

House Study Bill 649 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON LUNDGREN)

A BILL FOR

1 An Act relating to alcoholic beverage control concerning the
2 sale of beer and liquor for resale.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.22, subsection 1, Code 2022, is
2 amended to read as follows:

3 1. The division has the exclusive right of importation
4 into the state of all forms of alcoholic liquor, except as
5 otherwise provided in *this chapter*, and a person shall not
6 import alcoholic liquor, except that an individual of legal age
7 may import and have in the individual's possession an amount of
8 alcoholic liquor not exceeding nine liters per calendar month
9 that the individual personally obtained outside the state.
10 Alcoholic liquor imported by an individual pursuant to this
11 subsection shall be for personal consumption only in a private
12 home or other private accommodation. A distillery shall not
13 sell alcoholic liquor within the state to any person but only
14 to the division, except as otherwise provided in *this chapter*.
15 This section vests in the division exclusive control within the
16 state as purchaser of all alcoholic liquor sold by distilleries
17 within the state or imported, except beer and wine, and except
18 as otherwise provided in *this chapter*. The division shall
19 receive alcoholic liquor on a bailment system for resale by the
20 division in the manner set forth in *this chapter*. The division
21 shall act as the sole wholesaler of alcoholic liquor to ~~class~~
22 "E" liquor control licensees.

23 Sec. 2. Section 123.30, subsection 3, paragraphs a and b,
24 Code 2022, are amended to read as follows:

25 *a. Class "A".* A class "A" liquor control license may be
26 issued to a club and shall authorize the holder to purchase
27 alcoholic liquors in original unopened containers from class
28 "E" liquor control licensees or the division only, wine from
29 class "A" wine permittees or class "B" wine permittees who also
30 hold class "E" liquor control licenses only as provided in
31 sections 123.173 and 123.177, and to sell alcoholic beverages
32 to bona fide members and their guests by the individual drink
33 for consumption on the premises only.

34 *b. Class "B".* A class "B" liquor control license may be
35 issued to a hotel or motel and shall authorize the holder to

1 purchase alcoholic liquors in original unopened containers from
2 class "E" liquor control licensees or the division only, wine
3 from class "A" wine permittees or class "B" wine permittees who
4 also hold class "E" liquor control licenses only as provided in
5 sections 123.173 and 123.177, and to sell alcoholic beverages
6 to patrons by the individual drink for consumption on the
7 premises only. However, beer may also be sold for consumption
8 off the premises. Each license shall be effective throughout
9 the premises described in the application.

10 Sec. 3. Section 123.30, subsection 3, paragraph c,
11 subparagraphs (1) and (2), Code 2022, are amended to read as
12 follows:

13 (1) A class "C" liquor control license may be issued to
14 a commercial establishment but must be issued in the name of
15 the individuals who actually own the entire business and shall
16 authorize the holder to purchase alcoholic liquors in original
17 unopened containers from class "E" liquor control licensees or
18 the division only, wine from class "A" wine permittees or class
19 "B" wine permittees who also hold class "E" liquor control
20 licenses only as provided in sections 123.173 and 123.177, beer
21 from a class "A" beer permittee or a class "C" beer permittee
22 who also holds a class "E" liquor control license as provided
23 in section 123.132, and to sell alcoholic beverages to patrons
24 by the individual drink for consumption on the premises only.
25 However, alcoholic liquor, wine, and beer in original unopened
26 containers may also be sold for consumption off the premises.
27 In addition, mixed drinks or cocktails may also be sold for
28 consumption off the premises subject to the requirements of
29 section 123.49, subsection 2, paragraph "d". The holder of a
30 class "C" liquor control license may also hold a special class
31 "A" beer permit for the premises licensed under a class "C"
32 liquor control license for the purpose of operating a brewpub
33 pursuant to this chapter.

34 (2) A special class "C" liquor control license may be issued
35 to a commercial establishment and shall authorize the holder

1 to purchase wine from class "A" wine permittees or class "B"
2 wine permittees who also hold class "E" liquor control licenses
3 only as provided in [sections 123.173](#) and [123.177](#), beer from a
4 class "A" beer permittee or a class "C" beer permittee who also
5 holds a class "E" liquor control license as provided in section
6 123.132, and to sell wine and beer to patrons by the individual
7 drink for consumption on the premises only. However, beer may
8 also be sold for consumption off the premises. The license
9 issued to holders of a special class "C" liquor control license
10 shall clearly state on its face that the license is limited.

11 Sec. 4. Section 123.131, subsection 1, Code 2022, is amended
12 to read as follows:

13 1. Subject to the provisions of [this chapter](#), any person
14 holding a class "B" beer permit shall be authorized to sell
15 beer for consumption on or off the premises. A holder of
16 a class "B" beer permit shall be authorized to purchase
17 beer from a class "A" beer permittee or a class "C" beer
18 permittee who also holds a class "E" liquor control license as
19 provided in section 123.132. Sales of beer for consumption
20 off the premises made pursuant to [this section](#) shall be made
21 in original containers except as provided in [subsection 2](#).
22 However, unless otherwise provided in [this chapter](#), no sale
23 of beer shall be made for consumption on the premises unless
24 the place where such service is made is equipped with tables
25 and seats sufficient to accommodate not less than twenty-five
26 persons at one time.

27 Sec. 5. Section 123.132, subsection 4, Code 2022, is amended
28 to read as follows:

29 4. The holder of a class "C" beer permit or the permittee's
30 agents or employees shall not sell beer to other retail license
31 or permit holders knowing or having reasonable cause to believe
32 that the beer will be resold in another licensed establishment.
33 However, a holder of a class "C" beer permit who also holds a
34 class "E" liquor control license may sell beer to class "B"
35 permittees, and class "C" and special class "C" liquor control

1 licensees, for resale for consumption on the premises. Beer
2 sales shall be in quantities in a twenty-four-hour period as
3 determined by the division.

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 concerns alcoholic beverage control relating
8 to the sale of alcoholic liquor by the alcoholic beverages
9 division of the department of commerce and the sale of beer for
10 resale by a class "C" beer permittee who also holds a class "E"
11 liquor control license.

12 Code section 123.22, concerning the state monopoly regarding
13 alcoholic liquor, is amended to allow the alcoholic beverages
14 division to be the sole wholesaler of alcoholic liquor to all
15 liquor control licensees, not just class "E" liquor control
16 licensees. Code section 123.30, concerning liquor control
17 licenses, is amended to allow this purchase of alcoholic liquor
18 from the alcoholic beverages division.

19 Code section 123.132, concerning the authority of a class
20 "C" beer permit, is amended to allow a holder of a class "C"
21 beer permit who also holds a class "E" liquor control license
22 to sell beer to class "B" permittees, and class "C" and special
23 class "C" liquor control licensees, for resale for consumption
24 on the premises in such quantities in a 24-hour period as the
25 alcoholic beverages division determines. Code section 123.30,
26 concerning class "C" and special class "C" liquor control
27 licensees, and Code section 123.131, concerning class "B" beer
28 permittees, are amended to allow for the purchase of beer from
29 a holder of a class "C" beer permit who also holds a class "E"
30 liquor control license.