

**Senate File 618 - Introduced**

SENATE FILE 618  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 413)  
(SUCCESSOR TO SSB 1076)

**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 investigative, regulatory, or enforcement jurisdiction  
34 authorized by law. Records received by the division from other  
35 agencies which would be confidential if created by the division

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

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

24 *c.* A class "A" or special class "A" beer permit does not  
25 grant authority to manufacture wine as defined in section  
26 123.3, subsection 48.

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

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

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

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

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

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

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

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

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

1 thereof the following:

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

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

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

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

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

1 shall not revert to the general fund of the state without a  
2 specific appropriation by the general assembly. Moneys in the  
3 barrel tax fund are appropriated to the economic development  
4 authority for purposes of [section 15E.117](#).

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

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

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

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

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

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

1     Sec. 51. Section 123.175, subsection 1, paragraph b, Code  
2 2019, is amended to read as follows:

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

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

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

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

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

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

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

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

1 amended to read as follows:

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

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

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

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

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

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

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

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

22 Sec. 59. Section 123.187, subsection 3, paragraph d, Code  
23 2019, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

24 5. A violation of this section shall subject the permittee  
25 to the general penalties provided in this chapter and shall  
26 constitute grounds for imposition of a civil penalty or  
27 suspension or revocation of the permit pursuant to section  
28 123.39.

29 Sec. 62. CODE EDITOR DIRECTIVE.

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

32 Section 123.56 to section 123.176.

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



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

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

9 (1) Keep on premises covered by a liquor control license  
10 any alcoholic liquor in any container except the original  
11 package purchased from the division, and except mixed drinks  
12 or cocktails mixed on the premises for immediate consumption  
13 on the licensed premises or as otherwise provided by this  
14 paragraph "d". This prohibition does not apply to ~~common~~  
15 carriers holding holders of a class "D" liquor control license  
16 or to alcoholic liquor delivered in accordance with section  
17 123.46A.

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

20

EXPLANATION

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

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

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

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

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

34 Code section 123.23, concerning distiller's certificate of

35 compliance, is amended to specifically provide that the general  
1 penalty provisions of the Code chapter apply to any violation  
2 of the Code chapter or rules adopted pursuant to the Code  
3 chapter by a holder of a distiller's certificate of compliance.

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

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

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

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

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

35 service.

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

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

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

17 Code section 123.39, concerning suspension or revocation  
18 of a license or permit, is amended to include a certificate  
19 of compliance and to provide that civil penalties imposed and  
20 collected by the alcoholic beverages division shall be credited  
21 and used as provided in the general provision covering civil  
22 penalties imposed and collected by the division in Code section  
23 123.17, subsection 7.

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

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

35 Code section 123.43A, concerning native distilleries, is  
1 amended to eliminate the restriction on the number of class  
2 "A" native distilled spirits licenses that may be issued to a  
3 person.

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

10 Code section 123.56, concerning native wines, is amended.  
11 The bill removes the license fee for a class "A" wine permit  
12 for a native wine manufacturer from the Code section and adds  
13 the fee to Code section 123.179 providing for wine permit fees.  
14 The bill also requires a person who manufactures native wine  
15 to file with the division the records that are filed monthly  
16 with the alcohol and tobacco tax and trade bureau of the United  
17 States department of the treasury. The bill directs the Code  
18 editor to transfer this Code section to new Code section  
19 123.176.

20 Code section 123.122, concerning required beer permits or  
21 licenses, is amended to add to the Code section provisions  
22 concerning exceptions for personal use relative to homemade  
23 beer and importation of beer currently provided in Code section  
24 123.144, subsection 2, and Code section 123.146.

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

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

35 class "B" beer permit for selling beer at the manufacturing  
1 facility, and to require a person who manufactures beer to file  
2 with the alcoholic beverages division the records it files  
3 monthly with the alcohol and tobacco tax and trade bureau of  
4 the United States department of the treasury.

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

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

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

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

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

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

34 Code section 123.179, concerning wine permit fees, is

35 amended to include the fee for a class "A" wine permit issued  
1 to a native wine manufacturer currently provided in Code  
2 section 123.56.

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

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

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

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

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

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

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

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

13 This division of the bill takes effect upon enactment.