

House Study Bill 602 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT
OF COMMERCE/ALCOHOLIC
BEVERAGES DIVISION BILL)

A BILL FOR

1 An Act relating to alcoholic beverage control and matters
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

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2
3 Section 1. Section 123.46A, subsection 3, paragraph f, Code
4 2022, is amended to read as follows:

5 *f.* Deliveries shall occur between 6:00 a.m. and 10:00 p.m.
6 Monday through Sunday on the same day the order for alcoholic
7 liquor, wine, beer, or mixed drinks or cocktails is removed
8 from the licensed premises.

9 Sec. 2. Section 123.50, subsection 1, Code 2022, is amended
10 to read as follows:

11 1. Any person who violates any of the provisions of section
12 123.49, except [section 123.49, subsection 2](#), paragraph "h",
13 or who fails to affix upon sale, defaces, or fails to record
14 a keg identification ~~sticker~~ label or produce a record of keg
15 identification ~~stickers~~ labels pursuant to [section 123.138](#),
16 shall be guilty of a simple misdemeanor. A person who violates
17 section 123.49, subsection 2, paragraph "h", commits a simple
18 misdemeanor punishable as a scheduled violation under section
19 805.8C, subsection 2.

20 Sec. 3. Section 123.138, subsection 2, paragraphs a and b,
21 Code 2022, are amended to read as follows:

22 *a.* Each class "B", "C", or special class "C" liquor control
23 licensee and class "B" or "C" beer permittee who sells beer
24 for off-premises consumption shall affix to each keg of beer
25 an identification ~~sticker~~ label provided by the administrator.
26 The ~~sticker~~ label provided shall allow for its full removal
27 when common external keg cleaning procedures are performed.
28 For the purposes of [this subsection](#), "keg" means all durable and
29 disposable containers with a liquid capacity of five gallons or
30 more. Each class "B", "C", or special class "C" liquor control
31 licensee and class "B" or "C" beer permittee shall also keep
32 a record of the identification ~~sticker~~ label number of each
33 keg of beer sold by the licensee or permittee with the name
34 and address of the purchaser and the number of the purchaser's
35 driver's license, nonoperator's identification card, or

1 military identification card, if the military identification
2 card contains a picture and signature. This information shall
3 be retained by the licensee or permittee for a minimum of
4 ninety days. The records kept pursuant to [this subsection](#)
5 shall be available for inspection by any law enforcement
6 officer during normal business hours.

7 *b.* (1) The division shall provide the keg identification
8 ~~stickers~~ labels described in paragraph "a" and shall, prior to
9 utilizing a sticker label, notify licensed brewers and licensed
10 beer importers of the type of sticker label to be utilized.
11 Each sticker label shall contain a number and the following
12 statement:

13 It is unlawful to sell, give, or otherwise supply any
14 alcoholic beverage, wine, or beer to any person under legal
15 age. Any person who defaces this sticker label shall be guilty
16 of criminal mischief punishable pursuant to [section 716.6](#) and
17 ~~shall cause the forfeiture of any deposit, if applicable.~~

18 (2) The identification sticker label shall be placed on
19 the keg at the time of retail sale. The licensee or permittee
20 shall ~~purchase~~ obtain the ~~stickers~~ labels referred to in this
21 subsection from the division and ~~shall remit to the division~~
22 ~~deposits forfeited pursuant to this lettered paragraph due to~~
23 ~~defacement.~~ The cost of the stickers labels to licensees and
24 permittees shall not exceed the division's cost of producing
25 and distributing the stickers labels. The moneys collected by
26 the division relating to the sale of ~~stickers and forfeited~~
27 ~~deposits~~ labels shall be credited to the beer and liquor
28 control fund.

29 Sec. 4. Section 123.138, subsection 2, paragraph d, Code
30 2022, is amended by striking the paragraph.

31 Sec. 5. Section 123.187, subsection 2, paragraph d, Code
32 2022, is amended by striking the paragraph.

33 DIVISION II

34 AUTOMATIC RENEWALS

35 Sec. 6. Section 123.34, subsection 1, Code 2022, is amended

1 by striking the subsection.

2 Sec. 7. NEW SECTION. 123.35 Expiration of licenses,
3 permits, and certificates of compliance — automatic renewals.

4 1. Except as otherwise provided by this chapter, all
5 licenses, permits, and certificates of compliance, unless
6 sooner suspended or revoked, expire one year from date of
7 issuance.

8 2. Notwithstanding section 123.31 and any other provision
9 of this chapter to the contrary, a class "E" liquor control
10 license shall automatically renew without the endorsement
11 of a local authority or approval by the administrator upon
12 collection of the annual fee by the division, provided all of
13 the following conditions are met since the preceding license
14 was issued:

15 a. The permittee has given written consent to the division
16 to have the permit automatically renewed as provided in this
17 section.

18 b. The license has not been suspended or revoked.

19 c. A civil penalty has not been imposed against the
20 licensee.

21 d. An administrative proceeding is not pending against the
22 licensee to suspend or revoke the license or to impose a civil
23 penalty under this chapter.

24 e. The licensee has not submitted payment for alcoholic
25 liquor to the division that was subsequently dishonored.

26 f. The licensee and all persons associated with the licensee
27 as described in section 123.3, subsection 40, paragraph "e",
28 have not been convicted of a violation of this chapter.

29 g. The licensed premises constitutes a safe and proper place
30 or building and conforms with all applicable federal, state,
31 and local laws, orders, ordinances, rules, resolutions, and
32 health and fire regulations.

33 3. Notwithstanding sections 123.23, 123.135, 123.180,
34 and any other provision of this chapter to the contrary, a
35 distiller's, brewer's, or vintner's certificate of compliance

1 shall automatically renew without approval by the administrator
2 upon collection of the annual fee by the division, provided
3 all of the following conditions are met since the preceding
4 certificate was issued:

5 *a.* The certificate holder has given written consent to
6 the division to have the certificate automatically renewed as
7 provided in this section.

8 *b.* The certificate has not been suspended or revoked.

9 *c.* A civil penalty has not been imposed against the
10 certificate holder.

11 *d.* An administrative proceeding is not pending against the
12 certificate holder to suspend or revoke the certificate or to
13 impose a civil penalty under this chapter.

14 *e.* The certificate holder and all persons associated
15 with the certificate holder as described in section 123.3,
16 subsection 40, paragraph "e", have not been convicted of a
17 violation of this chapter.

18 4. Notwithstanding section 123.187 and any other provision
19 of this chapter to the contrary, a wine direct shipper's permit
20 shall automatically renew without approval by the administrator
21 upon collection of the annual fee by the division, provided all
22 of the following conditions are met since the preceding permit
23 was issued:

24 *a.* The permittee has given written consent to the division
25 to have the permit automatically renewed as provided in this
26 section.

27 *b.* The permit has not been suspended or revoked.

28 *c.* A civil penalty has not been imposed against the
29 permittee.

30 *d.* An administrative proceeding is not pending against the
31 permittee to suspend or revoke the permit or to impose a civil
32 penalty under this chapter.

33 *e.* The permittee has filed all required reports and remitted
34 all wine gallonage tax owed pursuant to section 123.183.

35 *f.* The permittee and all persons associated with the

1 permittee as described in section 123.3, subsection 40,
2 paragraph "e", have not been convicted of a violation of this
3 chapter.

4 Sec. 8. EFFECTIVE DATE. This division of this Act takes
5 effect January 1, 2023.

6 DIVISION III

7 ALCOHOLIC BEVERAGE CONTROL REVENUES

8 Sec. 9. Section 123.17, subsection 5, Code 2022, is amended
9 to read as follows:

10 5. a. After any transfer provided for in subsection 3 is
11 made, the department of commerce shall transfer into a special
12 revenue account in the general fund of the state, a sum of
13 money at least equal to seven percent of the gross amount of
14 sales made by the division from the beer and liquor control
15 fund on a monthly basis but not less than nine million dollars
16 annually.

17 b. Of the amounts transferred, two million dollars, plus an
18 additional amount determined by the general assembly, shall be
19 appropriated to the Iowa department of public health for use
20 by the staff who administer the comprehensive substance abuse
21 program under chapter 125 for substance abuse treatment and
22 prevention programs.

23 c. In addition, of the amounts transferred, one million
24 dollars, plus an additional amount determined by the general
25 assembly, shall be appropriated to the Iowa department of
26 public health for distribution pursuant to section 125.59.

27 d. Any amounts received in excess of the amounts
28 appropriated to the Iowa department of public health ~~for use~~
29 ~~by the staff who administer the comprehensive substance abuse~~
30 ~~program under chapter 125~~ pursuant to this subsection shall be
31 considered part of the general fund balance.

32 Sec. 10. Section 123.143, subsection 1, Code 2022, is
33 amended by striking the subsection.

34 Sec. 11. Section 123.143, subsection 2, Code 2022, is
35 amended to read as follows:

1 2. All permit fees collected by the division under this
 2 subchapter shall accrue to the beer and liquor control fund,
 3 except as otherwise provided. All ~~permit fees and~~ taxes
 4 collected by the division under ~~this subchapter~~ shall accrue to
 5 the state general fund, except as otherwise provided.

6 Sec. 12. Section 123.143, Code 2022, is amended by adding
 7 the following new subsection:

8 NEW SUBSECTION. 2A. All retail beer permit fees collected
 9 by the division shall be credited to the beer and liquor
 10 control fund. The division shall remit to the appropriate
 11 local authority a sum of money equal to the total amount of the
 12 fees collected for each retail beer permit covering premises
 13 located within the local authority’s jurisdiction.

14 Sec. 13. Section 125.59, unnumbered paragraph 1, Code 2022,
 15 is amended to read as follows:

16 The treasurer of state, on each July 1 for that fiscal
 17 year, shall transfer the estimated amounts to be received
 18 from ~~section 123.36, subsection 8 and section 123.143,~~
 19 ~~subsection 1~~ section 123.17, subsection 5, paragraph “c”, to the
 20 department.

21 Sec. 14. REPEAL. Section 123.97, Code 2022, is repealed.

22 Sec. 15. EFFECTIVE DATE. This division of this Act takes
 23 effect January 1, 2023.

24 DIVISION IV

25 CLASS “E” LIQUOR CONTROL LICENSES

26 Sec. 16. Section 123.30, subsection 3, paragraph e,
 27 subparagraph (1), Code 2022, is amended to read as follows:

28 (1) A class “E” liquor control license may be issued and
 29 shall authorize the holder to purchase alcoholic liquor in
 30 original unopened containers from the division only, wine
 31 from a class “A” wine permittee only, and ~~high alcoholic~~
 32 ~~content~~ beer from a class “A” beer permittee only; and to sell
 33 the alcoholic liquor, wine, and beer in original unopened
 34 containers ~~and high alcoholic content beer~~ at retail to
 35 patrons for consumption off the licensed premises; and to

1 sell alcoholic liquor and high alcoholic content beer at
2 wholesale to other liquor control licensees, provided the
3 holder has filed with the division a basic permit issued by the
4 alcohol and tobacco tax and trade bureau of the United States
5 department of the treasury. A holder of a class "E" liquor
6 control license may hold other retail liquor control licenses
7 or retail wine or beer permits, but the premises licensed under
8 a class "E" liquor control license shall be separate from other
9 licensed premises, though the separate premises may have a
10 common entrance. However, the holder of a class "E" liquor
11 control license may also hold a class "B" wine or class "C"
12 beer permit or both for the premises licensed under a class "E"
13 liquor control license.

14 Sec. 17. Section 123.36, subsection 9, Code 2022, is amended
15 by striking the subsection and inserting in lieu thereof the
16 following:

17 9. Class "E" liquor control license fees shall be determined
18 as follows:

19 a. For premises located within the corporate limits of a
20 city with a population of one thousand five hundred or less, a
21 sum determined as follows:

22 (1) For a premises with a square footage of one thousand
23 five hundred or less, seven hundred fifty dollars.

24 (2) For a premises with a square footage of more than one
25 thousand five hundred but not more than two thousand, one
26 thousand five hundred dollars.

27 (3) For a premises with a square footage of more than two
28 thousand but not more than five thousand, two thousand five
29 hundred dollars.

30 (4) For a premises with a square footage over five thousand,
31 three thousand five hundred dollars.

32 b. For premises located within the corporate limits of a
33 city with a population of more than one thousand five hundred
34 but less than ten thousand, a sum determined as follows:

35 (1) For a premises with a square footage of one thousand

1 five hundred or less, one thousand five hundred dollars.

2 (2) For a premises with a square footage of more than one
3 thousand five hundred but not more than two thousand, two
4 thousand five hundred dollars.

5 (3) For a premises with a square footage of more than two
6 thousand but not more than five thousand, three thousand five
7 hundred dollars.

8 (4) For a premises with a square footage over five thousand,
9 five thousand dollars.

10 c. For premises located within the corporate limits
11 of a city with a population of ten thousand or more, a sum
12 determined as follows:

13 (1) For a premises with a square footage of one thousand
14 five hundred or less, two thousand five hundred dollars.

15 (2) For a premises with a square footage of more than one
16 thousand five hundred but not more than two thousand, three
17 thousand five hundred dollars.

18 (3) For a premises with a square footage of more than
19 two thousand but not more than five thousand, five thousand
20 dollars.

21 (4) For a premises with a square footage over five thousand,
22 seven thousand five hundred dollars.

23 d. For premises located outside the corporate limits of
24 any city, a sum equal to that charged to a premises with the
25 same square footage in the incorporated city located nearest
26 the premises to be licensed. If there is doubt as to which
27 of two or more differing corporate limits is the nearest, the
28 license fee which is the largest shall prevail. However, if
29 the premises is located in an unincorporated town, for purposes
30 of this paragraph, the unincorporated town shall be treated as
31 if it is a city.

32 Sec. 18. EFFECTIVE DATE. This division of this Act takes
33 effect January 1, 2023.

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DIVISION V
SPECIAL LICENSES AND PERMITS

1 Sec. 19. Section 123.32, subsection 1, paragraph b,
2 subparagraph (7), Code 2022, is amended to read as follows:

3 (7) A charity beer, spirits, and wine ~~auction~~ special event
4 permit as provided in [section 123.173A](#).

5 Sec. 20. Section 123.32, subsection 1, paragraph b,
6 subparagraph (8), Code 2022, is amended by striking the
7 subparagraph.

8 Sec. 21. Section 123.34, subsection 2, Code 2022, is amended
9 to read as follows:

10 2. a. The administrator may issue ~~six-month or eight-month~~
11 seasonal class "A", class "B", class "C", special class "C",
12 and class "D" liquor control licenses, class "B" wine permits,
13 class "B" or class "C" native wine permits, or class "B" beer
14 permits.

15 b. The fee for a ~~six-month or an~~ eight-month seasonal
16 license or permit issued pursuant to [this subsection](#) shall be
17 ~~for a proportionate part~~ fifty percent of the license or permit
18 fee for that class of license or permit. However, the fee for
19 a seasonal class "B" native wine permit shall be the permit fee
20 provided in [section 123.179, subsection 4](#), and the fee for a
21 seasonal class "C" native wine permit shall be the permit fee
22 provided in [section 123.179, subsection 5](#).

23 Sec. 22. Section 123.39, subsection 1, paragraph a,
24 subparagraph (2), Code 2022, is amended to read as follows:

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~~ special
30 event permit, a class "A" wine permit, a wine direct shipper's
31 permit, or a wine carrier permit for a period not to exceed one
32 year, revoke the license, permit, or certificate, or impose a
33 civil penalty not to exceed one thousand dollars per violation.

34 Sec. 23. Section 123.173A, Code 2022, is amended by striking
35 the section and inserting in lieu thereof the following:

1 123.173A Charity beer, spirits, and wine special event
2 permit.

3 1. For purposes of this section:

4 a. "Authorized nonprofit entity" includes a nonprofit
5 entity which has a principal office in the state, a nonprofit
6 corporation organized under chapter 504, or a foreign
7 corporation as defined in section 504.141, whose income is
8 exempt from federal taxation under section 501(c) of the
9 Internal Revenue Code.

10 b. "Charity auction" means an auction conducted by an
11 authorized nonprofit entity which includes beer, spirits, and
12 wine.

13 c. "Charity event" means an event at which an authorized
14 nonprofit entity may serve the event's attendees beer,
15 spirits, and wine for consumption on the premises of the event,
16 regardless of whether the entity charges an admission fee to
17 the event or otherwise collects the cost of the beer, spirits,
18 and wine served from the event's attendees.

19 d. "Charity special event" means a charity auction, charity
20 event, or a combined charity auction and charity event.

21 2. Upon application to the division and receipt of a charity
22 beer, spirits, and wine special event permit, an authorized
23 nonprofit entity may conduct a charity special event subject to
24 the requirements of this section.

25 3. A charity auction conducted by a charity beer, spirits,
26 and wine special event permittee shall comply with the
27 following requirements:

28 a. The authorized nonprofit entity conducting the charity
29 auction shall obtain the beer, spirits, and wine to be
30 auctioned at the charity auction from an Iowa retail beer
31 permittee, an Iowa retail liquor control licensee, or an Iowa
32 retail wine permittee, or may receive donations of beer,
33 spirits, or wine to be auctioned at the charity auction from
34 persons who purchased the donated beer, spirits, or wine from
35 an Iowa retail beer permittee, an Iowa retail liquor control

1 licensee, an Iowa class "A" native distilled spirits licensee,
2 or an Iowa retail wine permittee and who present a receipt
3 documenting the purchase at the time the beer, spirits, or wine
4 is donated. The authorized nonprofit entity conducting the
5 charity auction shall retain a copy of the receipt for a period
6 of one year from the date of the charity beer, spirits, and
7 wine auction.

8 *b.* The beer, spirits, and wine sold at the charity auction
9 shall be in original containers for consumption off of the
10 premises where the charity auction is conducted. No other
11 alcoholic beverage may be sold by the charity beer, spirits,
12 and wine special event permittee at the charity auction. A
13 purchaser of beer, spirits, or wine at a charity auction shall
14 not take possession of the beer, spirits, or wine until the
15 person is leaving the event. A purchaser of beer, spirits,
16 or wine at a charity auction shall not open the container or
17 consume or permit the consumption of the beer, spirits, or
18 wine purchased on the premises where the charity auction is
19 conducted. A purchaser of beer, spirits, or wine at a charity
20 auction shall not resell the beer, spirits, or wine.

21 *c.* A liquor control licensee, beer permittee, class "A"
22 native distilled spirits licensee, or wine permittee shall not
23 purchase beer, spirits, or wine at a charity auction. The
24 charity auction may be conducted on a premises for which a
25 class "B" liquor control license or class "C" liquor control
26 license has been issued, provided that the liquor control
27 licensee does not participate in the charity auction, supply
28 beer, spirits, or wine to be auctioned at the charity auction,
29 or receive any of the proceeds of the charity auction.

30 4. A charity event conducted by a charity beer, spirits, and
31 wine special event permittee shall comply with the following
32 requirements:

33 *a.* The charity event shall be conducted on a premises
34 covered by a valid liquor control license or retail wine or
35 beer permit issued by the division.

1 *b.* The authorized nonprofit entity conducting a charity
2 event shall have a written agreement with the liquor control
3 licensee or wine or beer permittee covering the premises where
4 the charity event is to be conducted specifying that that
5 licensee or permittee shall act as the agent of the authorized
6 nonprofit entity for the purpose of providing and serving
7 alcoholic beverages to the attendees of the charity event.

8 *c.* The liquor control licensee or wine or beer permittee
9 covering the premises where the charity event is to be
10 conducted shall supply all alcoholic beverages served to the
11 attendees of the charity event.

12 *d.* Only those types of alcoholic beverages as are authorized
13 to be sold by the liquor control license or wine or beer
14 permit covering the premises where the charity event is to be
15 conducted are to be served to the attendees of the charity
16 event.

17 5. An application for a charity beer, spirits, and wine
18 special event permit to conduct a charity special event shall
19 include all of the following information:

20 *a.* The date and time when the charity special event is to be
21 conducted and the location of the premises in this state where
22 the charity special event is to be physically conducted.

23 *b.* The liquor control license or wine or beer permit number
24 issued by the division for the premises where a charity event
25 is to be conducted, if applicable.

26 *c.* A certification that the objective of the charity special
27 event is to raise funds solely to be used for educational,
28 religious, or charitable purposes and that the entire proceeds
29 from the charity special event are to be expended for any of
30 the purposes described in section 423.3, subsection 78.

31 6. An authorized nonprofit entity shall be eligible to
32 receive no more than two charity beer, spirits, and wine
33 special event permits during a calendar year and each charity
34 beer, spirits, and wine special event permit shall be valid for
35 a period not to exceed thirty-six consecutive hours.

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

9 Sec. 24. Section 123.179, subsection 6, Code 2022, is
10 amended to read as follows:

11 6. The fee for a charity beer, spirits, and wine ~~auktion~~
12 special event permit is one hundred dollars.

13 Sec. 25. Section 123.179, subsection 7, Code 2022, is
14 amended by striking the subsection.

15 Sec. 26. REPEAL. Section 123.173B, Code 2022, is repealed.

16 Sec. 27. EFFECTIVE DATE. This division of this Act takes
17 effect January 1, 2023.

18 DIVISION VI

19 SUNDAY SALES

20 Sec. 28. Section 123.34, subsections 3 and 4, Code 2022, are
21 amended to read as follows:

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

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

33 c. (1) The fee for a fourteen-day liquor control license
34 or beer permit is one quarter of the annual fee for that class
35 of liquor control license or beer permit. ~~The fee for the~~

1 ~~privilege to sell on the two Sundays in the fourteen-day period~~
2 ~~is twenty percent of the price of the fourteen-day liquor~~
3 ~~control license or beer permit.~~

4 (2) The fee for a fourteen-day class "B" native wine permit
5 shall be the permit fee provided in section 123.179, subsection
6 4, and the fee for a fourteen-day class "C" native wine permit
7 is the permit fee provided in [section 123.179, subsection 5](#).

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

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

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

23 (2) The fee for a five-day class "B" native wine permit
24 shall be the permit fee provided in section 123.179, subsection
25 4, and the fee for a five-day class "C" native wine permit is
26 the permit fee provided in [section 123.179, subsection 5](#).

27 Sec. 29. Section 123.36, subsection 6, Code 2022, is amended
28 by striking the subsection.

29 Sec. 30. Section 123.36, subsection 8, Code 2022, is amended
30 to read as follows:

31 8. The division shall credit all fees to the beer and liquor
32 control fund. The division shall remit to the appropriate
33 local authority, a sum equal to sixty-five percent of the fees
34 collected for each class "A", class "B", or class "C" license
35 except special class "C" licenses or class "E" licenses,

1 covering premises located within the local authority's
2 jurisdiction. The division shall remit to the appropriate
3 local authority a sum equal to seventy-five percent of the fees
4 collected for each special class "C" license covering premises
5 located within the local authority's jurisdiction. Those fees
6 ~~collected for the privilege authorized under subsection 6 and~~
7 ~~those fees~~ collected for each class "E" liquor control license
8 shall be credited to the beer and liquor control fund.

9 Sec. 31. Section 123.46A, subsection 3, paragraph b, Code
10 2022, is amended to read as follows:

11 b. Orders for deliveries may be taken by the licensee or
12 permittee between the hours of 2:00 a.m. and 6:00 a.m.
13 ~~on a day other than Sunday, and orders for deliveries may~~
14 ~~be taken between the hours of 2:00 a.m. and 6:00 a.m. on a~~
15 ~~Sunday provided the licensee or permittee has been granted~~
16 ~~the privilege of selling alcoholic liquor, wine, beer, or~~
17 ~~mixed drinks or cocktails on Sunday~~ on any day of the week,
18 notwithstanding any provision of [section 123.49, subsection 2,](#)
19 paragraph "b", to the contrary.

20 Sec. 32. Section 123.49, subsection 2, paragraph b, Code
21 2022, is amended to read as follows:

22 b. Sell or dispense any alcoholic beverage on the premises
23 covered by the license or permit, or permit its consumption
24 thereon between the hours of 2:00 a.m. and 6:00 a.m. on a
25 ~~weekday, and between the hours of 2:00 a.m. on Sunday and 6:00~~
26 ~~a.m. on the following Monday, however, a holder of a liquor~~
27 ~~control license or retail wine or beer permit granted the~~
28 ~~privilege of selling alcoholic liquor, wine, or beer on Sunday~~
29 ~~may sell or dispense alcoholic liquor, wine, or beer between~~
30 ~~the hours of 6:00 a.m. on Sunday and 2:00 a.m. on the following~~
31 ~~Monday~~ any day of the week.

32 Sec. 33. Section 123.49, subsection 4, Code 2022, is amended
33 by striking the subsection.

34 Sec. 34. Section 123.134, subsection 4, Code 2022, is
35 amended by striking the subsection.

1 Sec. 35. REPEAL. Section 123.150, Code 2022, is repealed.

2 Sec. 36. EFFECTIVE DATE. This division of this Act takes
3 effect January 1, 2023.

4 EXPLANATION

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

7 This bill relates to alcoholic beverage control and matters
8 under the purview of the alcoholic beverages division.

9 Division I of the bill relates to keg identification
10 stickers, deliveries of alcoholic beverages, and the wine
11 direct shipper permit.

12 Code section 123.46A, concerning delivery of alcoholic
13 beverages by retailers, is amended to provide that deliveries
14 shall occur on the same day the order for delivery of alcoholic
15 beverages is removed from the licensed premises of the
16 retailer.

17 Code section 123.138, concerning keg identification
18 stickers, is amended to provide for a keg identification label
19 instead of a sticker. In addition, the bill strikes provisions
20 concerning the forfeiture and remittance of deposits relating
21 to defacing the keg identification label.

22 Code section 123.187, concerning the wine direct shipper
23 permit, is amended to remove the requirement that an
24 application for the permit be accompanied by a bond if not
25 otherwise required to submit a bond as a wine manufacturer.

26 Division II of the bill relates to the renewal of certain
27 licenses, permits, and certificates of compliance.

28 Code section 123.34, subsection 1, providing generally
29 for the expiration of licenses, permits, and certificates of
30 compliance one year from the date of issuance, and including a
31 notification requirement by the administrator of the alcoholic
32 beverage division prior to expiration, is stricken.

33 New Code section 123.35 includes the provision from
34 current Code section 123.34 providing for the expiration of
35 licenses, permits, and certificates of compliance without

1 the notification requirement. The new Code section further
2 provides, notwithstanding any provision of Code chapter 123
3 to the contrary, for the automatic renewal of a class "E"
4 liquor control license, a distiller's, vintner's, or brewer's
5 certificate of compliance, and a wine direct shipper's
6 permit. The bill allows the renewal of the applicable license,
7 certificate, or permit without approval by the administrator
8 of the alcoholic beverages division or endorsement of any
9 applicable local authority upon collection of the annual fee
10 for that license, certificate, or permit by the alcoholic
11 beverages division, provided certain conditions are met since
12 the preceding license, certificate, or permit was issued. The
13 bill provides that the license, certificate, or permit can be
14 automatically renewed if, in the preceding year, the license,
15 certificate, or permit has not been suspended or revoked,
16 a civil penalty has not been imposed, an administrative
17 proceeding is not pending to suspend or revoke the license,
18 certificate, or permit or to impose a civil penalty, all
19 required payments to the division have been made, and the
20 licensee, certificate holder, or permittee, and all persons
21 associated with the licensee, certificate holder, or permittee
22 as described in Code section 123.3, subsection 40, paragraph
23 "e", have not been convicted of a violation of Code chapter
24 123. In addition, for renewal of a class "E" liquor control
25 license, the licensed premises shall constitute a safe and
26 proper place and building that complies with all applicable
27 building-related regulations.

28 This division of the bill takes effect January 1, 2023.

29 Division III of the bill relates to the distribution of
30 certain alcoholic beverage control revenues.

31 Code section 123.17, concerning transfers from the beer
32 and liquor control fund, is amended. The bill provides that
33 of the moneys transferred to a special revenue account in the
34 general fund of the state from the beer and liquor control
35 fund, \$1 million, plus any additional amount as determined by

1 the general assembly, shall be appropriated to the department
2 of public health to be distributed as provided in Code section
3 125.59 as grants to counties, persons, or nonprofit entities
4 for substance abuse and prevention programs. Code section
5 125.59 is amended to reflect that only this new appropriation
6 shall be transferred to the department of public health for the
7 purposes of Code section 125.59.

8 Code section 123.143, concerning distribution of certain
9 beer permit fees, is amended. The bill provides that all
10 beer-related permit fees collected by the alcoholic beverages
11 division shall accrue to the beer and liquor control fund
12 except as otherwise provided. The bill also provides that
13 of the retail beer permit fees collected by the alcoholic
14 beverages division, the division shall remit to the applicable
15 local authority a sum of money equal to the retail beer permit
16 fees collected by the division covering premises covered by the
17 local authority's jurisdiction. The bill further eliminates
18 the requirement that retail beer permit fees collected by the
19 local authority be transferred as provided in Code section
20 125.59.

21 Code section 123.97, providing that most revenues arising
22 under the operation of Code chapter 123 become part of the
23 general fund of the state, is repealed as inconsistent with the
24 provisions of current Code section 123.17.

25 This division of the bill takes effect January 1, 2023.

26 Division IV of the bill relates to class "E" liquor control
27 licenses.

28 Code section 123.30, concerning liquor control licenses, is
29 amended. The bill provides that a class "E" liquor control
30 licensee can purchase wine and beer from a class "A" wine
31 or beer permittee only, respectively. The bill specifically
32 allows the class "E" licensee to sell wine and beer in unopened
33 containers at retail, and to sell alcoholic liquor and high
34 alcoholic content beer at wholesale. The bill strikes a
35 provision allowing the holder of a class "E" liquor control

1 license to also hold a class "B" wine or class "C" beer permit
2 for the premises licensed under the class "E" license.

3 Code section 123.36, concerning class "E" liquor control
4 license fees, is amended. The bill establishes license fees
5 based on the population of the city where the premises is
6 located as well as the square footage of the licensed premises.
7 Current law bases the fees only on the population of the city
8 where the premises is located.

9 This division of the bill takes effect January 1, 2023.

10 Division V of the bill relates to certain special licenses
11 and permits.

12 Code section 123.34, concerning seasonal licenses and
13 permits, is amended. The bill eliminates the six-month
14 seasonal license or permit and provides that the fee for an
15 eight-month seasonal license or permit shall be 50 percent of
16 the license or permit fee for that class of license or permit
17 instead of a proportional share of that fee.

18 Code section 123.173A, providing for a charity beer,
19 spirits, and wine auction permit, and Code section 123.173B,
20 providing for a charity beer, spirits, and wine event permit,
21 are stricken and replaced with a combined charity beer,
22 spirits, and wine special event permit, allowing the permit
23 holder to conduct a charity auction, charity event, or a
24 combined charity auction and charity event in a similar manner
25 as is allowed under current law for the two separate permits.
26 The bill only allows one charity auction, charity event, or
27 combined charity auction and charity event, to be conducted
28 during the period of the permit and limits a person to no more
29 than two special event permits in a calendar year.

30 This division of the bill takes effect January 1, 2023.

31 Division VI of the bill concerns Sunday sales of alcoholic
32 beverages. The bill eliminates the requirement to obtain a
33 special privilege to sell alcoholic beverages on Sunday and
34 provides that sales or other activities relating to alcoholic
35 beverages on Sunday will be allowed to the same extent as they

S.F. _____ H.F. _____

1 are allowed on any other day.

2 This division of the bill takes effect January 1, 2023.