HOUSE FILE 745
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 641)
(SUCCESSOR TO HSB 95)

A BILL FOR

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

DIVISION I

ALCOHOLIC BEVERAGE CONTROL

Section 1. Section 123.3, subsections 5, 6, 7, 20, 26, 34, and 48, Code 2019, are amended to read as follows:

5. *"Alcoholic liquor"* means the varieties of liquor defined in subsections 3 and 44 which contain more than ~~five~~ six and twenty-five hundredths percent of alcohol by ~~weight~~ volume, 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 48 or high alcoholic content beer as defined in subsection 20, and every other liquid or solid, patented or not, containing spirits and every beverage obtained by the process described in subsection 48 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"*.

6. *"Application"* means a written request for the issuance of a permit, ~~or~~ license, or certificate that is supported by a verified statement of facts and submitted electronically, or in a manner prescribed by the administrator.

7. *"Beer"* means any liquid capable of being used for beverage purposes made by the fermentation of an infusion in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains or made by the fermentation of or by distillation of the fermented products of fruit, fruit extracts, or other agricultural products, containing more than one-half of one percent of alcohol by volume but not more than ~~five percent of alcohol by weight or~~ six and twenty-five hundredths percent of alcohol by volume ~~but not including mixed drinks or cocktails mixed on the~~

~~premises~~.

20. *"High alcoholic content beer"* means beer which contains more than ~~five percent of alcohol by weight or~~ six and twenty-five hundredths percent of alcohol by volume, but not more than ~~twelve percent of alcohol by weight or~~ fifteen percent of alcohol by volume, that is made by the fermentation of an infusion in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains. Not more than one and five-tenths percent of the volume of a *"high alcoholic content beer"* may consist of alcohol derived from added flavors and other nonbeverage ingredients containing alcohol. The added flavors and other nonbeverage ingredients may not include added caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine.

26. *"Licensed premises"* or *"premises"* means all rooms, enclosures, contiguous areas, or places susceptible of precise description satisfactory to the administrator where alcoholic beverages, wine, or beer is sold or consumed under authority of a liquor control license, wine permit, or beer permit. A single licensed premises may consist of multiple rooms, enclosures, areas, or places if they are wholly within the confines of a single building or contiguous grounds~~, or areas or places susceptible of precise description satisfactory to the administrator~~.

34. *"Person"* means any individual, association, <u>or</u> partnership, <u>any</u> corporation, <u>limited liability company, or other similar legal entity, any</u> club, hotel or motel, or <u>any</u> municipal corporation owning or operating a bona fide airport, marina, park, coliseum, auditorium, or recreational facility in or at which the sale of alcoholic liquor, wine, or beer is only an incidental part of the ownership or operation.

48. *"Wine"* means any beverage containing more than ~~five~~ <u>six and twenty-five hundredths</u> percent of alcohol by ~~weight~~ <u>volume</u> but not more than ~~seventeen percent of alcohol by weight~~

1 ~~or~~ twenty-one and twenty-five hundredths percent of alcohol
2 by volume obtained by the fermentation of the natural sugar
3 contents of fruits or other agricultural products but excluding
4 any product containing alcohol derived from malt or by the
5 distillation process from grain, cereal, molasses, or cactus.
6 Sec. 2. Section 123.3, Code 2019, is amended by adding the
7 following new subsections:
8 NEW SUBSECTION. 14A. *"Completed application"* means an
9 application where all necessary fees have been paid in full,
10 any required bonds have been submitted, the applicant has
11 provided all information requested by the division, and
12 the application meets the requirements of section 123.92,
13 subsection 2, if applicable.
14 NEW SUBSECTION. 28A. *"Mixed drink or cocktail"* means an
15 alcoholic beverage, composed in whole or in part of alcoholic
16 liquor, that is combined with other alcoholic beverages or
17 nonalcoholic beverages or ingredients including but not limited
18 to ice, water, soft drinks, or flavorings.
19 NEW SUBSECTION. 28B. *"Native brewery"* means a business
20 which manufactures beer or high alcoholic content beer and is
21 operated by a person who holds a class "A" beer permit that
22 authorizes the holder to manufacture and sell beer pursuant to
23 this chapter.
24 NEW SUBSECTION. 36A. *"Private place"* means a location
25 which, at the time alcoholic beverages are kept, dispensed, or
26 consumed, meets all of the following criteria:
27 *a.* The general public does not have access to the location
28 and attendees are limited to bona fide social hosts and invited
29 guests.
30 *b.* The location is not of a commercial nature.
31 *c.* Goods or services are neither sold nor purchased at the
32 location.
33 *d.* The location is not a licensed premises.
34 *e.* Admission fees or other kinds of entrance fees, fare,
35 ticket, donation or charges are not made or are required of the

1 invited guests to enter the location.
2 Sec. 3. Section 123.10, subsection 13, Code 2019, is amended
3 to read as follows:
4 13. Providing for the issuance of a waiver for an individual
5 of legal age desiring to import alcoholic liquor, wine, or
6 beer in excess of the amount provided in section 123.22,
7 ~~123.146~~ 123.122, or 123.171, as applicable. The waiver shall
8 be limited to those individuals who were domiciled outside the
9 state within one year of the request for a waiver and shall
10 provide that any alcoholic liquor, wine, or beer imported
11 pursuant to the waiver shall be for personal consumption only
12 in a private home or other private accommodation.
13 Sec. 4. Section 123.10, Code 2019, is amended by adding the
14 following new subsections:
15 NEW SUBSECTION. 14. Prescribing the uniform fee to be
16 assessed against a class "B" beer permittee, class "C" native
17 wine permittee, or liquor control licensee, except a class "E"
18 liquor control licensee, to cover the administrative costs
19 incurred by the division resulting from the failure of the
20 licensee or permittee to maintain dramshop liability insurance
21 coverage pursuant to section 123.92, subsection 2, paragraph
22 *"a"*.
23 NEW SUBSECTION. 15. Prescribing the uniform fee, not to
24 exceed one hundred dollars, to be assessed against a licensee
25 or permittee for a contested case hearing conducted by the
26 division or by an administrative law judge from the department
27 of inspections and appeals which results in administrative
28 action taken against the licensee or permittee by the division.
29 Sec. 5. Section 123.23, subsections 1 and 4, Code 2019, are
30 amended to read as follows:
31 1. Any manufacturer, distiller, or importer of alcoholic
32 liquors shipping, selling, or having alcoholic liquors brought
33 into this state for resale by the state shall, as a condition
34 precedent to the privilege of so trafficking in alcoholic
35 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 completed 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.

4. Any violation of the requirements of this ~~section, except subsection 3,~~ chapter or rules adopted pursuant to this chapter shall subject the ~~violator~~ holder of a distiller's certificate of compliance to the general penalties provided in this chapter and ~~in addition to the general penalties, is~~ shall constitute grounds for imposition of a civil penalty, suspension of the certificate, or revocation of the certificate ~~of compliance~~, after notice and opportunity for a hearing ~~before the administrator~~ pursuant to section 123.39 and chapter 17A. ~~Willful~~ However, willful failure to comply with requirements which may be imposed under subsection 3 is grounds for suspension or revocation of the certificate of compliance only.

Sec. 6. Section 123.24, subsection 1, Code 2019, is amended to read as follows:

1. The division shall sell alcoholic liquor at wholesale only. The division shall sell alcoholic liquor to class "E" liquor control licensees only. The division shall offer the

same price on alcoholic liquor to all class "E" liquor control licensees without regard for the quantity of purchase or the distance for delivery. ~~However, the division may assess a split-case charge when liquor is sold in quantities which require a case to be split.~~

Sec. 7. Section 123.24, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. The price of alcoholic liquor sold by the division shall consist of the following:

a. The manufacturer's price.

b. A markup of up to fifty percent of the wholesale price paid by the division for the alcoholic liquor. The division may increase the markup on selected kinds of alcoholic liquor sold by the division if the average return to the division on all sales of alcoholic liquor does not exceed the wholesale price paid by the division and the fifty percent markup.

c. A split case charge in an amount determined by the division when alcoholic liquor is sold in quantities which require a case to be split.

d. A bottle surcharge in an amount sufficient, when added to the amount not refunded to class "E" liquor control licensees pursuant to section 455C.2, to pay the costs incurred by the division for collecting and properly disposing of the liquor containers. The amount collected pursuant to this paragraph, in addition to any amounts not refunded to class "E" liquor control licensees pursuant to section 455C.2, shall be deposited in the beer and liquor control fund established under section 123.17.

Sec. 8. Section 123.24, subsections 4 and 5, Code 2019, are amended by striking the subsections.

Sec. 9. Section 123.27, subsection 3, Code 2019, is amended by striking the subsection.

Sec. 10. Section 123.28, subsection 2, Code 2019, is 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", class "B", class "C", class "C" native distilled spirits, or class "D" liquor control licensees, and class "A", class "B", class "C", class "C" native distilled spirits, or class "D" liquor control licensees may transport alcoholic liquor purchased from class "E" liquor control licensees.

Sec. 11. Section 123.30, subsection 2, Code 2019, is amended to read as follows:

2. A liquor control license shall not be issued for premises which do not constitute a safe and proper place or building and which do not conform to all applicable laws, ordinances, resolutions, and health and fire regulations. A licensee shall not have or maintain any interior access to residential or sleeping quarters unless permission is granted by the administrator in the form of a living quarters permit.

Sec. 12. Section 123.30, subsection 4, Code 2019, is amended to read as follows:

4. Notwithstanding any provision of this chapter to the contrary, a person holding a liquor control license to sell alcoholic beverages for consumption on the licensed premises may permit a customer to remove one unsealed bottle of wine for consumption off the premises if the customer has purchased and consumed a portion of the bottle of wine on the licensed premises. The licensee or the licensee's agent shall securely reseal such bottle in a bag designed so that it is visibly apparent that the resealed bottle of wine has not been tampered with and provide a dated receipt for the resealed bottle of wine to the customer. A wine bottle resealed pursuant to the requirements of this subsection is subject to the requirements of sections 321.284 and 321.284A. A person holding a liquor control license to sell alcoholic beverages for consumption on the licensed premises may permit a customer to carry an open container of wine from ~~their~~ the person's licensed premises into another immediately adjacent licensed premises~~, temporary~~

that is covered by a license or permit that authorizes the consumption of wine, a temporarily closed public right-of-way, or a private ~~property~~ place.

Sec. 13. Section 123.30, subsection 5, Code 2019, is amended by striking the subsection.

Sec. 14. Section 123.31, subsection 3, Code 2019, is amended to read as follows:

3. The names and addresses of all persons or, in the case of a corporation, limited liability company, or any other similar legal entity, the officers, directors, and persons owning or controlling ten percent or more of the capital stock thereof, having a financial interest, by way of loan, ownership, or otherwise, in the business.

Sec. 15. Section 123.32, subsections 1, 2, 3, and 6, Code 2019, are amended to read as follows:

1. *Filing of application.*

a. ~~An~~ A completed application for a class "A", class "B", class "C", special class "C", class "C" native distilled spirits, or class "E" liquor control license as provided in section 123.31, ~~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 123.175, ~~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.

b. ~~An~~ A completed 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,~~ any of the following certificates, licenses, or permits 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.:

(1) A certificate of compliance as provided in sections 123.23, 123.135, and 123.180.

(2) A class "D" liquor control license as provided in section 123.31.

(3) A manufacturer's license as provided in section 123.41.

(4) A broker's permit as provided in section 123.42.

(5) A class "A" native distilled spirits license as provided in section 123.43.

(6) A class "A" or special class "A" beer permit as provided in section 123.127.

(7) A charity beer, spirits, and wine auction permit as provided in section 123.173A.

(8) A class "A" wine permit as provided in section 123.175.

(9) A wine direct shipper's permit as provided in section 123.187.

(10) A wine carrier permit as provided in section 123.188.

2. *Action by local authorities.* The local authority shall either approve or disapprove the issuance of a liquor control license, a retail wine permit, or a retail beer permit, shall endorse its approval or disapproval on the application, and shall forward the application with the necessary fee and bond, if required, to the division. There is no limit upon the number of liquor control licenses, retail wine permits, or retail beer permits which may be approved for issuance by local authorities.

3. *Licensed premises for local events.* A local authority may define, by motion of the local authority, licensed premises which shall be used by holders of liquor control licenses, beer permits, and wine permits at festivals, fairs, or celebrations which are sponsored or authorized by the local authority. The licensed premises defined by motion of the local authority shall be used by the holders of five-day or fourteen-day class

1 "A", class "B", class "C", special class "C", or class "D"
2 liquor control licenses, or five-day or fourteen-day class "B"
3 or class "C" native wine permits, or class "B" beer permits
4 only.
5 6. *Action by administrator.*
6 *a.* Upon receipt of an application having been disapproved
7 by the local authority, the administrator shall notify the
8 applicant that the applicant may appeal the disapproval of
9 the application to the administrator. The applicant shall
10 be notified by certified mail or personal service, and the
11 application, the fee, and any bond shall be returned to the
12 applicant.
13 *b.* Upon receipt of an application having been approved by
14 the local authority, the division shall make an investigation
15 as the administrator deems necessary to determine that
16 the applicant complies with all requirements for holding a
17 license or permit, and may require the applicant to appear
18 to be examined under oath to demonstrate that the applicant
19 complies with all of the requirements to hold a license
20 or permit. If the administrator requires the applicant to
21 appear and to testify under oath, a record shall be made of
22 all testimony or evidence and the record shall become a part
23 of the application. The administrator may appoint a member
24 of the division or may request an administrative law judge
25 of the department of inspections and appeals to receive the
26 testimony under oath and evidence, and to issue a proposed
27 decision to approve or disapprove the application for a license
28 or permit. The administrator may affirm, reverse, or modify
29 the proposed decision to approve or disapprove the application
30 for the license or permit. If the application is approved
31 by the administrator, the license or permit shall be issued.
32 If the application is disapproved by the administrator, the
33 applicant shall be so notified by certified mail or personal
34 service and the appropriate local authority shall be notified
35 electronically, or in a manner prescribed by the administrator.

Sec. 16. Section 123.34, Code 2019, is amended to read as follows:

123.34 Expiration of licenses, ~~and~~ permits, and certificates of compliance — seasonal, ~~five-day, and~~ fourteen-day, and five-day licenses and permits — fees.

1. ~~Liquor control~~ All licenses, ~~wine permits, and beer~~ permits, and certificates of compliance, unless sooner suspended or revoked, expire one year from date of issuance. The administrator shall notify a license, ~~or~~ permit, or certificate holder electronically, or in a manner prescribed by the administrator, sixty days prior to the expiration of each license, ~~or~~ permit, or certificate.

2. *a.* ~~However, the~~ The administrator may issue six-month or eight-month seasonal class "A", class "B", class "C", special class "C", and class "D" liquor control licenses, class "B" wine permits, class "B" or class "C" native 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~~.

b. ~~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.~~ The fee for a six-month or eight-month seasonal license or permit issued pursuant to this subsection shall be for a proportionate part of the license or permit fee for that class of license or permit. However, the fee for a seasonal class "B" native wine permit shall be the permit fee provided in section 123.179, subsection 3, and the fee for a seasonal class "C" native wine permit shall be the permit fee provided in section 123.179, subsection 4.

~~2.~~ 3. *a.* The administrator may issue fourteen-day class "A", class "B", class "C", special class "C", and class "D"

liquor control licenses, and fourteen-day class "B" beer permits, class "B" native wine permits, and class "C" native wine permits.

b. A fourteen-day license or permit, if granted, is valid for fourteen consecutive days, but the holder shall not sell on the two Sundays in the fourteen-day period unless the holder qualifies for and obtains the privilege to sell on Sundays contained in section 123.36, subsection 6, and section 123.134, subsection 4.

~~3.~~ *c.* (1) The fee for a fourteen-day liquor control license or beer permit is one quarter of the annual fee for that class of liquor control license or beer permit. The fee for the privilege to sell on the two Sundays in the fourteen-day period is twenty percent of the price of the fourteen-day liquor control license or beer permit.

(2) The fee for a fourteen-day class "B" native wine permit shall be the permit fee provided in section 123.179, subsection 3, and the fee for a fourteen-day class "C" native wine permit is the permit fee provided in section 123.179, subsection 4.

4. *a.* The administrator may issue five-day class "A", class "B", class "C", special class "C", and class "D" liquor control licenses, and five-day class "B" beer permits, class "B" native wine permits, and class "C" native wine permits.

b. A five-day license or permit is valid for five consecutive days, but the holder shall not sell alcoholic beverages on Sunday in the five-day period unless the holder qualifies for and obtains the privilege to sell on Sunday pursuant to ~~sections~~ section 123.36, subsection 6, and section 123.134, subsection 4.

~~5.~~ *c.* (1) The fee for the five-day liquor control license or beer permit is one-eighth of the annual fee for that class of license or permit. The fee for the privilege to sell on a Sunday in the five-day period is ten percent of the price of the five-day liquor control license or beer permit.

(2) The fee for a five-day class "B" native wine permit

shall be the permit fee provided in section 123.179, subsection 3, and the fee for a five-day class "C" native wine permit is the permit fee provided in section 123.179, subsection 4.

5. A refund of fees paid shall not be made for seasonal licenses or permits, or for fourteen-day or five-day liquor control licenses, native wine permits, or beer permits. In addition, a seasonal, fourteen-day, or five-day license or permit shall not be renewed.

Sec. 17. Section 123.36, subsection 5, paragraph c, Code 2019, is amended to read as follows:

c. For air common carriers, each company shall pay a base annual fee of five hundred dollars ~~and, in addition, shall quarterly remit to the division an amount equal to seven dollars for each gallon of alcoholic liquor sold, given away, or dispensed in or over this state during the preceding calendar quarter~~. ~~The class "D" license fee and tax for air common carriers is in lieu of any other fee or tax collected from the carriers in this state for the possession and sale of alcoholic liquor, wine, and beer.~~

Sec. 18. Section 123.36, subsection 6, Code 2019, is amended to read as follows:

6. Any club, hotel, motel, native distillery, passenger-carrying boat or ship, railway corporation, air common carrier, 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 beverages as authorized by section 123.30 to patrons 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. 19. Section 123.36, subsection 10, Code 2019, is amended to read as follows:

10. There is imposed a surcharge on the fee for each class "A", class "B", class "C", class "C" native distilled spirits, or special class "C" liquor control license equal to thirty percent of the scheduled license fee. The surcharges collected under this subsection shall be deposited in the beer and liquor control fund, and notwithstanding subsection 8, no portion of the surcharges collected under this subsection shall be remitted to the local authority.

Sec. 20. NEW SECTION. **123.38A Confidential investigative records.**

In order to assure a free flow of information for accomplishing the purposes of section 123.4 and section 123.9, subsection 6, all complaint information, investigation files, audit files, and inspection files, other investigation reports, and other investigative information in the possession of the division or employees acting under the authority of the administrator are privileged and confidential, and are not subject to discovery, subpoena, or other means of legal compulsion for their release before administrative or criminal charges are filed. However, investigative information in the possession of division employees may be disclosed to the licensing authorities of a city or county within this state, in another state, the District of Columbia, or territory or county in which the licensee or permittee is licensed or permitted or has applied for a license or permit. In addition, the investigative information can be shared with any law enforcement agency or other state agency that also has regulatory or enforcement jurisdiction authorized by law. Records received by the division from other agencies which would be confidential if created by the division are considered

confidential.

Sec. 21. Section 123.39, subsection 1, Code 2019, is amended to read as follows:

1. *a.* (1) The administrator or the local authority may suspend a ~~license or permit issued pursuant to this chapter~~ class "A", class "B", class "C", special class "C", class "C" native distilled spirits, or class "E" liquor control license or retail wine or beer permit for a period not to exceed one year, revoke the license or permit, or impose a civil penalty not to exceed one thousand dollars per violation. ~~Before suspension, revocation, or imposition of a civil penalty, the license or permit holder shall be given written notice and an opportunity for a hearing. The administrator may appoint a member of the division or may request an administrative law judge from the department of inspections and appeals to conduct the hearing and issue a proposed decision. Upon the motion of a party to the hearing or upon the administrator's own motion, the administrator may review the proposed decision in accordance with chapter 17A. Upon review of the proposed decision, the administrator may affirm, reverse, or modify the proposed decision. A licensee or permittee aggrieved by a decision of the administrator may seek judicial review of the administrator's decision in accordance with chapter 17A.~~

(2) The administrator may suspend a certificate of compliance, a class "D" liquor control license, a manufacturer's license, a broker's permit, a class "A" native distilled spirits license, a class "A" or special class "A" beer permit, a charity beer, spirits, and wine auction permit, a class "A" wine permit, a wine direct shipper's permit, or a wine carrier permit for a period not to exceed one year, revoke the license, permit, or certificate, or impose a civil penalty not to exceed one thousand dollars per violation.

b. A license, ~~or~~ permit, or certificate of compliance issued under this chapter may be suspended or revoked, or a civil

penalty may be imposed ~~on the license or permit holder by the local authority or the administrator~~ for any of the following causes:

(1) Misrepresentation of any material fact in the application for the license, ~~or~~ permit, or certificate.

(2) Violation of any of the provisions of this chapter.

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

(4) An event which would have resulted in disqualification from receiving the license, ~~or~~ permit, or certificate when originally issued.

(5) Any sale, hypothecation, or transfer of the license, ~~or~~ permit, or certificate.

(6) The failure or refusal on the part of any ~~licensee or permittee~~ license, permit, or certificate holder to render any report or remit any taxes to the division under this chapter when due.

c. A criminal conviction is not a prerequisite to suspension, revocation, or imposition of a civil penalty pursuant to this section.

d. A local authority which acts pursuant to this section, section 123.32, or section 123.50 shall notify the division in writing of the action taken, and shall notify the ~~licensee~~ license or permit holder of the right to appeal a suspension, revocation, or imposition of a civil penalty to the division.

e. Before suspension, revocation, or imposition of a civil penalty by the administrator, the license, permit, or certificate holder shall be given written notice and an opportunity for a hearing. The administrator may appoint a member of the division or may request an administrative law judge from the department of inspections and appeals to

conduct the hearing and issue a proposed decision. Upon the motion of a party to the hearing or upon the administrator's own motion, the administrator may review the proposed decision in accordance with chapter 17A. Upon review of the proposed decision, the administrator may affirm, reverse, or modify the proposed decision. A license, permit, or certificate holder aggrieved by a decision of the administrator may seek judicial review of the administrator's decision in accordance with chapter 17A.

f. 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~~ credited to the general fund of the state pursuant to section 123.17, subsection 7.

Sec. 22. Section 123.39, subsection 4, Code 2019, is amended to read as follows:

4. If the cause for suspension is a first offense violation of section 123.49, subsection 2, paragraph *"h"*, the administrator or local authority shall impose a civil penalty in the amount of five hundred dollars in lieu of suspension of the license or permit. ~~Local authorities shall retain civil penalties collected under this paragraph if the proceeding to impose the penalty is conducted by the local authority. The division shall retain civil penalties collected under this paragraph if the proceeding to impose the penalty is conducted by the administrator of the division.~~

Sec. 23. Section 123.41, subsection 1, Code 2019, is amended to read as follows:

1. Each completed application to obtain or renew a manufacturer's license shall be submitted to the division electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of three hundred fifty dollars payable to the division. The administrator may in accordance with this chapter grant and issue to a manufacturer

a manufacturer's license, valid for a one-year period after date of issuance, which shall allow the manufacture, storage, and wholesale disposition and sale of alcoholic liquors to the division and to customers outside of the state.

Sec. 24. Section 123.41, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. A person who holds a manufacturer's license shall file with the division, on or before the fifteenth day of each calendar month, all documents filed by the manufacturer with the alcohol and tobacco tax and trade bureau of the United States department of the treasury, including all production, storage, and processing reports.

Sec. 25. Section 123.41, subsection 4, Code 2019, is amended to read as follows:

4. ~~A~~ Any violation of the requirements of this ~~section~~ chapter or rules adopted pursuant to this chapter shall subject the ~~licensee~~ license holder to the general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty, ~~or~~ suspension of the license, or revocation of the license after notice and opportunity for a hearing pursuant to section 123.39 and chapter 17A.

Sec. 26. Section 123.42, subsection 1, Code 2019, is amended to read as follows:

1. Prior to representing or promoting alcoholic liquor products in the state, the broker shall submit ~~an~~ a completed 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.

Sec. 27. Section 123.42, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 7. Any violation of the requirements of this chapter or the rules adopted pursuant to this chapter

shall subject the permit holder to the general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty, suspension of the permit, or revocation of the permit after notice and opportunity for a hearing pursuant to section 123.39 and chapter 17A.

Sec. 28. Section 123.43, subsection 1, paragraph b, Code 2019, is amended to read as follows:

b. The names and addresses of all persons or, in the case of a corporation, limited liability company, or any other similar legal entity, the officers, directors, and persons owning or controlling ten percent or more of the capital stock thereof, having a financial interest, by way of loan, ownership, or otherwise, in the business.

Sec. 29. Section 123.43A, subsection 5, Code 2019, is amended to read as follows:

5. ~~The division shall issue no more than three class "A" native distilled spirits licenses to a person. In addition, a~~ A native distillery issued a class "A" native distilled spirits license shall file with the division, on or before the fifteenth day of each calendar month, all documents filed by the native distillery with the alcohol and tobacco tax and trade bureau of the United States department of the treasury, including all production, storage, and processing reports.

Sec. 30. Section 123.49, subsection 2, unnumbered paragraph 1, Code 2019, is amended to read as follows:

A person ~~or club~~ holding a liquor control license or retail wine or beer permit under this chapter, and the person's ~~or club's~~ agents or employees, shall not do any of the following:

Sec. 31. Section 123.49, subsection 2, paragraph g, Code 2019, is amended to read as follows:

g. Allow any person other than the licensee, permittee, or employees of the licensee or permittee, to use or keep on the licensed premises any alcoholic liquor in any bottle or other container which is designed for the transporting of such beverages, except as permitted in section 123.95. This

1 paragraph does not apply to the lodging quarters of a class "B"
2 liquor control licensee or wine or beer permittee, or to ~~common~~
3 ~~carriers holding~~ holders of a class "D" liquor control license.
4 Sec. 32. Section 123.50, subsections 2 and 4, Code 2019, are
5 amended to read as follows:
6 2. The conviction of any liquor control licensee or wine
7 or beer permittee for a violation of any of the provisions
8 of section 123.49, subject to subsection 3 of this section,
9 is grounds for the suspension or revocation of the license
10 or permit by the division or the local authority. However,
11 if any liquor control licensee is convicted of any violation
12 of section 123.49, subsection 2, paragraph *"a"*, *"d"*, or *"e"*,
13 or any wine or beer permittee is convicted of a violation of
14 section 123.49, subsection 2, paragraph *"a"* or *"e"*, the liquor
15 control license or wine or beer permit shall be revoked and
16 shall immediately be surrendered by the holder, and the bond,
17 if any, of the license or permit holder shall be forfeited to
18 the division. However, the division shall retain only that
19 portion of the bond equal to the amount the division determines
20 the license or permit holder owes the division.
21 4. In addition to any other penalties imposed under this
22 chapter, the division shall assess a civil penalty up to the
23 amount of five thousand dollars upon a class "E" liquor control
24 licensee when the class "E" liquor license is revoked for a
25 violation of section 123.59. Failure to pay the civil penalty
26 as required under this subsection shall result in forfeiture of
27 the bond to the division. However, the division shall retain
28 only that portion of the bond equal to the amount the division
29 determines the license or permit holder owes the division.
30 Sec. 33. Section 123.56, subsection 1, Code 2019, is amended
31 to read as follows:
32 1. Subject to rules of the division, manufacturers of
33 native wines from grapes, cherries, other fruits or other fruit
34 juices, vegetables, vegetable juices, dandelions, clover,
35 honey, or any combination of these ingredients, holding a class

"A" wine permit as required by this chapter, may sell, keep, or offer for sale and deliver the wine. Notwithstanding section 123.24, subsection ~~4~~ 1A, paragraph *"b"*, or any other provision of this chapter, manufacturers of native wine may obtain and possess grape brandy from the division for the sole purpose of manufacturing wine.

Sec. 34. Section 123.56, subsection 4, Code 2019, is amended to read as follows:

4. ~~Notwithstanding section 123.179, subsection 1, a~~ A class "A" wine permit issued for a native wine manufacturer ~~shall be issued and renewed annually upon payment of a fee of twenty-five dollars which shall be in lieu of any other license fee required by this chapter. The class "A" permit~~ shall only allow the native wine manufacturer to sell, keep, or offer for sale and deliver the manufacturer's native wines as provided under this section.

Sec. 35. Section 123.56, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 7A. A manufacturer of native wines shall file with the division, on or before the fifteenth day of each calendar month, all documents filed with the alcohol and tobacco tax and trade bureau of the United States department of the treasury, including all wine premises operations and excise tax return reports.

Sec. 36. Section 123.95, subsections 1 and 2, Code 2019, are amended to read as follows:

1. A person shall not allow the dispensing or consumption of alcoholic liquor, except wines and beer, in any establishment unless the establishment is licensed under this chapter or except as otherwise provided in this section.

2. *a.* The holder of an annual class "B" liquor control license or an annual class "C" liquor control license may act as the agent of a private social host for the purpose of providing and serving alcoholic ~~liquor, wine, and beer~~ beverages as part of a food catering service for a private

social gathering in a private place, provided the licensee has applied for and been granted a catering privilege by the division. The holder of an annual special class "C" liquor control license shall not act as the agent of a private social host for the purpose of providing and serving wine and beer as part of a food catering service for a private social gathering in a private place. An applicant for a class "B" or class "C" liquor control license shall state on the application for the license that the licensee intends to engage in catering food and alcoholic beverages for private social gatherings and the catering privilege shall be noted on the license.

b. The private social host or the licensee shall not solicit ~~donations in~~ payment of any kind, including donations, for the food or alcoholic beverages from the guests, and the alcoholic beverages and food shall be served without cost to the guests.

c. Section 123.92 does not apply to a liquor control licensee who acts in accordance with this section when the liquor control licensee is providing and serving food and alcoholic beverages as an agent of a private social host at a private social gathering in a private place which is not on the licensed premises.

~~2. An applicant for a class "B" liquor control license or class "C" liquor control license shall state on the application for the license that the licensee intends to engage in catering food and alcoholic beverages for private social gatherings and the catering privilege shall be noted on the license or permit.~~

d. A licensee who engages in catering food and alcoholic beverages for private social gatherings shall maintain a record on the licensed premises which includes the name and address of the host of the private social gathering, and the date for which catering was provided. The record maintained pursuant to this section shall be open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the licensee.

Sec. 37. Section 123.122, Code 2019, is amended by striking

the section and inserting in lieu thereof the following:

123.122 Beer certificate, permit, or license required — exception for personal use.

1. A person shall not cause the manufacture, importation, or sale of beer in this state unless a certificate or permit as provided in this subchapter, or a liquor control license as provided in subchapter 1 of this chapter, is first obtained which authorizes that manufacture, importation, or sale.

2. Any person of legal age may manufacture beer for personal use without a class "A" beer permit, subject to the requirements of this subsection. Such beer may be consumed on the premises or removed from the premises where it was manufactured only if the beer is not sold, exchanged, bartered, dispensed, or given in consideration of purchase for any property or services or in evasion of the requirements of this chapter.

3. Except as otherwise provided in this chapter, a person shall not import beer. However, an individual of legal age may import beer into the state without a certificate, permit, or license an amount of beer not to exceed four and one-half gallons per calendar month that the individual personally obtained outside the state or, in the case of beer personally obtained outside the United States, a quantity which does not exceed the amount allowed by federal law governing the importation of alcoholic beverages into the United States for personal consumption. Beer imported pursuant to this section shall be for personal consumption in a private home or other private accommodation and only if the beer is not sold, exchanged, bartered, dispensed, or given in consideration of purchase for any property or services or in evasion of the requirements of this chapter.

Sec. 38. Section 123.127, subsection 1, unnumbered paragraph 1, Code 2019, is amended to read as follows:

A person applying for a class "A" or special class "A" beer permit shall submit ~~an~~ a completed application electronically,

or in a manner prescribed by the administrator, which shall set forth under oath the following:

Sec. 39. Section 123.127, subsection 1, paragraph b, Code 2019, is amended to read as follows:

b. The names and addresses of all persons or, in the case of a corporation, limited liability company, or any other similar legal entity, the officers, directors, and persons owning or controlling ten percent or more of the capital stock thereof, having a financial interest, by way of loan, ownership, or otherwise, in the business.

Sec. 40. Section 123.130, subsection 1, Code 2019, is amended to read as follows:

1. *a.* Any person holding a class "A" beer permit issued by the division shall be authorized to manufacture and sell, or sell at wholesale, beer for consumption off the premises, such sales within the state to be made only to persons holding subsisting class "A", "B", or "C" beer permits, both a class "C" native wine permit and a class "A" wine permit pursuant to section 123.178B, subsection 4, or liquor control licenses issued in accordance with the provisions of this chapter.

b. A person holding a class "A" beer permit may sell beer to distributors outside of the state that are authorized by the laws of that jurisdiction to sell beer at wholesale.

c. A class "A" or special class "A" beer permit does not grant authority to manufacture wine as defined in section 123.3, subsection 48.

Sec. 41. Section 123.130, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. Pursuant to section 123.45, subsection 2, a native brewery may be granted not more than one class "B" beer permit as defined in section 123.124 for the purpose of selling beer at retail for consumption on or off the premises of the manufacturing facility.

Sec. 42. Section 123.130, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 4. A manufacturer of beer issued a class "A" or special class "A" beer permit shall file with the division, on or before the fifteenth day of each calendar month, all documents filed with the alcohol and tobacco tax and trade bureau of the United States department of the treasury, including all brewer's operation and excise tax return reports.

Sec. 43. Section 123.131, subsection 2, unnumbered paragraph 1, Code 2019, is amended to read as follows:

Subject to the rules of the division, sales of beer for consumption off the premises made pursuant to this section may be made in a container other than the original container only if the container is carried into an immediately adjacent ~~licensed or permitted~~ premises covered by a license or permit that authorizes the consumption of beer, ~~temporary~~ temporarily closed public right-of-way, or a private ~~property~~ place, or if all of the following requirements are met:

Sec. 44. Section 123.135, subsection 1, Code 2019, is amended to read as follows:

1. A manufacturer, brewer, bottler, importer, or vendor of beer, or any agent thereof, desiring to ship or sell beer, or have beer brought into this state for resale by a class "A" beer permittee, shall first make application for and be issued a brewer's certificate of compliance by the administrator for that purpose. The certificate of compliance expires 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 revoked for cause. Each completed application for a certificate of compliance or renewal of a certificate shall be submitted electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of five hundred dollars payable to the division. Each holder of a certificate of compliance shall furnish the information in a manner the administrator requires.

Sec. 45. Section 123.135, subsection 5, Code 2019, is amended by striking the subsection and inserting in lieu

thereof the following:

5. Any violation of the requirements of this chapter or the rules adopted pursuant to this chapter shall subject the holder of a brewer's certificate of compliance or a class "A" beer permit holder to the general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty, suspension of the certificate or permit, or revocation of the certificate or permit after notice and opportunity for a hearing pursuant to section 123.39 and chapter 17A.

Sec. 46. Section 123.136, subsection 1, Code 2019, is amended to read as follows:

1. In addition to the annual permit fee to be paid by all class "A" beer permittees under this chapter there shall be levied and collected from the permittees on all beer manufactured for sale or sold in this state at wholesale and on all beer imported into this state for sale at wholesale and sold in this state at wholesale, and from special class "A" beer permittees on all beer manufactured for consumption on the premises and on all beer sold at retail at the manufacturing premises for consumption off the premises pursuant to section 123.130, subsection 3, a tax of five and eighty-nine hundredths dollars for every barrel containing thirty-one gallons, and at a like rate for any other quantity or for the fractional part of a barrel. However, no tax shall be levied or collected on beer shipped outside this state by a class "A" beer permittee or special class "A" beer permittee or on beer sold to a class "A" beer permittee by ~~one~~ a special class "A" beer permittee ~~to~~ or another class "A" beer permittee.

Sec. 47. Section 123.143, subsection 3, Code 2019, is amended to read as follows:

3. Barrel tax revenues collected on beer manufactured in this state from a class "A" beer permittee which owns and operates a native brewery ~~located in Iowa~~ shall be credited to the barrel tax fund hereby created in the office of the treasurer of state. Moneys deposited in the barrel tax fund

shall not revert to the general fund of the state without a specific appropriation by the general assembly. Moneys in the barrel tax fund are appropriated to the economic development authority for purposes of section 15E.117.

Sec. 48. Section 123.173A, subsection 2, Code 2019, is amended to read as follows:

2. An authorized nonprofit entity may, upon application to the division and receipt of a charity beer, spirits, and wine auction permit from the division, conduct a charity auction which includes beer, spirits, and wine. The completed application shall specify the date and time when the charity beer, spirits, and wine auction is to be conducted and the premises in this state where the charity beer, spirits, and wine auction is to be physically conducted. The applicant shall certify that the objective of the charity beer, spirits, and wine auction is to raise funds solely to be used for educational, religious, or charitable purposes and that the entire proceeds from the charity beer, spirits, and wine auction are to be expended for any of the purposes described in section 423.3, subsection 78.

Sec. 49. Section 123.173A, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 8. Any violation of the requirements of this chapter or the rules adopted pursuant to this chapter shall subject the permit holder to the general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty, suspension of the permit, or revocation of the permit after notice and opportunity for a hearing pursuant to section 123.39 and chapter 17A.

Sec. 50. Section 123.175, subsection 1, unnumbered paragraph 1, Code 2019, is amended to read as follows:

A person applying for a class "A" or retail wine permit shall submit ~~an~~ a completed application electronically, or in a manner prescribed by the administrator, which shall set forth under oath the following:

Sec. 51. Section 123.175, subsection 1, paragraph b, Code 2019, is amended to read as follows:

b. The names and addresses of all persons or, in the case of a corporation, limited liability company, or any other similar legal entity, the officers, directors, and persons owning or controlling ten percent or more of the capital stock thereof, having a financial interest, by way of loan, ownership, or otherwise, in the business.

Sec. 52. Section 123.177, subsection 1, Code 2019, 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 person holding a class "A" wine permit may sell wine to distributors outside of the state that are authorized by the laws of that jurisdiction to sell wine at wholesale. 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. 53. Section 123.179, subsection 1, Code 2019, is amended to read as follows:

1. The annual permit fee for a class "A" wine permit that is not issued to a native wine manufacturer is seven hundred fifty dollars.

Sec. 54. Section 123.179, Code 2019, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. The annual permit fee for a class "A" wine permit issued to a native wine manufacturer is twenty-five dollars.

Sec. 55. Section 123.180, subsection 1, Code 2019, is

amended to read as follows:

1. A manufacturer, vintner, bottler, importer, or vendor of wine, or an agent thereof, desiring to ship, sell, or have wine brought into this state for sale at wholesale by a class "A" permittee shall first make application for and shall be issued a vintner's certificate of compliance by the administrator for that purpose. The vintner's 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 revoked for cause. Each completed application for a vintner's certificate of compliance or renewal of a certificate shall be submitted electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of one hundred dollars payable to the division. Each holder of a vintner's certificate of compliance shall furnish the information required by the administrator in the form the administrator requires. A vintner or wine bottler whose plant is located in Iowa and who otherwise holds a class "A" wine permit to sell wine at wholesale is exempt from the fee, but not the other terms and conditions. The holder of a vintner's certificate of compliance may also hold a class "A" wine permit.

Sec. 56. Section 123.180, subsection 6, Code 2019, is amended by striking the subsection and inserting in lieu thereof the following:

6. Any violation of the requirements of this chapter or the rules adopted pursuant to this chapter shall subject the holder of a vintner's certificate of compliance or a class "A" wine permit holder to the general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty, suspension of the certificate or permit, or revocation of the certificate or permit after notice and opportunity for a hearing pursuant to section 123.39 and chapter 17A.

Sec. 57. Section 123.183, subsection 1, Code 2019, is amended to read as follows:

1. In addition to the annual permit fee to be paid by each class "A" wine permittee, a wine gallonage tax shall be levied and collected from each class "A" wine permittee on all wine manufactured for sale and sold in this state at wholesale and on all wine imported into this state for sale at wholesale and sold in this state at wholesale. A wine gallonage tax shall also be levied and collected on the direct shipment of wine pursuant to section 123.187. The rate of the wine gallonage tax is one dollar and seventy-five cents for each wine gallon. The same rate shall apply for the fractional parts of a wine gallon. The wine gallonage tax shall not be levied or collected on wine sold by one class "A" wine permittee to another class "A" wine permittee or on wine that is sold by a class "A" wine permittee to a distributor outside of the state.

Sec. 58. Section 123.186, subsection 1, Code 2019, is amended to read as follows:

1. The division shall adopt as rules the substance of the federal regulations 27 C.F.R. pt. 6, 27 C.F.R. pt. 8, 27 C.F.R. pt. 10, and 27 C.F.R. pt. 11 ~~as they relate to transactions between wholesalers and retailers~~.

Sec. 59. Section 123.187, subsection 3, paragraph d, Code 2019, is amended to read as follows:

d. All containers of wine shipped directly to a resident of this state shall be shipped by a holder of a wine carrier permit as provided in ~~subsection 6~~ section 123.188.

Sec. 60. Section 123.187, subsection 6, Code 2019, is amended by striking the subsection.

Sec. 61. NEW SECTION. **123.188 Wine carrier — permit and requirements.**

1. A person desiring to deliver wine subject to direct shipment within this state pursuant to section 123.187 shall submit an application for a wine carrier permit electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee in the amount of one hundred dollars.

35 2. The administrator may in accordance with this chapter
1 issue a wine carrier permit which shall be valid for one year
2 from the date of issuance unless it is sooner suspended or
3 revoked for a violation of this chapter.
4 3. A permit issued pursuant to this section may be
5 renewed annually by submitting a renewal application with the
6 administrator in a manner prescribed by the administrator,
7 accompanied by the one hundred dollar permit fee.
8 4. The delivery of wine pursuant to this section shall be
9 subject to the following requirements and restrictions:
10 *a.* A wine carrier permittee shall not deliver wine to
11 any person under twenty-one years of age, or to any person
12 who either is or appears to be in an intoxicated state or
13 condition.
14 *b.* A wine carrier permittee shall obtain valid proof of
15 identity and age prior to delivery, and shall obtain the
16 signature of an adult as a condition of delivery.
17 *c.* A wine carrier permittee shall maintain records of wine
18 shipped which include the permit number and name of the wine
19 manufacturer, quantity of wine shipped, recipient's name and
20 address, and an electronic or paper form of signature from
21 the recipient of the wine. Records shall be submitted to
22 the division on a monthly basis in a form and manner to be
23 determined by the division.
24 5. A violation of this section shall subject the permittee
25 to the general penalties provided in this chapter and shall
26 constitute grounds for imposition of a civil penalty or
27 suspension or revocation of the permit pursuant to section
28 123.39.
29 Sec. 62. CODE EDITOR DIRECTIVE.
30 1. The Code editor is directed to make the following
31 transfer:
32 Section 123.56 to section 123.176.
33 2. The Code editor is directed to correct internal
34 references in the Code as necessary due to enactment of this

35 section.

1 Sec. 63. REPEAL. Sections 123.144 and 123.146, Code 2019,
2 are repealed.

3 DIVISION II

4 ALCOHOLIC BEVERAGE DELIVERIES

5 Sec. 64. Section 123.46A, subsection 1, Code 2019, is
6 amended to read as follows:

7 1. Licensees and permittees authorized to sell alcoholic
8 liquor, wine, or beer in original unopened containers for
9 consumption off the licensed premises may deliver alcoholic
10 liquor, wine, or beer to a home, another licensed premises if
11 there is identical ownership of the premises by the licensee
12 or permittee, or other designated location in this state.
13 Deliveries shall be limited to alcoholic beverages authorized
14 by the licensee's or permittee's license or permit.

15 Sec. 65. Section 123.46A, subsection 2, paragraph a, Code
16 2019, is amended to read as follows:

17 *a.* Payment for the alcoholic liquor, wine, or beer shall be
18 received ~~on the licensed premises~~ by the licensee or permittee
19 at the time of order.

20 Sec. 66. Section 123.46A, subsection 2, Code 2019, is
21 amended by adding the following new paragraphs:

22 NEW PARAGRAPH. *0b.* Orders for deliveries may be taken by
23 the licensee or permittee between the hours of 2:00 a.m. and
24 6:00 a.m. on a day other than Sunday, and orders for deliveries
25 may be taken between the hours of 2:00 a.m. and 8:00 a.m. on a
26 Sunday provided the licensee or permittee has been granted the
27 privilege of selling alcoholic liquor, wine, or beer on Sunday,
28 notwithstanding any provision of section 123.49, subsection 2,
29 paragraph *"b"*, to the contrary.

30 NEW PARAGRAPH. *k.* Orders delivered to another licensed
31 premises shall contain only those alcoholic beverages
32 authorized for sale by the liquor control license or retail
33 wine or beer permit covering the premises to receive the
34 delivery.

35 NEW PARAGRAPH. *1.* Orders delivered to another licensed
1 premises shall be fulfilled using the alcoholic beverages
2 inventory owned by the licensee or permittee who received the
3 order for delivery. If the recipient refuses or fails to pick
4 up the delivery, or is ineligible to receive the delivery,
5 the alcoholic beverages shall be returned to the licensee or
6 permittee who fulfilled the order.
7 Sec. 67. Section 123.49, subsection 2, paragraph d,
8 subparagraph (1), Code 2019, is amended to read as follows:
9 (1) Keep on premises covered by a liquor control license
10 any alcoholic liquor in any container except the original
11 package purchased from the division, and except mixed drinks
12 or cocktails mixed on the premises for immediate consumption
13 on the licensed premises or as otherwise provided by this
14 paragraph *"d"*. This prohibition does not apply to ~~common~~
15 ~~carriers holding~~ holders of a class "D" liquor control license
16 or to alcoholic liquor delivered in accordance with section
17 123.46A.
18 Sec. 68. EFFECTIVE DATE. This division of this Act, being
19 deemed of immediate importance, takes effect upon enactment.
20 EXPLANATION

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

23 This bill concerns alcoholic beverage control and matters
24 under the purview of the alcoholic beverages division of the
25 department of commerce.
26 DIVISION I —— ALCOHOLIC BEVERAGE CONTROL. Code section
27 123.3, providing definitions, is amended. The bill amends the
28 definitions for "alcoholic liquor", "beer", "high alcoholic
29 content beer", and "wine", by removing references to a percent
30 of alcohol by weight and, if not already included in the
31 definition, providing for the percent of alcohol by volume for
32 each definition. In addition, the bill strikes the exclusion
33 of mixed drinks or cocktails mixed on the premises from the
34 definition of "beer". The definition of "application" is

35 amended by adding certificate. The definition of "licensed
1 premises" is amended by striking areas susceptible of precise
2 definition from what may constitute a single licensed premises.
3 The definition of "person" is also amended to add limited
4 liability companies and to add, in relation to corporations
5 and limited liability companies, other similar legal entities.
6 The bill also adds definitions for "completed application",
7 "mixed drink or cocktail", "native brewery", and "private
8 place". "Completed application" is defined as an application
9 for a license, permit, or certificate where all necessary fees
10 or bonds have been paid or submitted and the applicant has
11 provided all information to the alcoholic beverages division.
12 The bill makes corresponding changes in Code chapter 123
13 referencing the requirement to file a completed application for
14 a particular license, permit, or certificate. "Mixed drink or
15 cocktail" is defined as an alcoholic beverage, consisting in
16 whole or in part of alcoholic liquors, that is combined with
17 other alcoholic or nonalcoholic beverages. "Native brewery" is
18 defined as a business that manufactures beer or high alcoholic
19 content beer by a person holding a class "A" beer permit that
20 authorizes the manufacture. "Private place" is defined as
21 a location which, at the time alcoholic beverages are kept,
22 dispensed, or consumed, does not provide access to the general
23 public, limits access to bona fide social hosts and invited
24 guests, is not of a commercial nature, does not provide for
25 the sale and purchase of goods and services, is not a licensed
26 premises, and does not charge admission.
27 Code section 123.10, concerning rules, is amended to
28 authorize the alcoholic beverages division to prescribe a
29 uniform fee to be assessed against certain licensees and
30 permittees to recover administrative costs incurred relating
31 to the failure of a licensee or permittee to maintain
32 dramshop liability insurance coverage and for contested case
33 proceedings.
34 Code section 123.23, concerning distiller's certificate of

35 compliance, is amended to specifically provide that the general
1 penalty provisions of the Code chapter apply to any violation
2 of the Code chapter or rules adopted pursuant to the Code
3 chapter by a holder of a distiller's certificate of compliance.
4 Code section 123.24, relating to liquor prices, is amended
5 to contain all current provisions of the Code section relating
6 to establishing liquor prices sold by the alcoholic beverages
7 division in a new Code subsection.
8 Code section 123.27, concerning sales and deliveries of
9 alcoholic liquor from the state warehouse, is amended to
10 eliminate the restriction on sales and deliveries on Sunday.
11 Code section 123.30, concerning liquor control licenses, is
12 amended. The bill provides that a liquor control license not
13 be issued for a premises that does not constitute a safe and
14 proper place or building. The bill also strikes a provision
15 that allowed a person holding a liquor control license to
16 permit a customer to carry an open container of alcoholic
17 liquor from the licensed premises to an adjacent licensed
18 premises, temporary closed public right-of-way, or private
19 property.
20 Code section 123.31, concerning liquor control license
21 applications, is amended to provide that officers, directors,
22 and persons owning at least 10 percent of stock in a limited
23 liability company or other similar legal entity shall be
24 included on the application for a license.
25 Code section 123.32, concerning action by local authorities
26 and the alcoholic beverages division on applications for
27 certain licenses and permits is amended. The bill adds a
28 completed application for a certificate of compliance to
29 the list of applications covered by the Code section and
30 specifically lists all completed applications for licenses,
31 permits, and certificates that shall be submitted to the
32 alcoholic beverages division. The bill also allows the
33 administrator of the alcoholic beverages division to notify
34 an applicant of a disapproval of an application by personal

35 service.
1 Code section 123.34, concerning seasonal and shorter
2 duration licenses and permits, is amended to specifically
3 authorize these types of permits for class "B" and class "C"
4 native wine permits and to provide for the appropriate fee for
5 these shorter duration class "B" and class "C" native wine
6 permits.
7 Code section 123.36, concerning liquor control license fees,
8 is amended to eliminate the additional tax imposed on an air
9 common carrier for a class "D" license.
10 New Code section 123.38A provides for the confidential
11 treatment of investigative information in the possession of
12 the alcoholic beverages division before administrative or
13 criminal charges are filed. The new Code section authorizes
14 the disclosure of information to other law enforcement or
15 regulatory agencies, including other licensing authorities in
16 other jurisdictions.
17 Code section 123.39, concerning suspension or revocation
18 of a license or permit, is amended to include a certificate
19 of compliance and to provide that civil penalties imposed and
20 collected by the alcoholic beverages division shall be credited
21 and used as provided in the general provision covering civil
22 penalties imposed and collected by the division in Code section
23 123.17, subsection 7.
24 Code section 123.41, concerning manufacturer's licenses,
25 is amended to specifically provide that the general penalty
26 provisions of the Code chapter apply to any violation of the
27 Code chapter or rules adopted pursuant to the Code chapter by a
28 holder of a manufacturer's license.
29 Code section 123.43, concerning class "A" native distilled
30 spirits license applications and issuance, is amended to
31 provide that officers, directors, and persons owning at least
32 10 percent of stock in a limited liability company or other
33 similar legal entity shall be included on the application for
34 a license.

35 Code section 123.43A, concerning native distilleries, is
1 amended to eliminate the restriction on the number of class
2 "A" native distilled spirits licenses that may be issued to a
3 person.
4 Code section 123.50, concerning criminal and civil
5 penalties, is amended to provide that if a bond of a liquor
6 control licensee or beer or wine permit holder is forfeited to
7 the alcoholic beverage division, the division shall retain only
8 that portion of the bond equal to the amount the licensee or
9 permit holder owes the division.
10 Code section 123.56, concerning native wines, is amended.
11 The bill removes the license fee for a class "A" wine permit
12 for a native wine manufacturer from the Code section and adds
13 the fee to Code section 123.179 providing for wine permit fees.
14 The bill also requires a person who manufactures native wine
15 to file with the division the records that are filed monthly
16 with the alcohol and tobacco tax and trade bureau of the United
17 States department of the treasury. The bill directs the Code
18 editor to transfer this Code section to new Code section
19 123.176.
20 Code section 123.122, concerning required beer permits or
21 licenses, is amended to add to the Code section provisions
22 concerning exceptions for personal use relative to homemade
23 beer and importation of beer currently provided in Code section
24 123.144, subsection 2, and Code section 123.146.
25 Code section 123.127, concerning class "A" and special
26 class "A" beer permit applications, is amended to provide that
27 officers, directors, and persons owning at least 10 percent of
28 stock in a limited liability company or other similar legal
29 entity shall be included on the application for the permit.
30 Code section 123.130, concerning authority under a class "A"
31 and special class "A" beer permit, is amended to provide that a
32 holder of a class "A" beer permit may sell beer to distributors
33 outside Iowa, pursuant to the laws of that jurisdiction, to
34 provide that a native brewery may be granted not more than one

35 class "B" beer permit for selling beer at the manufacturing
1 facility, and to require a person who manufactures beer to file
2 with the alcoholic beverages division the records it files
3 monthly with the alcohol and tobacco tax and trade bureau of
4 the United States department of the treasury.
5 Code section 123.131, concerning authority under a class "B"
6 beer permit, is amended. The bill provides that sales of beer
7 for consumption off the premises in a container that is not the
8 original container may be carried into an immediately adjacent
9 premises only if the premises is covered by a license or permit
10 that allows the consumption of beer.
11 Code section 123.135, concerning a brewer's certificate of
12 compliance, is amended to provide that the general penalty
13 provisions of Code chapter 123 apply to any violation of the
14 Code chapter or rules adopted pursuant to the Code chapter by a
15 holder of a brewer's certificate of compliance.
16 Code section 123.136, concerning the barrel tax on beer, is
17 amended to provide that the exceptions for tax applicable to
18 class "A" beer permittees also applies to special class "A"
19 beer permittees.
20 Code section 123.173A, concerning a charity beer, spirits,
21 and wine auction permit, is amended to provide that the general
22 penalty provisions of Code chapter 123 apply to any violation
23 of the Code chapter or rules adopted pursuant to the Code
24 chapter by a holder of an auction permit.
25 Code section 123.175, concerning class "A" or retail wine
26 permit applications, is amended to provide that officers,
27 directors, and persons owning at least 10 percent of stock in a
28 limited liability company or other similar legal entity shall
29 be included on the application for the permit.
30 Code section 123.177, concerning authority under a class "A"
31 wine permit, is amended to provide that a holder of a class
32 "A" wine permit may sell wine to distributors outside Iowa,
33 pursuant to the laws of that jurisdiction.
34 Code section 123.179, concerning wine permit fees, is

35 amended to include the fee for a class "A" wine permit issued
1 to a native wine manufacturer currently provided in Code
2 section 123.56.
3 Code section 123.180, concerning a vintner's certificate
4 of compliance, is amended to provide that the general penalty
5 provisions of Code chapter 123 apply to any violation of the
6 Code chapter or rules adopted pursuant to the Code chapter by a
7 holder of a vintner's certificate or a class "A" permit.
8 Code section 123.183, concerning the wine gallonage tax, is
9 amended to provide that the tax shall not be levied on wine
10 sold by a class "A" wine permittee to a distributor outside of
11 the state.
12 Code section 123.186, concerning federal regulations adopted
13 as rules, is amended to provide that the alcoholic beverages
14 division adopt as rules the substance of the entirety of
15 federal regulations 27 C.F.R. pt. 6, 27 C.F.R. pt. 8, 27 C.F.R.
16 pt. 10, and 27 C.F.R. pt. 11, and not just those regulations as
17 they relate to transactions between wholesalers and retailers.
18 Code section 123.187, concerning the direct shipment of
19 wine, is amended by striking provisions relating to a wine
20 carrier permit. The bill relocates the stricken provisions to
21 new Code section 123.188.
22 Code sections 123.144, relating to bottling beer, and
23 123.146, relating to importation of beer for personal use, are
24 repealed.
25 DIVISION II — ALCOHOLIC BEVERAGE DELIVERIES. Code section
26 123.46A, concerning delivery of alcoholic beverages by
27 retailers is amended. The bill allows a licensee or permittee
28 authorized to sell alcoholic beverages to deliver the alcoholic
29 beverages to another licensed premises if there is identical
30 ownership of the premises by the licensee or permittee. The
31 bill also allows orders for deliveries between 2:00 a.m. and
32 6:00 a.m. on a day other than Sunday and between 2:00 a.m.
33 and 8:00 a.m. on a Sunday. The bill provides that deliveries
34 to another licensed premises contain only those alcoholic

35 beverages authorized for sale by the license or permit covering
1 the premises receiving delivery. In addition, orders delivered
2 to another licensed premises shall be fulfilled using alcoholic
3 beverages owned by the licensee or permittee who received the
4 delivery order and if the recipient of the order fails or is
5 unable to pick up the order, the alcoholic beverages shall be
6 returned to the licensee or permittee who fulfilled the order.
7 Code section 123.49, miscellaneous provisions, is amended
8 to provide that the exception on certain prohibitions relating
9 to the keeping of any alcoholic liquor in certain containers
10 for common carriers holding a class "D" liquor control license
11 applies to all holders of that license or to alcoholic liquor
12 delivered in accordance with Code section 123.46A.
13 This division of the bill takes effect upon enactment.