

**House Study Bill 95 - 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:

1 Section 1. Section 123.3, subsections 5, 6, 7, 20, 26, 27,  
2 34, and 48, Code 2019, are amended to read as follows:

3 5. "*Alcoholic liquor*" means the varieties of liquor defined  
4 in subsections 3 and 44 which contain more than five six and  
5 twenty-five hundredths percent of alcohol by weight volume,  
6 beverages made as described in subsection 7 which beverages  
7 contain more than ~~five percent of alcohol by weight or~~ six and  
8 twenty-five hundredths percent of alcohol by volume but which  
9 are not wine as defined in subsection 48 or high alcoholic  
10 content beer as defined in subsection 20, and every other  
11 liquid or solid, patented or not, containing spirits and every  
12 beverage obtained by the process described in subsection 48  
13 containing more than ~~seventeen percent alcohol by weight or~~  
14 twenty-one and twenty-five hundredths percent of alcohol by  
15 volume, and susceptible of being consumed by a human being,  
16 for beverage purposes. Alcohol manufactured in this state  
17 for use as fuel pursuant to an experimental distilled spirits  
18 plant permit or its equivalent issued by the federal bureau of  
19 alcohol, tobacco and firearms is not an "*alcoholic liquor*".

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

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

35 20. "*High alcoholic content beer*" means beer which

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

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

24 27. "*Local authority*" means the city council or designee  
25 of the city council of any incorporated city in this state, or  
26 the county board of supervisors or designee of the county board  
27 of supervisors of any county in this state, which is empowered  
28 by [this chapter](#) to approve or deny applications for retail  
29 beer or wine permits and liquor control licenses; empowered to  
30 recommend that such permits or licenses be granted and issued  
31 by the division; and empowered to take other actions reserved  
32 to them by [this chapter](#).

33 34. "*Person*" means any individual, association, or  
34 partnership, any corporation, limited liability company, or  
35 other similar legal entity, any club, hotel or motel, or any

1 municipal corporation owning or operating a bona fide airport,  
2 marina, park, coliseum, auditorium, or recreational facility in  
3 or at which the sale of alcoholic liquor, wine, or beer is only  
4 an incidental part of the ownership or operation.

5 48. "*Wine*" means any beverage containing more than five  
6 six and twenty-five hundredths percent of alcohol by ~~weight~~  
7 volume but not more than ~~seventeen percent of alcohol by weight~~  
8 ~~or~~ twenty-one and twenty-five hundredths percent of alcohol  
9 by volume obtained by the fermentation of the natural sugar  
10 contents of fruits or other agricultural products but excluding  
11 any product containing alcohol derived from malt or by the  
12 distillation process from grain, cereal, molasses, or cactus.

13 Sec. 2. Section 123.3, Code 2019, is amended by adding the  
14 following new subsections:

15 NEW SUBSECTION. 14A. "*Completed application*" means an  
16 application where all necessary fees have been paid in full,  
17 any required bonds have been submitted, the applicant has  
18 provided all information requested by the division, and  
19 the application meets the requirements of section 123.92,  
20 subsection 2, if applicable.

21 NEW SUBSECTION. 28A. "*Mixed drink or cocktail*" means an  
22 alcoholic beverage, composed in whole or in part of alcoholic  
23 liquor, that is combined with other alcoholic beverages or  
24 nonalcoholic beverages or ingredients including but not limited  
25 to ice, water, soft drinks, or flavorings.

26 NEW SUBSECTION. 28B. "*Native brewery*" means a business  
27 which manufactures beer or high alcoholic content beer and is  
28 operated by a person who holds a class "A" beer permit that  
29 authorizes the holder to manufacture and sell beer pursuant to  
30 this chapter.

31 NEW SUBSECTION. 36A. "*Private place*" means a location  
32 which, at the time alcoholic beverages are kept, dispensed, or  
33 consumed, meets all of the following criteria:

34 a. The general public does not have access to the location  
35 and attendees are limited to bona fide social hosts and invited

1 guests.

2 *b.* The location is not of a commercial nature.

3 *c.* Goods or services are neither sold nor purchased at the  
4 location.

5 *d.* The location is not a licensed premises.

6 *e.* Admission fees or other kinds of entrance fees, fare,  
7 ticket, donation or charges are not made or are required of the  
8 invited guests to enter the location.

9 Sec. 3. Section 123.10, subsection 13, Code 2019, is amended  
10 to read as follows:

11 13. Providing for the issuance of a waiver for an individual  
12 of legal age desiring to import alcoholic liquor, wine, or  
13 beer in excess of the amount provided in [section 123.22](#),  
14 ~~123.146~~ [123.122](#), or [123.171](#), as applicable. The waiver shall  
15 be limited to those individuals who were domiciled outside the  
16 state within one year of the request for a waiver and shall  
17 provide that any alcoholic liquor, wine, or beer imported  
18 pursuant to the waiver shall be for personal consumption only  
19 in a private home or other private accommodation.

20 Sec. 4. Section 123.10, Code 2019, is amended by adding the  
21 following new subsections:

22 NEW SUBSECTION. 14. Prescribing the uniform fee to be  
23 assessed against a class "B" beer permittee, class "C" native  
24 wine permittee, or liquor control licensee, except a class "E"  
25 liquor control licensee, to cover the administrative costs  
26 incurred by the division resulting from the failure of the  
27 licensee or permittee to maintain dramshop liability insurance  
28 coverage pursuant to section 123.92, subsection 2, paragraph  
29 "a".

30 NEW SUBSECTION. 15. Prescribing the uniform fee, not to  
31 exceed one hundred dollars, to be assessed against a licensee  
32 or permittee for a contested case hearing conducted by the  
33 division or by an administrative law judge from the department  
34 of inspections and appeals which results in administrative  
35 action taken against the licensee or permittee by the division.

1     Sec. 5. Section 123.14, Code 2019, is amended by striking  
2 the section and inserting in lieu thereof the following:

3     **123.14 Alcoholic beverage control law enforcement.**

4     1. The department of public safety, the division, a county  
5 attorney, a county sheriff and the sheriff's deputies, and the  
6 police department of every city shall be the alcoholic beverage  
7 control law enforcement authority for this state.

8     2. Investigators and compliance officers of the division  
9 shall have the powers and authority of peace officers  
10 when acting within the scope of their responsibilities as  
11 specified in section 123.4 and section 123.9, subsection 6.  
12 Investigators and compliance officers of the division shall not  
13 carry a weapon to perform responsibilities as described in this  
14 section.

15     3. Any neglect, misfeasance, or malfeasance shown by any  
16 peace officer included in this section shall be sufficient  
17 cause for the peace officer's removal as provided by law.

18     Sec. 6. Section 123.23, subsections 1 and 4, Code 2019, are  
19 amended to read as follows:

20     1. Any manufacturer, distiller, or importer of alcoholic  
21 liquors shipping, selling, or having alcoholic liquors brought  
22 into this state for resale by the state shall, as a condition  
23 precedent to the privilege of so trafficking in alcoholic  
24 liquors in this state, annually make application for and hold  
25 a distiller's certificate of compliance which shall be issued  
26 by the administrator for that purpose. No brand of alcoholic  
27 liquor shall be sold by the division in this state unless  
28 the manufacturer, distiller, importer, and all other persons  
29 participating in the distribution of that brand in this state  
30 have obtained a certificate. The certificate of compliance  
31 shall expire at the end of one year from the date of issuance  
32 and shall be renewed for a like period upon application to the  
33 administrator unless otherwise suspended or revoked for cause.  
34 Each completed application for a certificate of compliance  
35 or renewal shall be submitted electronically, or in a manner

1 prescribed by the administrator, and shall be accompanied by a  
2 fee of fifty dollars payable to the division. However, this  
3 subsection need not apply to a manufacturer, distiller, or  
4 importer who ships or sells in this state no more than eleven  
5 gallons or its case equivalent during any fiscal year as a  
6 result of "special orders" which might be placed, as defined  
7 and allowed by divisional rules adopted under this chapter.

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

20 Sec. 7. Section 123.24, subsection 1, Code 2019, is amended  
21 to read as follows:

22 1. The division shall sell alcoholic liquor at wholesale  
23 only. The division shall sell alcoholic liquor to class "E"  
24 liquor control licensees only. The division shall offer the  
25 same price on alcoholic liquor to all class "E" liquor control  
26 licensees without regard for the quantity of purchase or the  
27 distance for delivery. ~~However, the division may assess a~~  
28 ~~split case charge when liquor is sold in quantities which~~  
29 ~~require a case to be split.~~

30 Sec. 8. Section 123.24, Code 2019, is amended by adding the  
31 following new subsection:

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

34 a. The manufacturer's price.

35 b. A markup of up to fifty percent of the wholesale price

1 paid by the division for the alcoholic liquor. The division  
2 may increase the markup on selected kinds of alcoholic liquor  
3 sold by the division if the average return to the division on  
4 all sales of alcoholic liquor does not exceed the wholesale  
5 price paid by the division and the fifty percent markup.

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

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

18 Sec. 9. Section 123.24, subsections 4 and 5, Code 2019, are  
19 amended by striking the subsections.

20 Sec. 10. Section 123.27, subsection 3, Code 2019, is amended  
21 by striking the subsection.

22 Sec. 11. Section 123.28, subsection 2, Code 2019, is amended  
23 to read as follows:

24 2. The division shall deliver alcoholic liquor purchased by  
25 class "E" liquor control licensees. Class "E" liquor control  
26 licensees may deliver alcoholic liquor purchased by class "A",  
27 class "B", class "C", class "C" native distilled spirits,  
28 or class "D" liquor control licensees, and class "A", class  
29 "B", class "C", class "C" native distilled spirits, or class  
30 "D" liquor control licensees may transport alcoholic liquor  
31 purchased from class "E" liquor control licensees.

32 Sec. 12. Section 123.30, subsection 2, Code 2019, is amended  
33 to read as follows:

34 2. A liquor control license shall not be issued for premises  
35 which do not constitute a safe and proper place or building



1 and which do not conform to all applicable laws, ordinances,  
2 resolutions, and health and fire regulations. A licensee  
3 shall not have or maintain any interior access to residential  
4 or sleeping quarters unless permission is granted by the  
5 administrator in the form of a living quarters permit.

6 Sec. 13. Section 123.30, subsection 4, Code 2019, is amended  
7 to read as follows:

8 4. Notwithstanding any provision of **this chapter** to the  
9 contrary, a person holding a liquor control license to sell  
10 alcoholic beverages for consumption on the licensed premises  
11 may permit a customer to remove one unsealed bottle of wine  
12 for consumption off the premises if the customer has purchased  
13 and consumed a portion of the bottle of wine on the licensed  
14 premises. The licensee or the licensee's agent shall securely  
15 reseal such bottle in a bag designed so that it is visibly  
16 apparent that the resealed bottle of wine has not been tampered  
17 with and provide a dated receipt for the resealed bottle of  
18 wine to the customer. A wine bottle resealed pursuant to the  
19 requirements of **this subsection** is subject to the requirements  
20 of **sections 321.284 and 321.284A**. A person holding a liquor  
21 control license to sell alcoholic beverages for consumption on  
22 the licensed premises may permit a customer to carry an open  
23 container of wine from ~~their~~ the person's licensed premises  
24 into another immediately adjacent licensed premises, ~~temporary~~  
25 that is covered by a license or permit that authorizes the  
26 consumption of wine, a temporarily closed public right-of-way,  
27 or a private property place.

28 Sec. 14. Section 123.30, subsection 5, Code 2019, is amended  
29 by striking the subsection.

30 Sec. 15. Section 123.31, subsection 3, Code 2019, is amended  
31 to read as follows:

32 3. The names and addresses of all persons or, in the case of  
33 a corporation, limited liability company, or any other similar  
34 legal entity, the officers, directors, and persons owning or  
35 controlling ten percent or more of the capital stock thereof,

1 having a financial interest, by way of loan, ownership, or  
2 otherwise, in the business.

3 Sec. 16. Section 123.32, subsections 1, 2, 3, and 6, Code  
4 2019, are amended to read as follows:

5 1. *Filing of application.*

6 a. An A completed application for a class "A", class "B",  
7 class "C", special class "C", class "C" native distilled  
8 spirits, or class "E" liquor control license as provided in  
9 section 123.31, for a class "A" native distilled spirits  
10 license, for a retail beer permit as provided in sections  
11 123.128 and 123.129, or for a class "B", class "B" native, or  
12 class "C" native retail wine permit as provided in section  
13 123.175, ~~accompanied by the necessary fee and bond, if~~  
14 ~~required,~~ shall be filed with the appropriate city council or  
15 designee of the city council if the premises for which the  
16 license or permit is sought are located within the corporate  
17 limits of a city, or with the board of supervisors or designee  
18 of the board of supervisors if the premises for which the  
19 license or permit is sought are located outside the corporate  
20 limits of a city.

21 b. An A completed application for a class "D" liquor control  
22 license and for a class "A" beer or class "A" wine permit,  
23 accompanied by the necessary fee and bond, if required, any  
24 of the following certificates, licenses, or permits shall  
25 be submitted to the division electronically, or in a manner  
26 prescribed by the administrator, which shall proceed in the  
27 same manner as in the case of an application approved by local  
28 authorities:

29 (1) A certificate of compliance as provided in sections  
30 123.23, 123.135, and 123.180.

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

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

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

35 (5) A class "A" native distilled spirits license as provided

1 in section 123.43.

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

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

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

7 (9) A wine direct shipper's permit as provided in section  
8 123.187.

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

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

19 3. *Licensed premises for local events.* A local authority  
20 may define, by motion of the local authority, licensed premises  
21 which shall be used by holders of liquor control licenses, beer  
22 permits, and wine permits at festivals, fairs, or celebrations  
23 which are sponsored or authorized by the local authority. The  
24 licensed premises defined by motion of the local authority  
25 shall be used by the holders of five-day or fourteen-day class  
26 "A", class "B", class "C", special class "C", or class "D"  
27 liquor control licenses, or five-day or fourteen-day class "B"  
28 or class "C" native wine permits, or class "B" beer permits  
29 only.

30 6. *Action by administrator.*

31 a. Upon receipt of an application having been disapproved  
32 by the local authority, the administrator shall notify the  
33 applicant that the applicant may appeal the disapproval of  
34 the application to the administrator. The applicant shall  
35 be notified by certified mail or personal service, and the

1 application, the fee, and any bond shall be returned to the  
2 applicant.

3     *b.* Upon receipt of an application having been approved by  
4 the local authority, the division shall make an investigation  
5 as the administrator deems necessary to determine that  
6 the applicant complies with all requirements for holding a  
7 license or permit, and may require the applicant to appear  
8 to be examined under oath to demonstrate that the applicant  
9 complies with all of the requirements to hold a license  
10 or permit. If the administrator requires the applicant to  
11 appear and to testify under oath, a record shall be made of  
12 all testimony or evidence and the record shall become a part  
13 of the application. The administrator may appoint a member  
14 of the division or may request an administrative law judge  
15 of the department of inspections and appeals to receive the  
16 testimony under oath and evidence, and to issue a proposed  
17 decision to approve or disapprove the application for a license  
18 or permit. The administrator may affirm, reverse, or modify  
19 the proposed decision to approve or disapprove the application  
20 for the license or permit. If the application is approved  
21 by the administrator, the license or permit shall be issued.  
22 If the application is disapproved by the administrator, the  
23 applicant shall be so notified by certified mail or personal  
24 service and the appropriate local authority shall be notified  
25 electronically, or in a manner prescribed by the administrator.

26     Sec. 17. Section 123.34, Code 2019, is amended to read as  
27 follows:

28     **123.34 Expiration of licenses, and permits, and certificates**  
29 **of compliance — seasonal, ~~five-day, and fourteen-day,~~ and**  
30 **five-day licenses and permits — fees.**

31     1. ~~Liquor control~~ All licenses, wine permits, and beer  
32 permits, and certificates of compliance, unless sooner  
33 suspended or revoked, expire one year from date of issuance.  
34 The administrator shall notify a license, ~~or~~ permit, or  
35 certificate holder electronically, or in a manner prescribed by

1 the administrator, sixty days prior to the expiration of each  
2 license, ~~or permit, or certificate.~~

3 ~~2. a. However, the~~ The administrator may issue six-month or  
4 eight-month seasonal class "A", class "B", class "C", special  
5 class "C", and class "D" liquor control licenses, class "B"  
6 wine permits, class "B" or class "C" native wine permits,  
7 ~~or class "B" beer permits for a proportionate part of the~~  
8 ~~license or permit fee or may issue fourteen-day liquor control~~  
9 ~~licenses, native wine permits, or beer permits as provided in~~  
10 ~~subsection 2.~~

11 ~~b. No refund shall be made for seasonal licenses or~~  
12 ~~permits or for fourteen-day liquor control licenses, native~~  
13 ~~wine permits, or beer permits. No seasonal license or permit~~  
14 ~~shall be renewed. However, after a period of two months the~~  
15 ~~applicant may apply for a new seasonal license or permit for~~  
16 ~~the same location. The fee for a six-month or eight-month~~  
17 ~~seasonal license or permit issued pursuant to this subsection~~  
18 ~~shall be for a proportionate part of the license or permit fee~~  
19 ~~for that class of license or permit. However, the fee for a~~  
20 ~~seasonal class "B" native wine permit shall be the permit fee~~  
21 ~~provided in section 123.179, subsection 3, and the fee for a~~  
22 ~~seasonal class "C" native wine permit shall be the permit fee~~  
23 ~~provided in section 123.179, subsection 4.~~

24 ~~2. 3. a.~~ The administrator may issue fourteen-day class  
25 "A", class "B", class "C", special class "C", and class "D"  
26 liquor control licenses, and fourteen-day class "B" beer  
27 permits, class "B" native wine permits, and class "C" native  
28 wine permits.

29 ~~b.~~ A fourteen-day license or permit, if granted, is valid  
30 for fourteen consecutive days, but the holder shall not sell on  
31 the two Sundays in the fourteen-day period unless the holder  
32 qualifies for and obtains the privilege to sell on Sundays  
33 contained in [section 123.36, subsection 6](#), and section 123.134,  
34 subsection 4.

35 ~~3. c.~~ (1) The fee for a fourteen-day liquor control

1 license or beer permit is one quarter of the annual fee for  
2 that class of liquor control license or beer permit. The  
3 fee for the privilege to sell on the two Sundays in the  
4 fourteen-day period is twenty percent of the price of the  
5 fourteen-day liquor control license or beer permit.

6 (2) The fee for a fourteen-day class "B" native wine permit  
7 shall be the permit fee provided in section 123.179, subsection  
8 3, and the fee for a fourteen-day class "C" native wine permit  
9 is the permit fee provided in section 123.179, subsection 4.

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

14 b. A five-day license or permit is valid for five  
15 consecutive days, but the holder shall not sell alcoholic  
16 beverages on Sunday in the five-day period unless the holder  
17 qualifies for and obtains the privilege to sell on Sunday  
18 pursuant to sections section 123.36, subsection 6, and section  
19 123.134, subsection 4.

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

25 (2) The fee for a five-day class "B" native wine permit  
26 shall be the permit fee provided in section 123.179, subsection  
27 3, and the fee for a five-day class "C" native wine permit is  
28 the permit fee provided in section 123.179, subsection 4.

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

34 Sec. 18. Section 123.36, subsection 5, paragraph c, Code  
35 2019, is amended to read as follows:

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

10 Sec. 19. Section 123.36, subsection 6, Code 2019, is amended  
11 to read as follows:

12 6. Any club, hotel, motel, native distillery,  
13 passenger-carrying boat or ship, railway corporation, air  
14 common carrier, or commercial establishment holding a liquor  
15 control license, subject to [section 123.49, subsection 2,](#)  
16 paragraph "b", may apply for and receive permission to sell and  
17 dispense alcoholic beverages as authorized by [section 123.30](#) to  
18 patrons between the hours of 8:00 a.m. on Sunday and 2:00 a.m.  
19 on the following Monday. ~~A class "D" liquor control licensee~~  
20 ~~may apply for and receive permission to sell and dispense~~  
21 ~~alcoholic beverages to patrons for consumption on the premises~~  
22 ~~only between the hours of 8:00 a.m. on Sunday and 2:00 a.m.~~  
23 ~~on the following Monday.~~ For the privilege of selling beer,  
24 wine, and alcoholic liquor on the premises on Sunday the liquor  
25 control license fee of the applicant shall be increased by  
26 twenty percent of the regular fee prescribed for the license  
27 pursuant to [this section](#), and the privilege shall be noted on  
28 the liquor control license.

29 Sec. 20. Section 123.36, subsection 10, Code 2019, is  
30 amended to read as follows:

31 10. There is imposed a surcharge on the fee for each class  
32 "A", class "B", class "C", class "C" native distilled spirits,  
33 or special class "C" liquor control license equal to thirty  
34 percent of the scheduled license fee. The surcharges collected  
35 under [this subsection](#) shall be deposited in the beer and liquor

1 control fund, and notwithstanding subsection 8, no portion  
2 of the surcharges collected under this subsection shall be  
3 remitted to the local authority.

4 Sec. 21. NEW SECTION. 123.38A Confidential investigative  
5 records.

6 In order to assure a free flow of information for  
7 accomplishing the purposes of section 123.4 and section  
8 123.9, subsection 6, all complaint information, investigation  
9 files, audit files, and inspection files, other investigation  
10 reports, and other investigative information in the possession  
11 of the division or employees acting under the authority of  
12 the administrator are privileged and confidential, and are  
13 not subject to discovery, subpoena, or other means of legal  
14 compulsion for their release before administrative or criminal  
15 charges are filed. However, investigative information in  
16 the possession of division employees may be disclosed to the  
17 licensing authorities of a city or county within this state,  
18 in another state, the District of Columbia, or territory  
19 or county in which the licensee or permittee is licensed  
20 or permitted or has applied for a license or permit. In  
21 addition, the investigative information can be shared with  
22 any law enforcement agency or other state agency that also  
23 has regulatory or enforcement jurisdiction authorized by law.  
24 Records received by the division from other agencies which  
25 would be confidential if created by the division are considered  
26 confidential.

27 Sec. 22. Section 123.39, subsection 1, Code 2019, is amended  
28 to read as follows:

29 1. a. (1) The administrator or the local authority  
30 may suspend a ~~license or permit issued pursuant to this~~  
31 chapter class "A", class "B", class "C", special class "C",  
32 class "C" native distilled spirits, or class "E" liquor  
33 control license or retail wine or beer permit for a period  
34 not to exceed one year, revoke the license or permit, or  
35 impose a civil penalty not to exceed one thousand dollars



1 per violation. ~~Before suspension, revocation, or imposition~~  
2 ~~of a civil penalty, the license or permit holder shall be~~  
3 ~~given written notice and an opportunity for a hearing. The~~  
4 ~~administrator may appoint a member of the division or may~~  
5 ~~request an administrative law judge from the department of~~  
6 ~~inspections and appeals to conduct the hearing and issue a~~  
7 ~~proposed decision. Upon the motion of a party to the hearing~~  
8 ~~or upon the administrator's own motion, the administrator may~~  
9 ~~review the proposed decision in accordance with [chapter 17A](#).~~  
10 ~~Upon review of the proposed decision, the administrator may~~  
11 ~~affirm, reverse, or modify the proposed decision. A licensee~~  
12 ~~or permittee aggrieved by a decision of the administrator~~  
13 ~~may seek judicial review of the administrator's decision in~~  
14 ~~accordance with [chapter 17A](#).~~

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

24 b. A license, or permit, or certificate of compliance issued  
25 under [this chapter](#) may be suspended or revoked, or a civil  
26 penalty may be imposed on the license or permit holder by the  
27 local authority or the administrator for any of the following  
28 causes:

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

31 (2) Violation of any of the provisions of [this chapter](#).

32 (3) Any change in the ownership or interest in the business  
33 operated under a liquor control license, or any wine or beer  
34 permit, which change was not previously reported in a manner  
35 prescribed by the administrator within thirty days of the

1 change and subsequently approved by the local authority, when  
2 applicable, and the division.

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

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

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

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

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

20 e. Before suspension, revocation, or imposition of a  
21 civil penalty by the administrator, the license, permit,  
22 or certificate holder shall be given written notice and an  
23 opportunity for a hearing. The administrator may appoint  
24 a member of the division or may request an administrative  
25 law judge from the department of inspections and appeals to  
26 conduct the hearing and issue a proposed decision. Upon the  
27 motion of a party to the hearing or upon the administrator's  
28 own motion, the administrator may review the proposed decision  
29 in accordance with chapter 17A. Upon review of the proposed  
30 decision, the administrator may affirm, reverse, or modify the  
31 proposed decision. A license, permit, or certificate holder  
32 aggrieved by a decision of the administrator may seek judicial  
33 review of the administrator's decision in accordance with  
34 chapter 17A.

35 f. Civil penalties imposed and collected by the local

1 authority under **this section** shall be retained by the local  
2 authority. Civil penalties imposed and collected by the  
3 division under **this section** shall be ~~retained by the division~~  
4 credited to the general fund of the state pursuant to section  
5 123.17, subsection 7.

6 Sec. 23. Section 123.39, subsection 4, Code 2019, is amended  
7 to read as follows:

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

18 Sec. 24. Section 123.41, subsection 1, Code 2019, is amended  
19 to read as follows:

20 1. Each completed application to obtain or renew a  
21 manufacturer's license shall be submitted to the division  
22 electronically, or in a manner prescribed by the administrator,  
23 and shall be accompanied by a fee of three hundred fifty  
24 dollars payable to the division. The administrator may in  
25 accordance with **this chapter** grant and issue to a manufacturer  
26 a manufacturer's license, valid for a one-year period after  
27 date of issuance, which shall allow the manufacture, storage,  
28 and wholesale disposition and sale of alcoholic liquors to the  
29 division and to customers outside of the state.

30 Sec. 25. Section 123.41, Code 2019, is amended by adding the  
31 following new subsection:

32 NEW SUBSECTION. 3A. A person who holds a manufacturer's  
33 license shall file with the division, on or before the  
34 fifteenth day of each calendar month, all documents filed  
35 by the manufacturer with the alcohol and tobacco tax and

1 trade bureau of the United States department of the treasury,  
2 including all production, storage, and processing reports.

3 Sec. 26. Section 123.41, subsection 4, Code 2019, is amended  
4 to read as follows:

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

12 Sec. 27. Section 123.42, subsection 1, Code 2019, is amended  
13 to read as follows:

14 1. Prior to representing or promoting alcoholic liquor  
15 products in the state, the broker shall submit ~~an~~ a completed  
16 application to the division electronically, or in a manner  
17 prescribed by the administrator, for a broker's permit. The  
18 administrator may in accordance with this chapter issue a  
19 broker's permit which shall be valid for one year from the date  
20 of issuance unless it is sooner suspended or revoked for a  
21 violation of this chapter.

22 Sec. 28. Section 123.42, Code 2019, is amended by adding the  
23 following new subsection:

24 NEW SUBSECTION. 7. Any violation of the requirements of  
25 this chapter or the rules adopted pursuant to this chapter  
26 shall subject the permit holder to the general penalties  
27 provided in this chapter and shall constitute grounds for  
28 imposition of a civil penalty, suspension of the permit, or  
29 revocation of the permit after notice and opportunity for a  
30 hearing pursuant to section 123.39 and chapter 17A.

31 Sec. 29. Section 123.43, subsection 1, paragraph b, Code  
32 2019, is amended to read as follows:

33 *b.* The names and addresses of all persons or, in the case of  
34 a corporation, limited liability company, or any other similar  
35 legal entity, the officers, directors, and persons owning or

1 controlling ten percent or more of the capital stock thereof,  
2 having a financial interest, by way of loan, ownership, or  
3 otherwise, in the business.

4 Sec. 30. Section 123.43A, subsection 5, Code 2019, is  
5 amended to read as follows:

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

14 Sec. 31. Section 123.46A, subsection 2, paragraph a, Code  
15 2019, is amended to read as follows:

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

19 Sec. 32. Section 123.49, subsection 2, unnumbered paragraph  
20 1, Code 2019, is amended to read as follows:

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

24 Sec. 33. Section 123.49, subsection 2, paragraph d,  
25 subparagraph (1), Code 2019, is amended to read as follows:

26 (1) Keep on premises covered by a liquor control license  
27 any alcoholic liquor in any container except the original  
28 package purchased from the division, and except mixed drinks  
29 or cocktails mixed on the premises for immediate consumption  
30 on the licensed premises or as otherwise provided by this  
31 paragraph "d". This prohibition does not apply to ~~common~~  
32 ~~carriers holding~~ holders of a class "D" liquor control license.

33 Sec. 34. Section 123.49, subsection 2, paragraph g, Code  
34 2019, is amended to read as follows:

35 g. Allow any person other than the licensee, permittee,

1 or employees of the licensee or permittee, to use or keep  
2 on the licensed premises any alcoholic liquor in any bottle  
3 or other container which is designed for the transporting of  
4 such beverages, except as permitted in [section 123.95](#). This  
5 paragraph does not apply to the lodging quarters of a class "B"  
6 liquor control licensee or wine or beer permittee, or to ~~common~~  
7 ~~carriers holding~~ holders of a class "D" liquor control license.

8 Sec. 35. Section 123.56, subsection 1, Code 2019, is amended  
9 to read as follows:

10 1. Subject to rules of the division, manufacturers of  
11 native wines from grapes, cherries, other fruits or other fruit  
12 juices, vegetables, vegetable juices, dandelions, clover,  
13 honey, or any combination of these ingredients, holding a class  
14 "A" wine permit as required by [this chapter](#), may sell, keep, or  
15 offer for sale and deliver the wine. Notwithstanding section  
16 123.24, subsection 4 1A, paragraph "b", or any other provision  
17 of [this chapter](#), manufacturers of native wine may obtain and  
18 possess grape brandy from the division for the sole purpose of  
19 manufacturing wine.

20 Sec. 36. Section 123.56, subsection 4, Code 2019, is amended  
21 to read as follows:

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

30 Sec. 37. Section 123.56, Code 2019, is amended by adding the  
31 following new subsection:

32 NEW SUBSECTION. 7A. A manufacturer of native wines shall  
33 file with the division, on or before the fifteenth day of  
34 each calendar month, all documents filed with the alcohol and  
35 tobacco tax and trade bureau of the United States department of

1 the treasury, including all wine premises operations and excise  
2 tax return reports.

3 Sec. 38. Section 123.95, subsections 1 and 2, Code 2019, are  
4 amended to read as follows:

5 1. A person shall not allow the dispensing or consumption of  
6 alcoholic liquor, except wines and beer, in any establishment  
7 unless the establishment is licensed under [this chapter](#) or  
8 except as otherwise provided in [this section](#).

9 2. a. The holder of an annual class "B" liquor control  
10 license or an annual class "C" liquor control license may  
11 act as the agent of a private social host for the purpose  
12 of providing and serving alcoholic ~~liquor, wine, and beer~~  
13 beverages as part of a food catering service for a private  
14 social gathering in a private place, provided the licensee  
15 has applied for and been granted a catering privilege by the  
16 division. The holder of an annual special class "C" liquor  
17 control license shall not act as the agent of a private social  
18 host for the purpose of providing and serving wine and beer as  
19 part of a food catering service for a private social gathering  
20 in a private place. An applicant for a class "B" or class "C"  
21 liquor control license shall state on the application for the  
22 license that the licensee intends to engage in catering food  
23 and alcoholic beverages for private social gatherings and the  
24 catering privilege shall be noted on the license.

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

29 c. [Section 123.92](#) does not apply to a liquor control  
30 licensee who acts in accordance with [this section](#) when the  
31 liquor control licensee is providing and serving food and  
32 alcoholic beverages as an agent of a private social host at a  
33 private social gathering in a private place which is not on the  
34 licensed premises.

35 ~~2. An applicant for a class "B" liquor control license or~~

~~1 class "C" liquor control license shall state on the application  
2 for the license that the licensee intends to engage in catering  
3 food and alcoholic beverages for private social gatherings and  
4 the catering privilege shall be noted on the license or permit.~~

5 d. A licensee who engages in catering food and alcoholic  
6 beverages for private social gatherings shall maintain a record  
7 on the licensed premises which includes the name and address  
8 of the host of the private social gathering, and the date for  
9 which catering was provided. The record maintained pursuant to  
10 this section shall be open to inspection pursuant to section  
11 123.30, subsection 1, during normal business hours of the  
12 licensee.

13 Sec. 39. Section 123.122, Code 2019, is amended by striking  
14 the section and inserting in lieu thereof the following:

15 **123.122 Beer certificate, permit, or license required —**  
16 **exception for personal use.**

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

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

30 3. Except as otherwise provided in this chapter, a person  
31 shall not import beer. However, an individual of legal age  
32 may import beer into the state without a certificate, permit,  
33 or license an amount of beer not to exceed four and one-half  
34 gallons per calendar month that the individual personally  
35 obtained outside the state or, in the case of beer personally



1 obtained outside the United States, a quantity which does  
2 not exceed the amount allowed by federal law governing the  
3 importation of alcoholic beverages into the United States  
4 for personal consumption. Beer imported pursuant to this  
5 section shall be for personal consumption in a private home or  
6 other private accommodation and only if the beer is not sold,  
7 exchanged, bartered, dispensed, or given in consideration of  
8 purchase for any property or services or in evasion of the  
9 requirements of this chapter.

10 Sec. 40. Section 123.127, subsection 1, unnumbered  
11 paragraph 1, Code 2019, is amended to read as follows:

12 A person applying for a class "A" or special class "A" beer  
13 permit shall submit an a completed application electronically,  
14 or in a manner prescribed by the administrator, which shall set  
15 forth under oath the following:

16 Sec. 41. Section 123.127, subsection 1, paragraph b, Code  
17 2019, is amended to read as follows:

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

24 Sec. 42. Section 123.130, subsection 1, Code 2019, is  
25 amended to read as follows:

26 1. Any person holding a class "A" beer permit issued by the  
27 division shall be authorized to manufacture and sell, or sell  
28 at wholesale, beer for consumption off the premises, such sales  
29 within the state to be made only to persons holding subsisting  
30 class "A", "B", or "C" beer permits, both a class "C" native  
31 wine permit and a class "A" wine permit pursuant to section  
32 123.178B, subsection 4, or liquor control licenses issued in  
33 accordance with the provisions of this chapter. A person  
34 holding a class "A" beer permit may sell beer to distributors  
35 outside of the state that are authorized by the laws of that

1 jurisdiction to sell beer at wholesale. A class "A" or special  
2 class "A" beer permit does not grant authority to manufacture  
3 wine as defined in [section 123.3, subsection 48](#).

4 Sec. 43. Section 123.130, Code 2019, is amended by adding  
5 the following new subsection:

6 NEW SUBSECTION. 1A. Pursuant to section 123.45, subsection  
7 2, a native brewery may be granted not more than one class "B"  
8 beer permit as defined in section 123.124 for the purpose of  
9 selling beer at retail for consumption on or off the premises  
10 of the manufacturing facility.

11 Sec. 44. Section 123.130, Code 2019, is amended by adding  
12 the following new subsection:

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

19 Sec. 45. Section 123.131, subsection 2, unnumbered  
20 paragraph 1, Code 2019, is amended to read as follows:

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

29 Sec. 46. Section 123.135, subsection 1, Code 2019, is  
30 amended to read as follows:

31 1. A manufacturer, brewer, bottler, importer, or vendor of  
32 beer, or any agent thereof, desiring to ship or sell beer, or  
33 have beer brought into this state for resale by a class "A"  
34 beer permittee, shall first make application for and be issued  
35 a brewer's certificate of compliance by the administrator for

1 that purpose. The certificate of compliance expires at the  
2 end of one year from the date of issuance and shall be renewed  
3 for a like period upon application to the administrator unless  
4 otherwise revoked for cause. Each completed application for  
5 a certificate of compliance or renewal of a certificate shall  
6 be submitted electronically, or in a manner prescribed by  
7 the administrator, and shall be accompanied by a fee of five  
8 hundred dollars payable to the division. Each holder of a  
9 certificate of compliance shall furnish the information in a  
10 manner the administrator requires.

11 Sec. 47. Section 123.135, subsection 5, Code 2019, is  
12 amended by striking the subsection and inserting in lieu  
13 thereof the following:

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

22 Sec. 48. Section 123.136, subsection 1, Code 2019, is  
23 amended to read as follows:

24 1. In addition to the annual permit fee to be paid by  
25 all class "A" beer permittees under [this chapter](#) there shall  
26 be levied and collected from the permittees on all beer  
27 manufactured for sale or sold in this state at wholesale and  
28 on all beer imported into this state for sale at wholesale and  
29 sold in this state at wholesale, and from special class "A"  
30 beer permittees on all beer manufactured for consumption on the  
31 premises and on all beer sold at retail at the manufacturing  
32 premises for consumption off the premises pursuant to section  
33 123.130, subsection 3, a tax of five and eighty-nine hundredths  
34 dollars for every barrel containing thirty-one gallons, and at  
35 a like rate for any other quantity or for the fractional part

1 of a barrel. However, no tax shall be levied or collected on  
2 beer shipped outside this state by a class "A" beer permittee  
3 or special class "A" beer permittee or on beer sold to a class  
4 "A" beer permittee by ~~one~~ a special class "A" beer permittee to  
5 or another class "A" beer permittee.

6 Sec. 49. Section 123.143, subsection 3, Code 2019, is  
7 amended to read as follows:

8 3. Barrel tax revenues collected on beer manufactured in  
9 this state from a class "A" beer permittee which owns and  
10 operates a native brewery ~~located in Iowa~~ shall be credited  
11 to the barrel tax fund hereby created in the office of the  
12 treasurer of state. Moneys deposited in the barrel tax fund  
13 shall not revert to the general fund of the state without a  
14 specific appropriation by the general assembly. Moneys in the  
15 barrel tax fund are appropriated to the economic development  
16 authority for purposes of [section 15E.117](#).

17 Sec. 50. Section 123.173A, subsection 2, Code 2019, is  
18 amended to read as follows:

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

33 Sec. 51. Section 123.173A, Code 2019, is amended by adding  
34 the following new subsection:

35 NEW SUBSECTION. 8. Any violation of the requirements of

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

7 Sec. 52. Section 123.175, subsection 1, unnumbered  
8 paragraph 1, Code 2019, is amended to read as follows:

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

13 Sec. 53. Section 123.175, subsection 1, paragraph b, Code  
14 2019, is amended to read as follows:

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

21 Sec. 54. Section 123.177, subsection 1, Code 2019, is  
22 amended to read as follows:

23 1. A person holding a class "A" wine permit may manufacture  
24 and sell, or sell at wholesale, wine for consumption off the  
25 premises. Sales within the state may be made only to persons  
26 holding a class "A" or "B" wine permit and to persons holding a  
27 retail liquor control license. However, if the person holding  
28 the class "A" permit is a manufacturer of native wine, the  
29 person may sell only native wine to a person holding a retail  
30 wine permit or a retail liquor control license. A person  
31 holding a class "A" wine permit may sell wine to distributors  
32 outside of the state that are authorized by the laws of that  
33 jurisdiction to sell wine at wholesale. A class "A" wine  
34 permittee having more than one place of business shall obtain a  
35 separate permit for each place of business where wine is to be

1 manufactured, stored, warehoused, or sold.

2 Sec. 55. Section 123.179, subsection 1, Code 2019, is  
3 amended to read as follows:

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

7 Sec. 56. Section 123.179, Code 2019, is amended by adding  
8 the following new subsection:

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

12 Sec. 57. Section 123.180, subsection 1, Code 2019, is  
13 amended to read as follows:

14 1. A manufacturer, vintner, bottler, importer, or vendor of  
15 wine, or an agent thereof, desiring to ship, sell, or have wine  
16 brought into this state for sale at wholesale by a class "A"  
17 permittee shall first make application for and shall be issued  
18 a vintner's certificate of compliance by the administrator  
19 for that purpose. The vintner's certificate of compliance  
20 shall expire at the end of one year from the date of issuance  
21 and shall be renewed for a like period upon application to  
22 the administrator unless otherwise revoked for cause. Each  
23 completed application for a vintner's certificate of compliance  
24 or renewal of a certificate shall be submitted electronically,  
25 or in a manner prescribed by the administrator, and shall be  
26 accompanied by a fee of one hundred dollars payable to the  
27 division. Each holder of a vintner's certificate of compliance  
28 shall furnish the information required by the administrator in  
29 the form the administrator requires. A vintner or wine bottler  
30 whose plant is located in Iowa and who otherwise holds a class  
31 "A" wine permit to sell wine at wholesale is exempt from the  
32 fee, but not the other terms and conditions. The holder of a  
33 vintner's certificate of compliance may also hold a class "A"  
34 wine permit.

35 Sec. 58. Section 123.180, subsection 6, Code 2019, is

1 amended by striking the subsection and inserting in lieu  
2 thereof the following:

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

11 Sec. 59. Section 123.183, subsection 1, Code 2019, is  
12 amended to read as follows:

13 1. In addition to the annual permit fee to be paid by each  
14 class "A" wine permittee, a wine gallonage tax shall be levied  
15 and collected from each class "A" wine permittee on all wine  
16 manufactured for sale and sold in this state at wholesale and  
17 on all wine imported into this state for sale at wholesale and  
18 sold in this state at wholesale. A wine gallonage tax shall  
19 also be levied and collected on the direct shipment of wine  
20 pursuant to [section 123.187](#). The rate of the wine gallonage  
21 tax is one dollar and seventy-five cents for each wine gallon.  
22 The same rate shall apply for the fractional parts of a  
23 wine gallon. The wine gallonage tax shall not be levied or  
24 collected on wine sold by one class "A" wine permittee to  
25 another class "A" wine permittee or on wine that is sold by a  
26 class "A" wine permittee to a distributor outside of the state.

27 Sec. 60. Section 123.186, subsection 1, Code 2019, is  
28 amended to read as follows:

29 1. The division shall adopt as rules the substance of the  
30 federal regulations [27 C.F.R.](#)

[pt. 6](#), [27 C.F.R. pt. 8](#), [27 C.F.R.](#)  
31 [pt. 10](#), and [27 C.F.R. pt. 11](#) ~~as they relate to transactions~~  
32 ~~between wholesalers and retailers.~~

33 Sec. 61. Section 123.187, subsection 3, paragraph d, Code  
34 2019, is amended to read as follows:

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

3 Sec. 62. Section 123.187, subsection 6, Code 2019, is  
4 amended by striking the subsection.

5 Sec. 63. NEW SECTION. **123.188 Wine carrier — permit and**  
6 **requirements.**

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

12 2. The administrator may in accordance with this chapter  
13 issue a wine carrier permit which shall be valid for one year  
14 from the date of issuance unless it is sooner suspended or  
15 revoked for a violation of this chapter.

16 3. A permit issued pursuant to this section may be  
17 renewed annually by submitting a renewal application with the  
18 administrator in a manner prescribed by the administrator,  
19 accompanied by the one hundred dollar permit fee.

20 4. The delivery of wine pursuant to this section shall be  
21 subject to the following requirements and restrictions:

22 *a.* A wine carrier permittee shall not deliver wine to  
23 any person under twenty-one years of age, or to any person  
24 who either is or appears to be in an intoxicated state or  
25 condition.

26 *b.* A wine carrier permittee shall obtain valid proof of  
27 identity and age prior to delivery, and shall obtain the  
28 signature of an adult as a condition of delivery.

29 *c.* A wine carrier permittee shall maintain records of wine  
30 shipped which include the permit number and name of the wine  
31 manufacturer, quantity of wine shipped, recipient's name and  
32 address, and an electronic or paper form of signature from  
33 the recipient of the wine. Records shall be submitted to  
34 the division on a monthly basis in a form and manner to be



35 determined by the division.

1 5. A violation of this section shall subject the permittee  
2 to the general penalties provided in this chapter and shall  
3 constitute grounds for imposition of a civil penalty or  
4 suspension or revocation of the permit pursuant to section  
5 123.39.

6 Sec. 64. CODE EDITOR DIRECTIVE.

7 1. The Code editor is directed to make the following  
8 transfer:

9 Section 123.56 to section 123.176.

10 2. The Code editor is directed to correct internal  
11 references in the Code as necessary due to enactment of this  
12 section.

13 Sec. 65. REPEAL. Sections 123.144 and 123.146, Code 2019,  
14 are repealed.

15 EXPLANATION

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

18 This bill concerns alcoholic beverage control and matters  
19 under the purview of the alcoholic beverages division of the  
20 department of commerce.

21 Code section 123.3, providing definitions, is amended.  
22 The bill amends the definitions for "alcoholic liquor",  
23 "beer", "high alcoholic content beer", and "wine", by removing  
24 references to a percent of alcohol by weight and, if not  
25 already included in the definition, providing for the percent  
26 of alcohol by volume for each definition. In addition, the  
27 bill strikes the exclusion of mixed drinks or cocktails mixed  
28 on the premises from the definition of "beer". The definition  
29 of "application" is amended by adding certificate. The  
30 definition of "licensed premises" is amended by striking areas  
31 susceptible of precise definition from what may constitute a  
32 single licensed premises. The definition of "local authority"  
33 is amended to include a designee of a city council or county  
34 board of supervisors. The definition of "person" is also

35 amended to add limited liability companies and to add, in  
1 relation to corporations and limited liability companies, other  
2 similar legal entities. The bill also adds definitions for  
3 "completed application", "mixed drink or cocktail", "native  
4 brewery", and "private place". "Completed application" is  
5 defined as an application for a license, permit, or certificate  
6 where all necessary fees or bonds have been paid or submitted  
7 and the applicant has provided all information to the alcoholic  
8 beverages division. The bill makes corresponding changes  
9 in Code chapter 123 referencing the requirement to file  
10 a completed application for a particular license, permit,  
11 or certificate. "Mixed drink or cocktail" is defined as  
12 an alcoholic beverage, consisting in whole or in part of  
13 alcoholic liquors, that is combined with other alcoholic or  
14 nonalcoholic beverages. "Native brewery" is defined as a  
15 business that manufactures beer or high alcoholic content beer  
16 by a person holding a class "A" beer permit that authorizes  
17 the manufacture. "Private place" is defined as a location  
18 which, at the time alcoholic beverages are kept, dispensed, or  
19 consumed, does not provide access to the general public, limits  
20 access to bona fide social hosts and invited guests, is not of  
21 a commercial nature, does not provide for the sale and purchase  
22 of goods and services, is not a licensed premises, and does not  
23 charge admission.

24 Code section 123.10, concerning rules, is amended to  
25 authorize the alcoholic beverages division to prescribe a  
26 uniform fee to be assessed against certain licensees and  
27 permittees to recover administrative costs incurred relating  
28 to the failure of a licensee or permittee to maintain  
29 dramshop liability insurance coverage and for contested case  
30 proceedings.

31 Code section 123.14, concerning alcoholic beverage control  
32 law enforcement, is rewritten to provide that the alcoholic  
33 beverage control law enforcement authority of the state  
34 shall include the department of public safety, the alcoholic

35 beverages division, county attorneys and sheriffs and deputy  
1 sheriffs, and city police departments. The rewritten section  
2 also provides that investigators and compliance officers of  
3 the alcoholic beverages division shall have the power and  
4 authority of peace officers as it relates to alcoholic beverage  
5 control. The rewritten section also strikes a provision  
6 relating to access to certain records within the alcoholic  
7 beverages division by the department of public safety. The  
8 bill establishes new Code section 123.38A to provide access to  
9 law enforcement for certain confidential investigative records.

10 Code section 123.23, concerning distiller's certificate of  
11 compliance, is amended to specifically provide that the general  
12 penalty provisions of the Code chapter apply to any violation  
13 of the Code chapter or rules adopted pursuant to the Code  
14 chapter by a holder of a distiller's certificate of compliance.

15 Code section 123.24, relating to liquor prices, is amended  
16 to contain all current provisions of the Code section relating  
17 to establishing liquor prices sold by the alcoholic beverages  
18 division in a new Code subsection.

19 Code section 123.27, concerning sales and deliveries of  
20 alcoholic liquor from the state warehouse, is amended to  
21 eliminate the restriction on sales and deliveries on Sunday.

22 Code section 123.30, concerning liquor control licenses, is  
23 amended. The bill provides that a liquor control license not  
24 be issued for a premises that does not constitute a safe and  
25 proper place or building. The bill also strikes a provision  
26 that allowed a person holding a liquor control license to  
27 permit a customer to carry an open container of alcoholic  
28 liquor from the licensed premises to an adjacent licensed  
29 premises, temporary closed public right-of-way, or private  
30 property.

31 Code section 123.31, concerning liquor control license  
32 applications, is amended to provide that officers, directors,  
33 and persons owning at least 10 percent of stock in a limited  
34 liability company or other similar legal entity shall be

35 included on the application for a license.

1 Code section 123.32, concerning action by local authorities  
2 and the alcoholic beverages division on applications for  
3 certain licenses and permits is amended. The bill provides  
4 that liquor control licenses and permits currently required  
5 to be filed with the appropriate city council or county board  
6 of supervisors may also be filed with a designee of the city  
7 or county board of supervisors. The bill adds a completed  
8 application for a certificate of compliance to the list of  
9 applications covered by the Code section and specifically  
10 lists all completed applications for licenses, permits,  
11 and certificates that shall be submitted to the alcoholic  
12 beverages division. The bill also allows the administrator of  
13 the alcoholic beverages division to notify an applicant of a  
14 disapproval of an application by personal service.

15 Code section 123.34, concerning seasonal and shorter  
16 duration licenses and permits, is amended to specifically  
17 authorize these types of permits for class "B" and class "C"  
18 native wine permits and to provide for the appropriate fee for  
19 these shorter duration class "B" and class "C" native wine  
20 permits.

21 Code section 123.36, concerning liquor control license fees,  
22 is amended to eliminate the additional tax imposed on an air  
23 common carrier for a class "D" license.

24 New Code section 123.38A provides for the confidential  
25 treatment of investigative information in the possession of  
26 the alcoholic beverages division before administrative or  
27 criminal charges are filed. The new Code section authorizes  
28 the disclosure of information to other law enforcement or  
29 regulatory agencies, including other licensing authorities in  
30 other jurisdictions.

31 Code section 123.39, concerning suspension or revocation  
32 of a license or permit, is amended to include a certificate  
33 of compliance and to provide that civil penalties imposed and  
34 collected by the alcoholic beverages division shall be credited

35 and used as provided in the general provision covering civil  
1 penalties imposed and collected by the division in Code section  
2 123.17, subsection 7.

3 Code section 123.41, concerning manufacturer's licenses,  
4 is amended to specifically provide that the general penalty  
5 provisions of the Code chapter apply to any violation of the  
6 Code chapter or rules adopted pursuant to the Code chapter by a  
7 holder of a manufacturer's license.

8 Code section 123.43, concerning class "A" native distilled  
9 spirits license applications and issuance, is amended to  
10 provide that officers, directors, and persons owning at least  
11 10 percent of stock in a limited liability company or other  
12 similar legal entity shall be included on the application for  
13 a license.

14 Code section 123.43A, concerning native distilleries, is  
15 amended to eliminate the restriction on the number of class  
16 "A" native distilled spirits licenses that may be issued to a  
17 person.

18 Code section 123.49, miscellaneous provisions, is amended  
19 to provide that the exception on certain prohibitions relating  
20 to the keeping of any alcoholic liquor in certain containers  
21 for common carriers holding a class "D" liquor control license  
22 applies to all holders of that license.

23 Code section 123.56, concerning native wines, is amended.  
24 The bill removes the license fee for a class "A" wine permit  
25 for a native wine manufacturer from the Code section and adds  
26 the fee to Code section 123.179 providing for wine permit fees.  
27 The bill also requires a person who manufactures native wine  
28 to file with the division the records that are filed monthly  
29 with the alcohol and tobacco tax and trade bureau of the United  
30 States department of the treasury. The bill directs the Code  
31 editor to transfer this Code section to new Code section  
32 123.176.

33 Code section 123.122, concerning required beer permits or  
34 licenses, is amended to add to the Code section provisions

35 concerning exceptions for personal use relative to homemade  
1 beer and importation of beer currently provided in Code section  
2 123.144, subsection 2, and Code section 123.146.

3 Code section 123.127, concerning class "A" and special  
4 class "A" beer permit applications, is amended to provide that  
5 officers, directors, and persons owning at least 10 percent of  
6 stock in a limited liability company or other similar legal  
7 entity shall be included on the application for the permit.

8 Code section 123.130, concerning authority under a class "A"  
9 and special class "A" beer permit, is amended to provide that a  
10 holder of a class "A" beer permit may sell beer to distributors  
11 outside Iowa, pursuant to the laws of that jurisdiction, to  
12 provide that a native brewery may be granted not more than one  
13 class "B" beer permit for selling beer at the manufacturing  
14 facility, and to require a person who manufactures beer to file  
15 with the alcoholic beverages division the records it files  
16 monthly with the alcohol and tobacco tax and trade bureau of  
17 the United States department of the treasury.

18 Code section 123.131, concerning authority under a class "B"  
19 beer permit, is amended. The bill provides that sales of beer  
20 for consumption off the premises in a container that is not the  
21 original container may be carried into an immediately adjacent  
22 premises only if the premises is covered by a license or permit  
23 that allows the consumption of beer.

24 Code section 123.135, concerning a brewer's certificate of  
25 compliance, is amended to provide that the general penalty  
26 provisions of Code chapter 123 apply to any violation of the  
27 Code chapter or rules adopted pursuant to the Code chapter by a  
28 holder of a brewer's certificate of compliance.

29 Code section 123.136, concerning the barrel tax on beer, is  
30 amended to provide that the exceptions for tax applicable to  
31 class "A" beer permittees also applies to special class "A"  
32 beer permittees.

33 Code section 123.173A, concerning a charity beer, spirits,  
34 and wine auction permit, is amended to provide that the general

35 penalty provisions of Code chapter 123 apply to any violation  
1 of the Code chapter or rules adopted pursuant to the Code  
2 chapter by a holder of an auction permit.

3 Code section 123.175, concerning class "A" or retail wine  
4 permit applications, is amended to provide that officers,  
5 directors, and persons owning at least 10 percent of stock in a  
6 limited liability company or other similar legal entity shall  
7 be included on the application for the permit.

8 Code section 123.177, concerning authority under a class "A"  
9 wine permit, is amended to provide that a holder of a class  
10 "A" wine permit may sell wine to distributors outside Iowa,  
11 pursuant to the laws of that jurisdiction.

12 Code section 123.179, concerning wine permit fees, is  
13 amended to include the fee for a class "A" wine permit issued  
14 to a native wine manufacturer currently provided in Code  
15 section 123.56.

16 Code section 123.180, concerning a vintner's certificate  
17 of compliance, is amended to provide that the general penalty  
18 provisions of Code chapter 123 apply to any violation of the  
19 Code chapter or rules adopted pursuant to the Code chapter by a  
20 holder of a vintner's certificate or a class "A" permit.

21 Code section 123.183, concerning the wine gallonage tax, is  
22 amended to provide that the tax shall not be levied on wine  
23 sold by a class "A" wine permittee to a distributor outside of  
24 the state.

25 Code section 123.186, concerning federal regulations adopted  
26 as rules, is amended to provide that the alcoholic beverages  
27 division adopt as rules the substance of the entirety of  
28 federal regulations 27 C.F.R. pt. 6, 27 C.F.R. pt. 8, 27 C.F.R.  
29 pt. 10, and 27 C.F.R. pt. 11, and not just those regulations as  
30 they relate to transactions between wholesalers and retailers.

31 Code section 123.187, concerning the direct shipment of  
32 wine, is amended by striking provisions relating to a wine  
33 carrier permit. The bill relocates the stricken provisions to  
34 new Code section 123.188.

S.F. \_\_\_\_\_ H.F. \_\_\_\_\_

35 Code sections 123.144, relating to bottling beer, and  
1 123.146, relating to importation of beer for personal use, are  
2 repealed.