

Senate File 277 - Introduced

SENATE FILE 277

BY COURNOYER

(COMPANION TO LSB 2475HH BY
MOMMSEN)

A BILL FOR

1 An Act relating to manufacturers of alcoholic beverages.

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

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

3 1. a. Each application to obtain or renew a manufacturer's
4 license shall be submitted to the division electronically,
5 or in a manner prescribed by the administrator, and shall be
6 accompanied by a fee of three hundred fifty dollars payable to
7 the division. The administrator may in accordance with this
8 chapter grant and issue to a manufacturer a manufacturer's
9 license, valid for a one-year period after date of issuance,
10 which shall allow the manufacture, storage, and wholesale
11 disposition and sale of alcoholic liquors to the division and
12 to customers outside of the state.

13 b. Notwithstanding any provision of this chapter to the
14 contrary, a manufacturer may be granted a manufacturer's
15 license regardless of whether the manufacturer is a holder
16 of a class "A" native distilled spirits license, a class "C"
17 native distilled spirits liquor control license, a class "A"
18 wine permit, a class "C" native wine permit, or a wine direct
19 shipper permit.

20 Sec. 2. Section 123.43A, subsection 6, Code 2019, is amended
21 to read as follows:

22 6. Notwithstanding any provision of [this chapter](#) to the
23 contrary or the fact that a person is the holder of a class
24 "A" native distilled spirits license, a native distillery
25 which, combining all production facilities of the business,
26 produces and manufactures not more than one hundred thousand
27 proof gallons of native distilled spirits on an annual basis
28 may sell those native distilled spirits manufactured on the
29 premises of the native distillery for consumption on the
30 premises by applying for a class "C" native distilled spirits
31 liquor control license as provided in [section 123.30](#). A native
32 distillery may be granted not more than one class "C" native
33 distilled spirits liquor control license. All native distilled
34 spirits sold by a native distillery for on-premises consumption
35 shall be purchased from a class "E" liquor control licensee.

1 A manufacturer of native distilled spirits may be issued a
2 class "C" native distilled spirits liquor control license
3 regardless of whether the manufacturer holds an alcoholic
4 liquor manufacturer's license or is also a manufacturer of
5 native wine pursuant to a class "A" wine permit. A native
6 distillery engaged in the business of manufacturing beer shall
7 not be issued a class "C" native distilled spirits liquor
8 control license.

9 Sec. 3. Section 123.45, subsection 2, Code 2019, is amended
10 to read as follows:

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

30 Sec. 4. Section 123.56, subsection 5, Code 2019, is amended
31 to read as follows:

32 5. Notwithstanding any other provision of [this chapter](#), a
33 person engaged in the business of manufacturing native wine may
34 sell native wine at retail for consumption on the premises of
35 the manufacturing facility by applying for a class "C" native

1 wine permit as provided in [section 123.178B](#). A manufacturer
2 of native wine may be granted not more than one class "C"
3 native wine permit. A manufacturer of native wine may be
4 issued a class "C" native wine permit regardless of whether the
5 manufacturer holds an alcoholic liquor manufacturer's license,
6 is a manufacturer of beer pursuant to a class "A" beer permit,
7 or is also a manufacturer of native distilled spirits pursuant
8 to a class "A" native distilled spirits license.

9

EXPLANATION

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

12 This bill relates to manufacturers of alcoholic beverages
13 under Code chapter 123.

14 Code section 123.41, concerning an alcoholic liquor
15 manufacturer's license, is amended to allow the issuance of a
16 license to a manufacturer that also holds a class "A" native
17 distilled spirits license, a class "C" native distilled spirits
18 liquor control license, a class "A" wine permit, a class "C"
19 native wine permit, or a wine direct shipper permit.

20 Code section 123.43A, concerning native distilleries, is
21 amended to provide that a manufacturer of native distilled
22 spirits may be issued a class "C" native distilled spirits
23 liquor control license regardless of whether the manufacturer
24 holds an alcoholic liquor manufacturer's license.

25 Code section 123.45, concerning limitations on business
26 interests, is amended to provide that a manufacturer of beer
27 may be granted one class "B" beer permit for the purpose of
28 selling beer at retail for consumption on or off the premises
29 of the manufacturing facility regardless of whether the
30 manufacturer is also a manufacturer of native distilled spirits
31 or a manufacturer of native wine.

32 Code section 123.56, concerning native wines, is amended
33 to provide that a manufacturer of native wine may be issued
34 a class "C" native wine permit regardless of whether the
35 manufacturer holds an alcoholic liquor manufacturer's license

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1 or is a manufacturer of beer pursuant to a class "A" beer
2 permit.