#)
29 during normal business hours of the licensee or permittee.

30 Sec. 10. Section 123.34, subsection 1, Code 2017, is amended
31 to read as follows:

32 1. Liquor control licenses, wine permits, and beer permits,
33 unless sooner suspended or revoked, expire one year from
34 date of issuance. The administrator shall give sixty days'
35 written notice of the expiration to each licensee or permittee.

1 However, the administrator may issue six-month or eight-month
2 seasonal licenses, class "B" wine permits, or class "B" beer
3 permits for a proportionate part of the license or permit fee
4 or may issue fourteen-day liquor control licenses, native wine
5 permits, or beer permits as provided in subsection 2. No
6 refund shall be made for seasonal licenses or permits or for
7 fourteen-day liquor control licenses, native wine permits, or
8 beer permits. No seasonal license or permit shall be renewed
9 ~~except~~. However, after a period of two months the applicant
10 may apply for a new seasonal license or permit for the same
11 location.

12 Sec. 11. Section 123.49, subsection 2, paragraph b, Code
13 2017, is amended to read as follows:

14 b. Sell or dispense any alcoholic beverage ~~or beer~~ on
15 the premises covered by the license or permit, or permit its
16 consumption thereon between the hours of 2:00 a.m. and 6:00
17 a.m. on a weekday, and between the hours of 2:00 a.m. on Sunday
18 and 6:00 a.m. on the following Monday, however, a holder of a
19 liquor control license or retail wine or beer permit granted
20 the privilege of selling alcoholic liquor, wine, or beer on
21 Sunday may sell or dispense alcoholic liquor, wine, or beer
22 between the hours of 8:00 a.m. on Sunday and 2:00 a.m. on the
23 following Monday.

24 Sec. 12. Section 123.49, subsection 2, paragraph k, Code
25 2017, is amended by striking the paragraph.

26 Sec. 13. Section 123.51, subsection 1, Code 2017, is amended
27 to read as follows:

28 1. No signs or other matter advertising any brand of
29 alcoholic liquor, beer, or wine shall be erected or placed upon
30 the outside of any premises occupied by a licensee or permittee
31 authorized to sell alcoholic liquor, beer, or wine at retail.
32 ~~This subsection does not prohibit the use of signs~~ However,
33 signs or other advertising matter may be erected or placed
34 inside the premises, inside a fence or similar enclosure which
35 wholly or partially surrounds the ~~licensed~~ premises, or inside

1 a window facing outward from the premises.

2 Sec. 14. Section 123.175, Code 2017, is amended by striking
3 the section and inserting in lieu thereof the following:

4 **123.175 Class "A" or retail wine permit application and**
5 **issuance.**

6 1. A person applying for a class "A" or retail wine permit
7 shall submit an application electronically, or in a manner
8 prescribed by the administrator, which shall set forth under
9 oath the following:

10 a. The name and place of residence of the applicant.

11 b. The names and addresses of all persons or, in the case of
12 a corporation, the officers, directors, and persons owning or
13 controlling ten percent or more of the capital stock thereof,
14 having a financial interest, by way of loan, ownership, or
15 otherwise, in the business.

16 c. The location of the premises where the applicant intends
17 to operate.

18 d. The name of the owner of the premises and if the owner of
19 the premises is not the applicant, whether the applicant is the
20 actual lessee of the premises.

21 e. When required by the administrator, and in such form and
22 containing such information as the administrator may require,
23 a description of the premises where the applicant intends to
24 use the permit, to include a sketch or drawing of the premises
25 and, if applicable, the number of square feet of interior floor
26 space which comprises the retail sales area of the premises.

27 f. Whether any person specified in paragraph "b" has ever
28 been convicted of any offense against the laws of the United
29 States, or any state or territory thereof, or any political
30 subdivision of any such state or territory.

31 g. Any other information as required by the administrator.

32 2. The administrator shall issue a class "A" or retail wine
33 permit to any applicant who establishes all of the following:

34 a. That the applicant has submitted a completed application
35 as required by subsection 1.

1 *b.* That the applicant is a person of good moral character as
2 provided in section 123.3, subsection 34.

3 *c.* That the applicant is a citizen of the state of Iowa
4 or, if a corporation, that the applicant is authorized to do
5 business in the state.

6 *d.* That the premises where the applicant intends to use the
7 permit conforms to all applicable laws, health regulations, and
8 fire regulations, and constitutes a safe and proper place or
9 building.

10 *e.* That the applicant gives consent to a person, pursuant
11 to section 123.30, subsection 1, to enter upon the premises
12 without a warrant during the business hours of the applicant
13 to inspect for violations of the provisions of this chapter or
14 ordinances and regulations that local authorities may adopt.

15 *f.* That the applicant has submitted, in the case of a class
16 "A" wine permit, a bond in the amount of five thousand dollars
17 in a manner prescribed by the administrator with good and
18 sufficient sureties to be approved by the division conditioned
19 upon compliance with this chapter.

20 Sec. 15. Section 123.178B, subsection 4, Code 2017, is
21 amended to read as follows:

22 4. A person holding a class "C" native wine permit and a
23 class "A" wine permit whose primary purpose is manufacturing
24 native wine may purchase beer from a wholesaler holding a class
25 "A" beer permit for sale at retail for consumption on or off
26 the premises covered by the class "C" native wine permit.

27 Sec. 16. Section 123.180, subsection 2, Code 2017, is
28 amended to read as follows:

29 2. At the time of applying for a vintner's certificate of
30 compliance, each applicant shall file with the division a list
31 of all class "A" wine permittees with whom it intends to do
32 business. The listing of class "A" wine permittees as filed
33 with the division may shall be amended ~~from time to time~~ by the
34 holder of the certificate of compliance as necessary to keep
35 the listing current with the division.

1 Sec. 17. Section 123.183, subsection 2, paragraph a, Code
2 2017, is amended to read as follows:

3 a. Revenue collected from the wine gallonage tax on wine
4 manufactured for sale and sold at wholesale in this state,
5 and on wine subject to direct shipment as provided in section
6 123.187 by a wine manufacturer licensed or permitted pursuant
7 to laws regulating alcoholic beverages in this state, shall be
8 deposited in the wine gallonage tax fund as created in this
9 section.

10 Sec. 18. Section 123.187, subsection 2, paragraph c, Code
11 2017, is amended to read as follows:

12 c. An application submitted pursuant to paragraph "a"
13 shall also be accompanied by a bond in the amount of five
14 thousand dollars in the form prescribed and furnished by the
15 division with good and sufficient sureties to be approved by
16 the division conditioned upon compliance with this chapter.
17 However, a wine manufacturer that has submitted a bond pursuant
18 to section 123.175, subsection 3 2, paragraph "f", shall not be
19 required to provide a bond as provided in this paragraph.

20 DIVISION II

21 BEER PERMITS

22 Sec. 19. Section 123.30, subsection 3, paragraph e,
23 subparagraph (1), Code 2017, is amended to read as follows:

24 (1) A class "E" liquor control license may be issued and
25 shall authorize the holder to purchase alcoholic liquor from
26 the division only and high alcoholic content beer from a class
27 ~~"AA"~~ "A" beer permittee only and to sell the alcoholic liquor
28 and high alcoholic content beer to patrons for consumption off
29 the licensed premises and to other liquor control licensees.
30 A holder of a class "E" liquor control license may hold other
31 retail liquor control licenses or retail wine or beer permits,
32 but the premises licensed under a class "E" liquor control
33 license shall be separate from other licensed premises, though
34 the separate premises may have a common entrance. However,
35 the holder of a class "E" liquor control license may also hold

1 a class "B" wine or class "C" beer permit or both for the
2 premises licensed under a class "E" liquor control license.

3 Sec. 20. Section 123.124, Code 2017, is amended by striking
4 the section and inserting in lieu thereof the following:

5 **123.124 Beer permits — classes.**

6 Permits for the manufacture and sale, or sale, of beer shall
7 be divided into four classes, known as class "A", special
8 class "A", class "B", or class "C" beer permits. A holder of
9 a class "A" or special class "A" beer permit shall have the
10 authority as provided in section 123.130. A holder of a class
11 "B" beer permit shall have the authority as provided in section
12 123.131, and a holder of a class "C" beer permit shall have the
13 authority as provided in section 123.132.

14 Sec. 21. Section 123.125, Code 2017, is amended to read as
15 follows:

16 **123.125 Issuance of beer permits.**

17 The administrator shall issue class "A", special class "A",
18 ~~class "AA", special class "AA",~~ class "B", and class "C" beer
19 permits and may suspend or revoke permits for cause as provided
20 in [this chapter](#).

21 Sec. 22. Section 123.127, Code 2017, is amended by striking
22 the section and inserting in lieu thereof the following:

23 **123.127 Class "A" and special class "A" beer permit
24 application and issuance.**

25 1. A person applying for a class "A" or special class "A"
26 beer permit shall submit an application electronically, or in a
27 manner prescribed by the administrator, which shall set forth
28 under oath the following:

29 a. The name and place of residence of the applicant.

30 b. The names and addresses of all persons or, in the case of
31 a corporation, the officers, directors, and persons owning or
32 controlling ten percent or more of the capital stock thereof,
33 having a financial interest, by way of loan, ownership, or
34 otherwise, in the business.

35 c. The location of the premises where the applicant intends

1 to operate.

2 *d.* The name of the owner of the premises and if the owner of
3 the premises is not the applicant, whether the applicant is the
4 actual lessee of the premises.

5 *e.* When required by the administrator, and in such form and
6 containing such information as the administrator may require,
7 a description of the premises where the applicant intends to
8 use the permit, to include a sketch or drawing of the premises
9 and, if applicable, the number of square feet of interior floor
10 space which comprises the retail sales area of the premises.

11 *f.* Whether any person specified in paragraph "b" has ever
12 been convicted of any offense against the laws of the United
13 States, or any state or territory thereof, or any political
14 subdivision of any such state or territory.

15 *g.* Any other information as required by the administrator.

16 2. The administrator shall issue a class "A" or special
17 class "A" beer permit to any applicant who establishes all of
18 the following:

19 *a.* That the applicant has submitted a completed application
20 as required by subsection 1.

21 *b.* That the applicant is a person of good moral character as
22 provided in section 123.3, subsection 34.

23 *c.* That the applicant is a citizen of the state of Iowa
24 or, if a corporation, that the applicant is authorized to do
25 business in the state.

26 *d.* That the premises where the applicant intends to use the
27 permit conforms to all applicable laws, health regulations, and
28 fire regulations, and constitutes a safe and proper place or
29 building.

30 *e.* That the applicant gives consent to a person, pursuant
31 to section 123.30, subsection 1, to enter upon the premises
32 without a warrant during the business hours of the applicant
33 to inspect for violations of the provisions of this chapter or
34 ordinances and regulations that local authorities may adopt.

35 *f.* That the applicant has submitted a bond in the amount

1 of ten thousand dollars in a manner prescribed by the
2 administrator with good and sufficient sureties to be approved
3 by the division conditioned upon compliance with this chapter.

4 *g.* If the person is applying for a special class "A" beer
5 permit, that the applicant holds or has applied for a class "C"
6 liquor control license or class "B" beer permit.

7 Sec. 23. Section 123.128, subsection 1, paragraph a, Code
8 2017, is amended to read as follows:

9 *a.* All the information required of an applicant by section
10 123.127, subsection 1, ~~paragraph "a"~~.

11 Sec. 24. Section 123.128, subsection 2, Code 2017, is
12 amended to read as follows:

13 2. Fulfills the requirements of section 123.127, subsection
14 ± 2, ~~paragraph~~ paragraphs "b", "c", and "d".

15 Sec. 25. Section 123.129, subsection 2, paragraphs a and b,
16 Code 2017, are amended to read as follows:

17 *a.* Submits an application electronically, or in a manner
18 prescribed by the administrator, which shall state under
19 oath all the information required of an applicant by section
20 123.127, subsection 1, ~~paragraph "a"~~.

21 *b.* ~~Establishes that the person is of good moral character as~~
22 ~~defined by [this chapter](#)~~ Fulfills the requirements of section
23 123.127, subsection 2, paragraphs "b", "c", and "d".

24 Sec. 26. Section 123.129, subsection 2, paragraph d, Code
25 2017, is amended by striking the paragraph.

26 Sec. 27. Section 123.130, Code 2017, is amended to read as
27 follows:

28 **123.130 Authority under class "A", ~~class "AA", and special~~**
29 **class "A", ~~and special class "AA" beer permits.~~**

30 1. Any person holding a class "A" ~~or class "AA"~~ beer permit
31 issued by the division shall be authorized to manufacture
32 and sell, or sell at wholesale, beer for consumption off
33 the premises, such sales within the state to be made only
34 to persons holding subsisting class "A", "B", or "C" beer
35 permits, or liquor control licenses issued in accordance with

1 the provisions of [this chapter](#). A class "A", ~~class "AA"~~,
2 or special class "A", ~~or special class "AA"~~ beer permit does
3 not grant authority to manufacture wine as defined in section
4 123.3, subsection 47.

5 2. All class "A" ~~and class "AA"~~ premises shall be located
6 within the state. All beer received by the holder of a
7 class "A" ~~or class "AA"~~ beer permit from the holder of a
8 certificate of compliance before being resold must first come
9 to rest on the licensed premises of the permit holder, must be
10 inventoried, and is subject to the barrel tax when resold as
11 provided in [section 123.136](#). A class "A" ~~or class "AA"~~ beer
12 permittee shall not store beer overnight except on premises
13 licensed under a class "A" ~~or class "AA"~~ beer permit.

14 3. All special class "A" ~~and special class "AA"~~ premises
15 shall be located within the state. A person who holds a
16 special class "A" ~~or special class "AA"~~ beer permit for the
17 same location at which the person holds a class "C" liquor
18 control license or class "B" beer permit may manufacture
19 and sell beer to be consumed on the premises, may sell at
20 retail at the manufacturing premises for consumption off the
21 premises beer that is transferred at the time of sale from
22 the original container to another container that is no larger
23 than seventy-two ounces, may sell beer to a class "A" ~~or class~~
24 ~~"AA"~~ beer permittee for resale purposes, and may sell beer to
25 distributors outside of the state that are authorized by the
26 laws of that jurisdiction to sell beer at wholesale.

27 Sec. 28. Section 123.131, Code 2017, is amended to read as
28 follows:

29 **123.131 Authority under class "B" beer permit.**

30 1. Subject to the provisions of [this chapter](#), any person
31 holding a class "B" beer permit shall be authorized to sell
32 beer for consumption on or off the premises. Sales of beer
33 for consumption off the premises made pursuant to this section
34 shall be made in original containers except as provided in
35 subsection 2. However, unless otherwise provided in this

1 chapter, no sale of beer shall be made for consumption on
2 the premises unless the place where such service is made is
3 equipped with tables and seats sufficient to accommodate not
4 less than twenty-five persons at one time.

5 2. Subject to the rules of the division, sales of beer for
6 consumption off the premises made pursuant to this section may
7 be made in a container other than the original container only
8 if all of the following requirements are met:

9 a. The beer is transferred from the original container to
10 the container to be sold on the licensed premises at the time
11 of sale.

12 b. The person transferring the beer from the original
13 container to the container to be sold shall be eighteen years
14 of age or more.

15 c. The container to be sold shall be no larger than
16 seventy-two ounces.

17 d. The container to be sold shall be securely sealed by a
18 method authorized by the division that is designed so that if
19 the sealed container is reopened or the seal tampered with, it
20 is visibly apparent that the seal on the container of beer has
21 been tampered with or the sealed container has otherwise been
22 reopened.

23 3. A container of beer other than the original container
24 that is sold and sealed in compliance with the requirements of
25 subsection 2 and the rules of the division shall not be deemed
26 an open container subject to the requirements of sections
27 321.284 and 321.284A if the sealed container is unopened and
28 the seal has not been tampered with, and the contents of the
29 container have not been partially removed.

30 4. A person holding a class "B" beer permit and a class "A"
31 beer permit whose primary purpose is manufacturing beer may
32 purchase wine from a wholesaler holding a class "A" wine permit
33 for sale at retail for consumption on the premises covered by
34 the class "B" beer permit.

35 Sec. 29. Section 123.134, subsection 1, Code 2017, is

1 amended to read as follows:

2 1. The annual permit fee for a class "A" or special class
3 "A" beer permit is ~~two~~ seven hundred fifty dollars.

4 Sec. 30. Section 123.134, subsection 2, Code 2017, is
5 amended by striking the subsection.

6 Sec. 31. Section 123.135, Code 2017, is amended to read as
7 follows:

8 **123.135 Certificate of compliance — civil penalty.**

9 1. A manufacturer, brewer, bottler, importer, or vendor of
10 beer, or any agent thereof, desiring to ship or sell beer, or
11 have beer brought into this state for resale by a class "A"
12 ~~or class "AA" beer~~ beer permittee, shall first make application
13 for and be issued a brewer's certificate of compliance by the
14 administrator for that purpose. The certificate of compliance
15 expires at the end of one year from the date of issuance
16 and shall be renewed for a like period upon application to
17 the administrator unless otherwise revoked for cause. Each
18 application for a certificate of compliance or renewal of a
19 certificate shall be submitted electronically, or in a manner
20 prescribed by the administrator, and shall be accompanied
21 by a fee of five hundred dollars payable to the division.
22 Each holder of a certificate of compliance shall furnish the
23 information in a manner the administrator requires.

24 2. At the time of applying for a certificate of compliance,
25 each applicant shall file with the division a list of all class
26 "A" ~~and class "AA" beer~~ beer permittees with whom it intends to do
27 business and shall designate the geographic area in which its
28 products are to be distributed by such permittee. The listing
29 of class "A" ~~and class "AA" beer~~ beer permittees and geographic area
30 as filed with the division ~~may~~ shall be amended ~~from time to~~
31 ~~time~~ by the holder of a certificate of compliance as necessary
32 to keep the listing current with the division.

33 3. All class "A" ~~and class "AA" beer~~ permit holders shall
34 sell only those brands of beer which are manufactured, brewed,
35 bottled, shipped, or imported by a person holding a current

1 certificate of compliance. Any employee or agent working for
2 or representing the holder of a certificate of compliance
3 within this state shall submit electronically, or in a manner
4 prescribed by the administrator, the employee's or agent's name
5 and address with the division.

6 4. It shall be unlawful for any holder of a certificate of
7 compliance or the holder's agent, or any class "A" ~~or class~~
8 ~~"AA"~~ beer permit holder or the beer permit holder's agent, to
9 grant to any retail beer permit holder, directly or indirectly,
10 any rebates, free goods, or quantity discounts on beer which
11 are not uniformly offered to all retail permittees.

12 5. Notwithstanding any other penalties provided by this
13 chapter, any holder of a certificate of compliance or any class
14 "A" ~~or class "AA"~~ beer permit holder who violates [this chapter](#)
15 or the rules adopted pursuant to [this chapter](#) is subject to a
16 civil penalty not to exceed one thousand dollars or suspension
17 of the holder's certificate or permit for a period not to
18 exceed one year, or both such civil penalty and suspension.
19 Civil penalties imposed under [this section](#) shall be collected
20 and retained by the division.

21 Sec. 32. Section 123.136, subsection 1, Code 2017, is
22 amended to read as follows:

23 1. In addition to the annual permit fee to be paid by all
24 class "A" ~~and class "AA"~~ beer permittees under [this chapter](#)
25 there shall be levied and collected from the permittees on all
26 beer manufactured for sale or sold in this state at wholesale
27 and on all beer imported into this state for sale at wholesale
28 and sold in this state at wholesale, and from special class "A"
29 ~~and special class "AA"~~ beer permittees on all beer manufactured
30 for consumption on the premises and on all beer sold at retail
31 at the manufacturing premises for consumption off the premises
32 pursuant to section 123.130, subsection 3, a tax of five and
33 eighty-nine hundredths dollars for every barrel containing
34 thirty-one gallons, and at a like rate for any other quantity
35 or for the fractional part of a barrel. However, no tax shall

1 be levied or collected on beer shipped outside this state by a
2 class "A" ~~or class "AA"~~ beer permittee or sold by one class "A"
3 ~~or class "AA"~~ beer permittee to another class "A" ~~or class "AA"~~
4 beer permittee.

5 Sec. 33. Section 123.137, subsection 1, Code 2017, is
6 amended to read as follows:

7 1. A person holding a class "A", ~~class "AA"~~, or special
8 class "A", ~~or special class "AA"~~ beer permit shall, on or
9 before the tenth day of each calendar month commencing on the
10 tenth day of the calendar month following the month in which
11 the person is issued a beer permit, make a report under oath
12 to the division electronically, or in a manner prescribed by
13 the administrator, showing the exact number of barrels of
14 beer, or fractional parts of barrels, sold by the beer permit
15 holder during the preceding calendar month. The report shall
16 also state information the administrator requires, and beer
17 permit holders shall at the time of filing a report pay to the
18 division the amount of tax due at the rate fixed in section
19 123.136.

20 Sec. 34. Section 123.138, subsection 1, Code 2017, is
21 amended to read as follows:

22 1. Each class "A", ~~class "AA"~~, or special class "A", ~~or~~
23 ~~special class "AA"~~ beer permittee shall keep proper records
24 showing the amount of beer sold by the permittee, and these
25 records shall be at all times open to inspection by the
26 administrator and to other persons pursuant to section 123.30,
27 subsection 1. Each class "B" beer permittee, class "C" beer
28 permittee, or retail liquor control licensee shall keep proper
29 records showing each purchase of beer made by the permittee
30 or licensee, and the date and the amount of each purchase and
31 the name of the person from whom each purchase was made, which
32 records shall be open to inspection pursuant to section 123.30,
33 subsection 1, during normal business hours of the permittee or
34 licensee.

35 Sec. 35. Section 123.139, Code 2017, is amended to read as

1 follows:

2 123.139 **Separate locations — class “A”, ~~class “AA”, or~~**
3 **special class “A”, ~~or special class “AA”~~ beer permit.**

4 A class “A”, ~~class “AA”, or~~ special class “A”, ~~or special~~
5 ~~class “AA”~~ beer permittee having more than one place of
6 business is required to have a separate beer permit for each
7 separate place of business maintained by the permittee where
8 beer is stored, warehoused, or sold.

9 Sec. 36. Section 123.142, Code 2017, is amended to read as
10 follows:

11 123.142 **Unlawful sale and importation.**

12 1. It is unlawful for the holder of a class “B” or class
13 “C” beer permit issued under [this chapter](#) to sell beer, except
14 beer brewed on the premises covered by a special class “A”
15 ~~or special class “AA”~~ beer permit or beer purchased from a
16 person holding a class “A” ~~or class “AA”~~ beer permit issued in
17 accordance with [this chapter](#), and on which the tax provided in
18 section 123.136 has been paid. However, [this section](#) does not
19 apply to class “D” liquor control licensees as provided in this
20 chapter.

21 2. It shall be unlawful for any person not holding a class
22 “A” ~~or class “AA”~~ beer permit to import beer into this state
23 for the purpose of sale or resale.

24 Sec. 37. Section 123.143, subsection 3, Code 2017, is
25 amended to read as follows:

26 3. Barrel tax revenues collected on beer manufactured in
27 this state from a class “A” ~~or class “AA”~~ beer permittee which
28 owns and operates a brewery located in Iowa shall be credited
29 to the barrel tax fund hereby created in the office of the
30 treasurer of state. Moneys deposited in the barrel tax fund
31 shall not revert to the general fund of the state without a
32 specific appropriation by the general assembly. Moneys in the
33 barrel tax fund are appropriated to the economic development
34 authority for purposes of [section 15E.117](#).

35 Sec. 38. Section 123.144, subsection 1, Code 2017, is

1 amended to read as follows:

2 1. No person shall bottle beer within the state of Iowa,
3 except class "A", and special class "A", ~~class "AA", and~~
4 ~~special class "AA"~~ beer permittees who have complete equipment
5 for bottling beer and who have received the approval of the
6 local board of health as to sanitation. It shall be the duty of
7 local boards of health to inspect the premises and equipment of
8 class "A", and special class "A", ~~class "AA", and special class~~
9 ~~"AA"~~ beer permittees who desire to bottle beer.

10

DIVISION III

11

NATIVE DISTILLED SPIRITS

12 Sec. 39. Section 123.3, subsections 28 and 29, Code 2017,
13 are amended to read as follows:

14 28. ~~"Micro-distilled"~~ "Native distilled spirits" means
15 ~~distilled~~ spirits fermented, distilled, or, for a period of
16 two years, barrel matured on the licensed premises of the
17 ~~micro-distillery~~ native distillery where fermented, distilled,
18 or matured. ~~"Micro-distilled spirits"~~ "Native distilled spirits"
19 also includes blended or mixed spirits comprised solely of
20 spirits fermented, distilled, or, for a period of two years,
21 barrel matured at a ~~micro-distillery~~ native distillery.

22 29. ~~"Micro-distillery"~~ "Native distillery" means a
23 business with an ~~operational~~ operating still which, ~~combining~~
24 ~~all production facilities of the business,~~ produces and
25 manufactures ~~less than fifty thousand proof gallons of~~ native
26 distilled spirits ~~on an annual basis~~.

27 Sec. 40. Section 123.30, subsection 3, paragraph c, Code
28 2017, is amended by adding the following new subparagraph:

29 NEW SUBPARAGRAPH. (3) A class "C" native distilled spirits
30 license may be issued to a native distillery but shall be
31 issued in the name of the individuals who actually own the
32 business. The license shall authorize the holder to sell
33 native distilled spirits manufactured on the premises of the
34 native distillery to patrons by the individual drink for
35 consumption on the premises. All native distilled spirits sold

1 by a native distillery for on-premises consumption shall be
2 purchased from a class "E" liquor control licensee.

3 Sec. 41. Section 123.32, subsection 1, Code 2017, is amended
4 to read as follows:

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

23 Sec. 42. Section 123.36, Code 2017, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 3A. Class "C" native distilled spirits
26 license, the sum of one thousand dollars.

27 Sec. 43. Section 123.36, subsection 5, Code 2017, is amended
28 to read as follows:

29 5. Any club, hotel, motel, native distillery, or commercial
30 establishment holding a liquor control license, subject to
31 section 123.49, subsection 2, paragraph "b", may apply for and
32 receive permission to sell and dispense alcoholic liquor and
33 wine to patrons on Sunday for consumption on the premises only,
34 and beer for consumption on or off the premises between the
35 hours of 8:00 a.m. on Sunday and 2:00 a.m. on the following

1 Monday. A class "D" liquor control licensee may apply for and
2 receive permission to sell and dispense alcoholic beverages to
3 patrons for consumption on the premises only between the hours
4 of 8:00 a.m. on Sunday and 2:00 a.m. on the following Monday.
5 For the privilege of selling beer, wine, and alcoholic liquor
6 on the premises on Sunday the liquor control license fee of the
7 applicant shall be increased by twenty percent of the regular
8 fee prescribed for the license pursuant to [this section](#), and
9 the privilege shall be noted on the liquor control license.

10 Sec. 44. Section 123.43A, Code 2017, is amended to read as
11 follows:

12 **123.43A ~~Micro-distilled spirits~~ — permit Native**
13 **distilleries.**

14 1. Subject to rules of the division, a ~~micro-distillery~~
15 native distillery holding a class "A" ~~micro-distilled spirits~~
16 ~~permit pursuant to [this section](#)~~ manufacturer's license
17 issued pursuant to section 123.41 may sell or offer for sale
18 ~~micro-distilled~~ native distilled spirits. As provided in this
19 section, sales of native distilled spirits manufactured on the
20 premises may be made at retail for off-premises consumption
21 when sold on the premises of the ~~micro-distillery~~ native
22 distillery that manufactures ~~micro-distilled~~ the native
23 distilled spirits. All sales shall be made through the state's
24 wholesale distribution system.

25 2. A ~~micro-distillery~~ native distillery shall not sell
26 more than ~~one and one-half~~ nine liters per person per day,
27 of ~~micro-distilled~~ native distilled spirits on the premises
28 of the ~~micro-distillery~~ native distillery. ~~In addition, a~~
29 ~~micro-distillery~~ A native distillery shall not directly ship
30 ~~micro-distilled~~ native distilled spirits for sale at retail.
31 The ~~micro-distillery~~ native distillery shall maintain records
32 of individual purchases of ~~micro-distilled~~ native distilled
33 spirits at the ~~micro-distillery~~ native distillery for three
34 years.

35 3. A ~~micro-distillery~~ native distillery shall not sell

1 ~~micro-distilled~~ native distilled spirits other than as
2 permitted in this chapter and shall not allow ~~micro-distilled~~
3 native distilled spirits sold for consumption off the premises
4 to be consumed upon the premises of the ~~micro-distillery~~ native
5 distillery. However, as a part of a ~~micro-distillery~~ native
6 distillery tour, ~~micro-distilled~~ native distilled spirits may
7 be tasted pursuant to the rules of the division on the premises
8 where fermented, distilled, or matured, when no charge is made
9 for the tasting.

10 4. ~~A class "A" micro-distilled spirits permit for a~~
11 ~~micro-distillery shall be issued and renewed annually upon~~
12 ~~payment of a fee of five hundred dollars.~~

13 5. The sale of ~~micro-distilled~~ native distilled spirits to
14 the division for wholesale disposition and sale by the division
15 shall be subject to the requirements of this chapter regarding
16 such disposition and sale.

17 6. 5. The division shall issue no more than three ~~permits~~
18 ~~under this section~~ manufacturer's licenses to a ~~person~~
19 native distillery. In addition, a ~~micro-distillery~~ native
20 distillery issued a ~~permit~~ manufacturer's license under ~~this~~
21 section 123.41 shall file with the division, on or before the
22 fifteenth day of each calendar month, all documents filed by
23 the ~~micro-distillery~~ native distillery with the alcohol and
24 tobacco tax and trade bureau of the United States department of
25 the treasury, including all production, storage, and processing
26 reports.

27 7. ~~Micro-distilled spirits purchased at a micro-distillery~~
28 ~~shall not be consumed on any property owned, operated, or~~
29 ~~controlled by a micro-distillery.~~

30 6. Notwithstanding any provision of this chapter to
31 the contrary or the fact that a person is the holder of a
32 manufacturer's license, a native distillery may sell those
33 native distilled spirits manufactured on the premises of the
34 native distillery for consumption on the premises by applying
35 for a class "C" native distilled spirits license as provided

1 in section 123.30. A native distillery may be granted not
2 more than one class "C" native distilled spirits license.
3 All native distilled spirits sold by a native distillery for
4 on-premises consumption shall be purchased from a class "E"
5 liquor control licensee.

6 Sec. 45. Section 123.173A, subsections 4 and 7, Code 2017,
7 are amended to read as follows:

8 4. The authorized nonprofit entity conducting the charity
9 beer, spirits, and wine auction shall obtain the beer, spirits,
10 and wine to be auctioned at the charity beer, spirits, and wine
11 auction from an Iowa retail beer permittee, an Iowa retail
12 liquor control licensee, or an Iowa retail wine permittee, or
13 may receive donations of beer, spirits, or wine to be auctioned
14 at the charity beer, spirits, and wine auction from persons
15 who purchased the donated beer, spirits, or wine from an Iowa
16 retail beer permittee, an Iowa retail liquor control licensee,
17 an Iowa ~~micro-distilled spirits permittee~~ native distillery,
18 or an Iowa retail wine permittee and who present a receipt
19 documenting the purchase at the time the beer, spirits, or wine
20 is donated. The authorized nonprofit entity conducting the
21 charity beer, spirits, and wine auction shall retain a copy
22 of the receipt for a period of one year from the date of the
23 charity beer, spirits, and wine auction.

24 7. A liquor control licensee, beer permittee,
25 ~~micro-distilled spirits permittee~~ native distillery, or wine
26 permittee shall not purchase beer, spirits, or wine at a
27 charity beer, spirits, and wine auction. The charity beer,
28 spirits, and wine auction may be conducted on a premises for
29 which a class "B" liquor control license or class "C" liquor
30 control license has been issued, provided that the liquor
31 control licensee does not participate in the charity beer,
32 spirits, and wine auction, supply beer, spirits, or wine to be
33 auctioned at the charity beer, spirits, and wine auction, or
34 receive any of the proceeds of the charity beer, spirits, and
35 wine auction.

1

EXPLANATION

2

The inclusion of this explanation does not constitute agreement with
3 the explanation's substance by the members of the general assembly.

4

This bill concerns alcoholic beverage control and matters
5 under the purview of the alcoholic beverages division of the
6 department of commerce.

7

DIVISION I — ALCOHOLIC BEVERAGE CONTROL. Code section
8 123.3, providing definitions, is amended. The bill adds a
9 definition for "original container", which means a vessel
10 containing an alcoholic beverage that bears a federally
11 approved label and is appropriately sealed at the location
12 of manufacture. In addition, the definition of "licensed
13 premises" is amended to include noncontiguous areas or places
14 susceptible of a precise description.

15

Code section 123.22 is amended to allow individuals to
16 manufacture, sell, or transport ingredients and devices used to
17 make homemade beer. Current law allows this for homemade wine.

18

Code section 123.23, concerning a distiller's certificate of
19 compliance, is amended to delete a reference that a listing of
20 authorized agents of the certificate holder be amended "from
21 time to time". The bill does not eliminate the requirement
22 that the listing be amended as necessary.

23

Code section 123.28, concerning restrictions on
24 transportation, is amended by dividing the section into
25 numbered subsections.

26

Code section 123.30, concerning liquor control licenses,
27 is amended by removing cash payment as a type of payment
28 for purchasing alcoholic liquor from the alcoholic beverages
29 division. The bill retains language in current law that
30 requires payment by other means that ensure the division
31 receives full payment in advance of delivery of alcoholic
32 liquor.

33

Code section 123.31, concerning application contents for
34 a liquor control license, is amended by striking provisions
35 requiring the applicant to set forth whether the applicant

1 possesses a federal gambling stamp and whether, if required,
2 all designated security employees have received security
3 employee training and certification as required by Code section
4 123.32.

5 Code section 123.32 is amended to provide that if an
6 application for a liquor control license or other permit is
7 disapproved by the administrator of the alcoholic beverages
8 division, the appropriate local authority shall be notified
9 electronically, or in a manner prescribed by the administrator,
10 instead of by certified mail. The applicant is still required
11 to be notified of the disapproval by certified mail.

12 Code section 123.33, concerning records required to be
13 maintained by a licensee or permittee, is amended to describe
14 the types of records to be maintained, which shall include
15 income statements, balance sheets, and purchase and sale
16 invoices and ledgers.

17 Code section 123.34, concerning seasonal licenses, is
18 amended to provide that an applicant may apply for a new
19 seasonal permit or license at the same location after two
20 months.

21 Code section 123.49 is amended to consolidate the rules
22 governing Sunday sales of alcoholic liquor, wine, or beer
23 within subsection 2, paragraph "b", of that section.

24 Code section 123.51, concerning allowable signs and branded
25 advertising of a licensee authorized to sell liquor, wine,
26 or beer at retail, is amended to provide that signs or other
27 advertising matter may be erected inside the premises and
28 inside a window facing outward from the premises.

29 Code section 123.175, concerning class "A" or retail
30 wine permit applications, is stricken and rewritten by the
31 bill. The bill provides specifically for the contents of
32 the application to be submitted to the administrator of the
33 alcoholic beverages division and what the applicant must
34 establish before the administrator issues a permit. In
35 addition to requirements currently provided in Code section

1 123.175, the bill provides that an applicant that is a
2 corporation shall list all officers and persons with a certain
3 financial interest in the corporation in the application. The
4 bill also requires an applicant to state in the application
5 whether certain persons required to be listed in the
6 application have been convicted of any offense and, if required
7 by the administrator of the division, to include in the
8 application a sketch or drawing of the premises. Code section
9 123.187 is amended to reflect the rewritten Code section.

10 Code section 123.178B, concerning class "C" native wine
11 permits, is amended to specify that a permittee authorized to
12 purchase beer for sale at retail may sell it for consumption
13 on or off the premises covered by the class "C" native wine
14 permit.

15 Code section 123.180, concerning a vintner's certificate of
16 compliance, is amended to provide that the listing of class "A"
17 wine permittees the applicant intends to do business with that
18 is filed with the alcoholic beverages division shall be amended
19 as necessary to keep the listing current.

20 Code section 123.183 is amended to provide that the
21 gallonage tax on wine is collected when the wine is sold at
22 wholesale.

23 DIVISION II — BEER PERMITS. This division eliminates
24 class "AA" and special class "AA" beer permits and makes other
25 changes relative to beer permits.

26 Code section 123.124, concerning beer permit classes, is
27 rewritten to reflect the elimination of class "AA" and special
28 class "AA" beer permits. The Code section is also amended to
29 refer to the Code sections that describe the authority for each
30 beer permit class.

31 Code section 123.127, concerning class "A" or class "AA"
32 and special class "A" or special class "AA" beer permits, is
33 stricken and rewritten by the bill. The bill eliminates the
34 class "AA" and special class "AA" beer permits and provides
35 specifically for the contents of the application to be

1 submitted to the administrator of the alcoholic beverages
2 division and what the applicant must establish before the
3 administrator issues a permit. The bill also increases from
4 \$5,000 to \$10,000 the amount of the bond an applicant must
5 submit to the administrator.

6 In addition to requirements currently provided in Code
7 section 123.127, the bill provides that an applicant that is a
8 corporation shall list all officers and persons with a certain
9 financial interest in the corporation in the application. The
10 bill also requires an applicant to state in the application
11 whether certain persons required to be listed in the
12 application have been convicted of any offense and, if required
13 by the administrator of the division, to include in the
14 application a sketch or drawing of the premises. Code sections
15 123.128 and 123.129, concerning class "B" and class "C" beer
16 permits, are amended to reflect the rewritten Code section.

17 Code section 123.130, is amended to eliminate class "AA"
18 and special class "AA" beer permits and provides that certain
19 special class "A" beer permittees may sell at retail at the
20 manufacturing premises for consumption off the premises beer
21 that is transferred at the time of sale from the original
22 container to another container that is no larger than 72
23 ounces.

24 Code section 123.131, concerning authority under a class "B"
25 beer permit, is amended to allow a class "B" beer permittee
26 whose primary purpose is manufacturing beer that also holds
27 a class "A" beer permit to purchase wine from a wholesaler
28 for sale at retail or consumption on the premises covered by
29 the class "B" beer permit. In addition, the Code section
30 is amended to provide that sales of beer for consumption
31 off the premises may be made in a container other than the
32 original container that is no larger than 72 ounces under
33 certain circumstances and shall be deemed an open container for
34 purposes of Code sections 321.284 and 321.284A.

35 Code section 123.134, concerning beer permit fees, is

1 amended to increase the annual fee for a class "A" or special
2 class "A" beer permit from \$250 to \$750.

3 Code section 123.135, concerning a certificate of compliance
4 concerning beer, is amended to provide that the listing of
5 class "A" permittees and geographic area as filed with the
6 alcoholic beverages division shall be amended as necessary to
7 keep the listing current.

8 Code section 123.136, concerning the barrel tax on beer,
9 is amended to provide that the tax applies to all beer
10 sold at retail by a special class "A" beer permittee at the
11 manufacturing premises for consumption off the premises.

12 DIVISION III — NATIVE DISTILLED SPIRITS. Code section
13 123.3, providing definitions, is amended to change the terms
14 "micro-distilled spirits" and "micro-distillery" to "native
15 distilled spirits" and "native distillery". In addition, the
16 bill eliminates the requirement that a native distillery has to
17 produce and manufacture less than 50 proof gallons of distilled
18 spirits annually. Corresponding changes in Code chapter 123
19 are made to reflect the changed definitions.

20 Code section 123.30, concerning liquor control licenses,
21 is amended to provide for the issuance of a class "C" native
22 distilled spirits license which authorizes the holder to sell
23 native distilled spirits manufactured on the premises for
24 consumption on the premises.

25 Code section 123.32, concerning applications for certain
26 licenses, is amended to eliminate the application for a class
27 "A" micro-distilled spirits permit.

28 Code section 123.36, concerning liquor fees, is amended to
29 provide that the annual fee for a class "C" native distilled
30 spirits license is \$1,000. The Code section is also amended to
31 allow a native distillery the ability to make certain sales of
32 alcoholic liquor, wine, and beer on Sundays in the same manner
33 as a club, hotel, motel, or other commercial establishment.

34 Code section 123.43A, concerning micro-distilled spirits, is
35 amended to reflect the change of the term to native distilled

1 spirits and the elimination of the class "A" micro-distilled
2 spirits permit. The Code section requires the native
3 distillery to obtain a manufacturer's license and limits
4 the number of manufacturer's licenses to three for a native
5 distillery. The Code section is also amended to allow for
6 sales of nine, instead of one and one-half, liters of native
7 distilled spirits per person per day. The Code section also
8 allows a native distillery to sell native distilled spirits
9 manufactured on the premises for consumption on the premises by
10 applying for a class "C" native distilled spirits license. A
11 native distillery may be granted not more than one class "C"
12 native distilled spirits license.