

Senate File 413 - Introduced

SENATE FILE 413
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO SSB 1076)

(COMPANION TO LSB 1189HV BY
COMMITTEE ON STATE GOVERNMENT)

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

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

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

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

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

1 premises.

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

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

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

33 48. "*Wine*" means any beverage containing more than five
34 six and twenty-five hundredths percent of alcohol by weight
35 volume 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

1 a distiller's certificate of compliance which shall be issued
2 by the administrator for that purpose. No brand of alcoholic
3 liquor shall be sold by the division in this state unless
4 the manufacturer, distiller, importer, and all other persons
5 participating in the distribution of that brand in this state
6 have obtained a certificate. The certificate of compliance
7 shall expire at the end of one year from the date of issuance
8 and shall be renewed for a like period upon application to the
9 administrator unless otherwise suspended or revoked for cause.
10 Each completed application for a certificate of compliance
11 or renewal shall be submitted electronically, or in a manner
12 prescribed by the administrator, and shall be accompanied by a
13 fee of fifty dollars payable to the division. However, this
14 subsection need not apply to a manufacturer, distiller, or
15 importer who ships or sells in this state no more than eleven
16 gallons or its case equivalent during any fiscal year as a
17 result of "special orders" which might be placed, as defined
18 and allowed by divisional rules adopted under [this chapter](#).

19 4. Any violation of the requirements of [this section](#), ~~except~~
20 [subsection 3](#), chapter or rules adopted pursuant to this chapter
21 shall subject the violator holder of a distiller's certificate
22 of compliance to the general penalties provided in [this chapter](#)
23 and in addition to the general penalties, is shall constitute
24 grounds for imposition of a civil penalty, suspension of the
25 certificate, or revocation of the certificate of compliance,
26 after notice and opportunity for a hearing before the
27 administrator pursuant to section 123.39 and chapter 17A.
28 ~~Willful~~ However, willful failure to comply with requirements
29 which may be imposed under [subsection 3](#) is grounds for
30 suspension or revocation of the certificate of compliance only.

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

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

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

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

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

10 a. The manufacturer's price.

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

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

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

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

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

33 Sec. 10. Section 123.28, subsection 2, Code 2019, is amended
34 to read as follows:

35 2. The division shall deliver alcoholic liquor purchased by

1 class "E" liquor control licensees. Class "E" liquor control
2 licensees may deliver alcoholic liquor purchased by class "A",
3 class "B", class "C", class "C" native distilled spirits,
4 or class "D" liquor control licensees, and class "A", class
5 "B", class "C", class "C" native distilled spirits, or class
6 "D" liquor control licensees may transport alcoholic liquor
7 purchased from class "E" liquor control licensees.

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

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

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

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

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

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

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

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

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

16 1. *Filing of application.*

17 a. An A completed application for a class "A", class "B",
18 class "C", special class "C", class "C" native distilled
19 spirits, or class "E" liquor control license as provided in
20 section 123.31, for a class "A" native distilled spirits
21 license, for a retail beer permit as provided in sections
22 123.128 and 123.129, or for a class "B", class "B" native, or
23 class "C" native retail wine permit as provided in section
24 123.175, ~~accompanied by the necessary fee and bond, if~~
25 ~~required~~, shall be filed with the appropriate city council if
26 the premises for which the license or permit is sought are
27 located within the corporate limits of a city, or with the
28 board of supervisors if the premises for which the license or
29 permit is sought are located outside the corporate limits of
30 a city.

31 b. An A completed application for a class "D" liquor control
32 license and for a ~~class "A" beer or class "A" wine permit,~~
33 ~~accompanied by the necessary fee and bond, if required,~~ any
34 of the following certificates, licenses, or permits shall
35 be submitted to the division electronically, or in a manner

1 prescribed by the administrator, which shall proceed in the
2 same manner as in the case of an application approved by local
3 authorities:

4 (1) A certificate of compliance as provided in sections
5 123.23, 123.135, and 123.180.

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

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

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

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

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

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

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

17 (9) A wine direct shipper's permit as provided in section
18 123.187.

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

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

29 3. *Licensed premises for local events.* A local authority
30 may define, by motion of the local authority, licensed premises
31 which shall be used by holders of liquor control licenses, beer
32 permits, and wine permits at festivals, fairs, or celebrations
33 which are sponsored or authorized by the local authority. The
34 licensed premises defined by motion of the local authority
35 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.

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

3 **123.34 Expiration of licenses, and permits, and certificates**
4 **of compliance — seasonal, five-day, and fourteen-day, and**
5 **five-day licenses and permits — fees.**

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

13 2. a. However, the ~~The~~ administrator may issue six-month or
14 eight-month seasonal class "A", class "B", class "C", special
15 class "C", and class "D" liquor control licenses, class "B"
16 wine permits, class "B" or class "C" native wine permits,
17 or class "B" beer permits for a proportionate part of the
18 license or permit fee or may issue fourteen-day liquor control
19 licenses, native wine permits, or beer permits as provided in
20 subsection 2.

21 b. No refund shall be made for seasonal licenses or
22 permits or for fourteen-day liquor control licenses, native
23 wine permits, or beer permits. No seasonal license or permit
24 shall be renewed. However, after a period of two months the
25 applicant may apply for a new seasonal license or permit for
26 the same location. The fee for a six-month or eight-month
27 seasonal license or permit issued pursuant to this subsection
28 shall be for a proportionate part of the license or permit fee
29 for that class of license or permit. However, the fee for a
30 seasonal class "B" native wine permit shall be the permit fee
31 provided in section 123.179, subsection 3, and the fee for a
32 seasonal class "C" native wine permit shall be the permit fee
33 provided in section 123.179, subsection 4.

34 ~~2.~~ 3. a. The administrator may issue fourteen-day class
35 "A", class "B", class "C", special class "C", and class "D"

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

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

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

16 (2) The fee for a fourteen-day class "B" native wine permit
17 shall be the permit fee provided in section 123.179, subsection
18 3, and the fee for a fourteen-day class "C" native wine permit
19 is the permit fee provided in [section 123.179, subsection 4](#).

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

24 b. A five-day license or permit is valid for five
25 consecutive days, but the holder shall not sell alcoholic
26 beverages on Sunday in the five-day period unless the holder
27 qualifies for and obtains the privilege to sell on Sunday
28 pursuant to [sections section 123.36, subsection 6, and section](#)
29 [123.134, subsection 4](#).

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

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

1 shall be the permit fee provided in section 123.179, subsection
2 3, and the fee for a five-day class "C" native wine permit is
3 the permit fee provided in section 123.179, subsection 4.

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

9 Sec. 17. Section 123.36, subsection 5, paragraph c, Code
10 2019, is amended to read as follows:

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

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

22 6. Any club, hotel, motel, native distillery,
23 passenger-carrying boat or ship, railway corporation, air
24 common carrier, or commercial establishment holding a liquor
25 control license, subject to [section 123.49, subsection 2,](#)
26 paragraph "b", may apply for and receive permission to sell and
27 dispense alcoholic beverages as authorized by [section 123.30](#) to
28 patrons between the hours of 8:00 a.m. on Sunday and 2:00 a.m.
29 on the following Monday. ~~A class "D" liquor control licensee~~
30 ~~may apply for and receive permission to sell and dispense~~
31 ~~alcoholic beverages to patrons for consumption on the premises~~
32 ~~only between the hours of 8:00 a.m. on Sunday and 2:00 a.m.~~
33 ~~on the following Monday. For the privilege of selling beer,~~
34 ~~wine, and alcoholic liquor on the premises on Sunday the liquor~~
35 ~~control license fee of the applicant shall be increased by~~

1 twenty percent of the regular fee prescribed for the license
2 pursuant to [this section](#), and the privilege shall be noted on
3 the liquor control license.

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

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

14 Sec. 20. NEW SECTION. 123.38A Confidential investigative
15 records.

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

1 confidential.

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

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

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

34 *b.* A license, ~~or~~ permit, or certificate of compliance issued
35 under [this chapter](#) may be suspended or revoked, or a civil

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

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

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

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

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

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

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

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

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

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

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

10 f. Civil penalties imposed and collected by the local
11 authority under [this section](#) shall be retained by the local
12 authority. Civil penalties imposed and collected by the
13 division under [this section](#) shall be ~~retained by the division~~
14 credited to the general fund of the state pursuant to section
15 123.17, subsection 7.

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

18 4. If the cause for suspension is a first offense
19 violation of [section 123.49, subsection 2](#), paragraph "h", the
20 administrator or local authority shall impose a civil penalty
21 in the amount of five hundred dollars in lieu of suspension of
22 the license or permit. ~~Local authorities shall retain civil~~
23 ~~penalties collected under this paragraph if the proceeding to~~
24 ~~impose the penalty is conducted by the local authority. The~~
25 ~~division shall retain civil penalties collected under this~~
26 ~~paragraph if the proceeding to impose the penalty is conducted~~
27 ~~by the administrator of the division.~~

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

30 1. Each completed application to obtain or renew a
31 manufacturer's license shall be submitted to the division
32 electronically, or in a manner prescribed by the administrator,
33 and shall be accompanied by a fee of three hundred fifty
34 dollars payable to the division. The administrator may in
35 accordance with [this chapter](#) grant and issue to a manufacturer

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

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

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

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

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

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

24 1. Prior to representing or promoting alcoholic liquor
25 products in the state, the broker shall submit an a completed
26 application to the division electronically, or in a manner
27 prescribed by the administrator, for a broker's permit. The
28 administrator may in accordance with this chapter issue a
29 broker's permit which shall be valid for one year from the date
30 of issuance unless it is sooner suspended or revoked for a
31 violation of this chapter.

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

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

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

6 Sec. 28. Section 123.43, subsection 1, paragraph b, Code
7 2019, is amended to read as follows:

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

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

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

24 Sec. 30. Section 123.49, subsection 2, unnumbered paragraph
25 1, Code 2019, is amended to read as follows:

26 A person ~~or club~~ holding a liquor control license or retail
27 wine or beer permit under [this chapter](#), and the person's ~~or~~
28 ~~club's~~ agents or employees, shall not do any of the following:

29 Sec. 31. Section 123.49, subsection 2, paragraph g, Code
30 2019, is amended to read as follows:

31 g. Allow any person other than the licensee, permittee,
32 or employees of the licensee or permittee, to use or keep
33 on the licensed premises any alcoholic liquor in any bottle
34 or other container which is designed for the transporting of
35 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

1 "A" wine permit as required by [this chapter](#), may sell, keep, or
2 offer for sale and deliver the wine. Notwithstanding section
3 123.24, subsection 4 1A, paragraph "b", or any other provision
4 of [this chapter](#), manufacturers of native wine may obtain and
5 possess grape brandy from the division for the sole purpose of
6 manufacturing wine.

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

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

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

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

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

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

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

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

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

16 c. Section 123.92 does not apply to a liquor control
17 licensee who acts in accordance with [this section](#) when the
18 liquor control licensee is providing and serving food and
19 alcoholic beverages as an agent of a private social host at a
20 private social gathering in a private place which is not on the
21 licensed premises.

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

27 d. A licensee who engages in catering food and alcoholic
28 beverages for private social gatherings shall maintain a record
29 on the licensed premises which includes the name and address
30 of the host of the private social gathering, and the date for
31 which catering was provided. The record maintained pursuant to
32 this section shall be open to inspection pursuant to section
33 123.30, subsection 1, during normal business hours of the
34 licensee.

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

1 the section and inserting in lieu thereof the following:

2 **123.122 Beer certificate, permit, or license required —**
3 **exception for personal use.**

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

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

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

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

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

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

3 Sec. 39. Section 123.127, subsection 1, paragraph b, Code
4 2019, is amended to read as follows:

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

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

13 1. Any person holding a class "A" beer permit issued by the
14 division shall be authorized to manufacture and sell, or sell
15 at wholesale, beer for consumption off the premises, such sales
16 within the state to be made only to persons holding subsisting
17 class "A", "B", or "C" beer permits, both a class "C" native
18 wine permit and a class "A" wine permit pursuant to section
19 123.178B, subsection 4, or liquor control licenses issued in
20 accordance with the provisions of [this chapter](#). A person
21 holding a class "A" beer permit may sell beer to distributors
22 outside of the state that are authorized by the laws of that
23 jurisdiction to sell beer at wholesale. A class "A" or special
24 class "A" beer permit does not grant authority to manufacture
25 wine as defined in [section 123.3, subsection 48](#).

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

28 NEW SUBSECTION. 1A. Pursuant to section 123.45, subsection
29 2, a native brewery may be granted not more than one class "B"
30 beer permit as defined in section 123.124 for the purpose of
31 selling beer at retail for consumption on or off the premises
32 of the manufacturing facility.

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

35 NEW SUBSECTION. 4. A manufacturer of beer issued a class

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

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

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

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

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

33 Sec. 45. Section 123.135, subsection 5, Code 2019, is
34 amended by striking the subsection and inserting in lieu
35 thereof the following:

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

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

11 1. In addition to the annual permit fee to be paid by
12 all class "A" beer permittees under **this chapter** there shall
13 be levied and collected from the permittees on all beer
14 manufactured for sale or sold in this state at wholesale and
15 on all beer imported into this state for sale at wholesale and
16 sold in this state at wholesale, and from special class "A"
17 beer permittees on all beer manufactured for consumption on the
18 premises and on all beer sold at retail at the manufacturing
19 premises for consumption off the premises pursuant to section
20 123.130, subsection 3, a tax of five and eighty-nine hundredths
21 dollars for every barrel containing thirty-one gallons, and at
22 a like rate for any other quantity or for the fractional part
23 of a barrel. However, no tax shall be levied or collected on
24 beer shipped outside this state by a class "A" beer permittee
25 or special class "A" beer permittee or on beer sold to a class
26 "A" beer permittee by ~~one~~ a special class "A" beer permittee ~~to~~
27 or another class "A" beer permittee.

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

30 3. Barrel tax revenues collected on beer manufactured in
31 this state from a class "A" beer permittee which owns and
32 operates a native brewery ~~located in Iowa~~ shall be credited
33 to the barrel tax fund hereby created in the office of the
34 treasurer of state. Moneys deposited in the barrel tax fund
35 shall not revert to the general fund of the state without a

1 specific appropriation by the general assembly. Moneys in the
2 barrel tax fund are appropriated to the economic development
3 authority for purposes of [section 15E.117](#).

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

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

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

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

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

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

35 Sec. 51. Section 123.175, subsection 1, paragraph b, Code

1 2019, is amended to read as follows:

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

8 Sec. 52. Section 123.177, subsection 1, Code 2019, is
9 amended to read as follows:

10 1. A person holding a class "A" wine permit may manufacture
11 and sell, or sell at wholesale, wine for consumption off the
12 premises. Sales within the state may be made only to persons
13 holding a class "A" or "B" wine permit and to persons holding a
14 retail liquor control license. However, if the person holding
15 the class "A" permit is a manufacturer of native wine, the
16 person may sell only native wine to a person holding a retail
17 wine permit or a retail liquor control license. A person
18 holding a class "A" wine permit may sell wine to distributors
19 outside of the state that are authorized by the laws of that
20 jurisdiction to sell wine at wholesale. A class "A" wine
21 permittee having more than one place of business shall obtain a
22 separate permit for each place of business where wine is to be
23 manufactured, stored, warehoused, or sold.

24 Sec. 53. Section 123.179, subsection 1, Code 2019, is
25 amended to read as follows:

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

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

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

34 Sec. 55. Section 123.180, subsection 1, Code 2019, is
35 amended to read as follows:

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

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

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

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

35 1. In addition to the annual permit fee to be paid by each

1 class "A" wine permittee, a wine gallonage tax shall be levied
2 and collected from each class "A" wine permittee on all wine
3 manufactured for sale and sold in this state at wholesale and
4 on all wine imported into this state for sale at wholesale and
5 sold in this state at wholesale. A wine gallonage tax shall
6 also be levied and collected on the direct shipment of wine
7 pursuant to [section 123.187](#). The rate of the wine gallonage
8 tax is one dollar and seventy-five cents for each wine gallon.
9 The same rate shall apply for the fractional parts of a
10 wine gallon. The wine gallonage tax shall not be levied or
11 collected on wine sold by one class "A" wine permittee to
12 another class "A" wine permittee or on wine that is sold by a
13 class "A" wine permittee to a distributor outside of the state.

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

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

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

20 Sec. 59. Section 123.187, subsection 3, paragraph d, Code
21 2019, is amended to read as follows:

22 *d.* All containers of wine shipped directly to a resident
23 of this state shall be shipped by a holder of a wine carrier
24 permit as provided in ~~subsection 6~~ [section 123.188](#).

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

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

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

34 2. The administrator may in accordance with this chapter

35 issue a wine carrier permit which shall be valid for one year
1 from the date of issuance unless it is sooner suspended or
2 revoked for a violation of this chapter.

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

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

9 a. A wine carrier permittee shall not deliver wine to
10 any person under twenty-one years of age, or to any person
11 who either is or appears to be in an intoxicated state or
12 condition.

13 b. A wine carrier permittee shall obtain valid proof of
14 identity and age prior to delivery, and shall obtain the
15 signature of an adult as a condition of delivery.

16 c. A wine carrier permittee shall maintain records of wine
17 shipped which include the permit number and name of the wine
18 manufacturer, quantity of wine shipped, recipient's name and
19 address, and an electronic or paper form of signature from
20 the recipient of the wine. Records shall be submitted to
21 the division on a monthly basis in a form and manner to be
22 determined by the division.

23 5. A violation of this section shall subject the permittee
24 to the general penalties provided in this chapter and shall
25 constitute grounds for imposition of a civil penalty or
26 suspension or revocation of the permit pursuant to section
27 123.39.

28 Sec. 62. CODE EDITOR DIRECTIVE.

29 1. The Code editor is directed to make the following
30 transfer:

31 Section 123.56 to section 123.176.

32 2. The Code editor is directed to correct internal
33 references in the Code as necessary due to enactment of this
34 section.

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

2 DIVISION II

3 ALCOHOLIC BEVERAGE DELIVERIES

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

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

14 Sec. 65. 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. 66. Section 123.46A, subsection 2, Code 2019, is
20 amended by adding the following new paragraphs:

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

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

34 NEW PARAGRAPH. *l.* Orders delivered to another licensed

35 premises shall be fulfilled using the alcoholic beverages
1 inventory owned by the licensee or permittee who received the
2 order for delivery. If the recipient refuses or fails to pick
3 up the delivery, or is ineligible to receive the delivery,
4 the alcoholic beverages shall be returned to the licensee or
5 permittee who fulfilled the order.

6 Sec. 67. Section 123.49, subsection 2, paragraph d,
7 subparagraph (1), Code 2019, is amended to read as follows:

8 (1) Keep on premises covered by a liquor control license
9 any alcoholic liquor in any container except the original
10 package purchased from the division, and except mixed drinks
11 or cocktails mixed on the premises for immediate consumption
12 on the licensed premises or as otherwise provided by this
13 paragraph "d". This prohibition does not apply to ~~common~~
14 carriers holding holders of a class "D" liquor control license
15 or to alcoholic liquor delivered in accordance with section
16 123.46A.

17 Sec. 68. EFFECTIVE DATE. This division of this Act, being
18 deemed of immediate importance, takes effect upon enactment.

19 EXPLANATION

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

22 This bill concerns alcoholic beverage control and matters
23 under the purview of the alcoholic beverages division of the
24 department of commerce.

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

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

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

33 Code section 123.23, concerning distiller's certificate of
34 compliance, is amended to specifically provide that the general

35 penalty provisions of the Code chapter apply to any violation
1 of the Code chapter or rules adopted pursuant to the Code
2 chapter by a holder of a distiller's certificate of compliance.

3 Code section 123.24, relating to liquor prices, is amended
4 to contain all current provisions of the Code section relating
5 to establishing liquor prices sold by the alcoholic beverages
6 division in a new Code subsection.

7 Code section 123.27, concerning sales and deliveries of
8 alcoholic liquor from the state warehouse, is amended to
9 eliminate the restriction on sales and deliveries on Sunday.

10 Code section 123.30, concerning liquor control licenses, is
11 amended. The bill provides that a liquor control license not
12 be issued for a premises that does not constitute a safe and
13 proper place or building. The bill also strikes a provision
14 that allowed a person holding a liquor control license to
15 permit a customer to carry an open container of alcoholic
16 liquor from the licensed premises to an adjacent licensed
17 premises, temporary closed public right-of-way, or private
18 property.

19 Code section 123.31, concerning liquor control license
20 applications, is amended to provide that officers, directors,
21 and persons owning at least 10 percent of stock in a limited
22 liability company or other similar legal entity shall be
23 included on the application for a license.

24 Code section 123.32, concerning action by local authorities
25 and the alcoholic beverages division on applications for
26 certain licenses and permits is amended. The bill adds a
27 completed application for a certificate of compliance to
28 the list of applications covered by the Code section and
29 specifically lists all completed applications for licenses,
30 permits, and certificates that shall be submitted to the
31 alcoholic beverages division. The bill also allows the
32 administrator of the alcoholic beverages division to notify
33 an applicant of a disapproval of an application by personal
34 service.

35 Code section 123.34, concerning seasonal and shorter
1 duration licenses and permits, is amended to specifically
2 authorize these types of permits for class "B" and class "C"
3 native wine permits and to provide for the appropriate fee for
4 these shorter duration class "B" and class "C" native wine
5 permits.

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

9 New Code section 123.38A provides for the confidential
10 treatment of investigative information in the possession of
11 the alcoholic beverages division before administrative or
12 criminal charges are filed. The new Code section authorizes
13 the disclosure of information to other law enforcement or
14 regulatory agencies, including other licensing authorities in
15 other jurisdictions.

16 Code section 123.39, concerning suspension or revocation
17 of a license or permit, is amended to include a certificate
18 of compliance and to provide that civil penalties imposed and
19 collected by the alcoholic beverages division shall be credited
20 and used as provided in the general provision covering civil
21 penalties imposed and collected by the division in Code section
22 123.17, subsection 7.

23 Code section 123.41, concerning manufacturer's licenses,
24 is amended to specifically provide that the general penalty
25 provisions of the Code chapter apply to any violation of the
26 Code chapter or rules adopted pursuant to the Code chapter by a
27 holder of a manufacturer's license.

28 Code section 123.43, concerning class "A" native distilled
29 spirits license applications and issuance, is amended to
30 provide that officers, directors, and persons owning at least
31 10 percent of stock in a limited liability company or other
32 similar legal entity shall be included on the application for
33 a license.

34 Code section 123.43A, concerning native distilleries, is

35 amended to eliminate the restriction on the number of class
1 "A" native distilled spirits licenses that may be issued to a
2 person.

3 Code section 123.50, concerning criminal and civil
4 penalties, is amended to provide that if a bond of a liquor
5 control licensee or beer or wine permit holder is forfeited to
6 the alcoholic beverage division, the division shall retain only
7 that portion of the bond equal to the amount the licensee or
8 permit holder owes the division.

9 Code section 123.56, concerning native wines, is amended.
10 The bill removes the license fee for a class "A" wine permit
11 for a native wine manufacturer from the Code section and adds
12 the fee to Code section 123.179 providing for wine permit fees.
13 The bill also requires a person who manufactures native wine
14 to file with the division the records that are filed monthly
15 with the alcohol and tobacco tax and trade bureau of the United
16 States department of the treasury. The bill directs the Code
17 editor to transfer this Code section to new Code section
18 123.176.

19 Code section 123.122, concerning required beer permits or
20 licenses, is amended to add to the Code section provisions
21 concerning exceptions for personal use relative to homemade
22 beer and importation of beer currently provided in Code section
23 123.144, subsection 2, and Code section 123.146.

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

29 Code section 123.130, concerning authority under a class "A"
30 and special class "A" beer permit, is amended to provide that a
31 holder of a class "A" beer permit may sell beer to distributors
32 outside Iowa, pursuant to the laws of that jurisdiction, to
33 provide that a native brewery may be granted not more than one
34 class "B" beer permit for selling beer at the manufacturing

35 facility, and to require a person who manufactures beer to file
1 with the alcoholic beverages division the records it files
2 monthly with the alcohol and tobacco tax and trade bureau of
3 the United States department of the treasury.

4 Code section 123.131, concerning authority under a class "B"
5 beer permit, is amended. The bill provides that sales of beer
6 for consumption off the premises in a container that is not the
7 original container may be carried into an immediately adjacent
8 premises only if the premises is covered by a license or permit
9 that allows the consumption of beer.

10 Code section 123.135, concerning a brewer's certificate of
11 compliance, is amended to provide that the general penalty
12 provisions of Code chapter 123 apply to any violation of the
13 Code chapter or rules adopted pursuant to the Code chapter by a
14 holder of a brewer's certificate of compliance.

15 Code section 123.136, concerning the barrel tax on beer, is
16 amended to provide that the exceptions for tax applicable to
17 class "A" beer permittees also applies to special class "A"
18 beer permittees.

19 Code section 123.173A, concerning a charity beer, spirits,
20 and wine auction permit, is amended to provide that the general
21 penalty provisions of Code chapter 123 apply to any violation
22 of the Code chapter or rules adopted pursuant to the Code
23 chapter by a holder of an auction permit.

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

29 Code section 123.177, concerning authority under a class "A"
30 wine permit, is amended to provide that a holder of a class
31 "A" wine permit may sell wine to distributors outside Iowa,
32 pursuant to the laws of that jurisdiction.

33 Code section 123.179, concerning wine permit fees, is
34 amended to include the fee for a class "A" wine permit issued

35 to a native wine manufacturer currently provided in Code
1 section 123.56.

2 Code section 123.180, concerning a vintner's certificate
3 of compliance, is amended to provide that the general penalty
4 provisions of Code chapter 123 apply to any violation of the
5 Code chapter or rules adopted pursuant to the Code chapter by a
6 holder of a vintner's certificate or a class "A" permit.

7 Code section 123.183, concerning the wine gallonage tax, is
8 amended to provide that the tax shall not be levied on wine
9 sold by a class "A" wine permittee to a distributor outside of
10 the state.

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

17 Code section 123.187, concerning the direct shipment of
18 wine, is amended by striking provisions relating to a wine
19 carrier permit. The bill relocates the stricken provisions to
20 new Code section 123.188.

21 Code sections 123.144, relating to bottling beer, and
22 123.146, relating to importation of beer for personal use, are
23 repealed.

24 DIVISION II — ALCOHOLIC BEVERAGE DELIVERIES. Code section
25 123.46A, concerning delivery of alcoholic beverages by
26 retailers is amended. The bill allows a licensee or permittee
27 authorized to sell alcoholic beverages to deliver the alcoholic
28 beverages to another licensed premises if there is identical
29 ownership of the premises by the licensee or permittee. The
30 bill also allows orders for deliveries between 2:00 a.m. and
31 6:00 a.m. on a day other than Sunday and between 2:00 a.m.
32 and 8:00 a.m. on a Sunday. The bill provides that deliveries
33 to another licensed premises contain only those alcoholic
34 beverages authorized for sale by the license or permit covering

35 the premises receiving delivery. In addition, orders delivered
1 to another licensed premises shall be fulfilled using alcoholic
2 beverages owned by the licensee or permittee who received the
3 delivery order and if the recipient of the order fails or is
4 unable to pick up the order, the alcoholic beverages shall be
5 returned to the licensee or permittee who fulfilled the order.

6 Code section 123.49, miscellaneous provisions, is amended
7 to provide that the exception on certain prohibitions relating
8 to the keeping of any alcoholic liquor in certain containers
9 for common carriers holding a class "D" liquor control license
10 applies to all holders of that license or to alcoholic liquor
11 delivered in accordance with Code section 123.46A.

12 This division of the bill takes effect upon enactment.