

**Senate Study Bill 3140 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON SMITH)

**A BILL FOR**

1 An Act relating to alcoholic beverage control and licensing,  
2 providing for fees, and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

RETAIL ALCOHOL LICENSES

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Section 1. Section 123.30, Code 2022, is amended by striking the section and inserting in lieu thereof the following:

**123.30 Retail alcohol licenses — classes.**

1. *a.* A retail alcohol license may be issued to any person who is of good moral character as defined by this chapter.

*b.* As a condition for issuance of a retail alcohol license or wine or beer permit, the applicant must give consent

to members of the fire, police, and health departments and the building inspector of cities; the county sheriff or

deputy sheriff; members of the department of public safety; representatives of the division and of the department of

inspections and appeals; certified police officers; and any official county health officer to enter upon areas of

the premises where alcoholic beverages are stored, served, or sold, without a warrant during business hours of the

licensee or permittee to inspect for violations of this chapter or ordinances and regulations that cities and boards

of supervisors may adopt. However, a subpoena issued under section 421.17 or a warrant is required for inspection of

private records, a private business office, or attached living quarters. Persons who are not certified peace officers shall

limit the scope of their inspections of licensed premises to the regulatory authority under which the inspection is

conducted. All persons who enter upon a licensed premises to conduct an inspection shall present appropriate identification

to the owner of the establishment or the person who appears to be in charge of the establishment prior to commencing

an inspection; however, this provision does not apply to undercover criminal investigations conducted by peace officers.

*c.* As a further condition for the issuance of a class "E" retail alcohol license, the applicant shall post a bond in

a sum of not less than five thousand nor more than fifteen thousand dollars as determined on a sliding scale established

1 by the division; however, a bond shall not be required if all  
2 purchases of alcoholic liquor from the division by the licensee  
3 are made by means that ensure that the division will receive  
4 full payment in advance of delivery of the alcoholic liquor.

5 d. A class "E" retail alcohol license may be issued to a  
6 city council for premises located within the limits of the city  
7 if there are no class "E" retail alcohol licensees operating  
8 within the limits of the city and no other applications for a  
9 class "E" license for premises located within the limits of  
10 the city at the time the city council's application is filed.  
11 If a class "E" retail alcohol license is subsequently issued  
12 to a private person for premises located within the limits of  
13 the city, the city council shall surrender its license to the  
14 division within one year of the date that the class "E" retail  
15 alcohol licensee begins operating, liquidate any remaining  
16 assets connected with the liquor store, and cease operating the  
17 liquor store.

18 2. A retail alcohol license shall not be issued for premises  
19 which do not constitute a safe and proper place or building  
20 and which do not conform to all applicable laws, ordinances,  
21 resolutions, and health and fire regulations. A licensee  
22 shall not have or maintain any interior access to residential  
23 or sleeping quarters unless permission is granted by the  
24 administrator in the form of a living quarters permit.

25 3. Retail alcohol licenses issued under this chapter shall  
26 be of the following classes:

27 a. Class "B".

28 (1) (a) A class "B" retail alcohol license may be  
29 issued and shall authorize the holder to purchase wine from  
30 a class "A" wine permittee only and beer from a class "A"  
31 beer permittee only, and to sell wine and beer in original  
32 unopened containers at retail to patrons for consumption off  
33 the licensed premises.

34 (b) The holder of a class "B" retail alcohol license may  
35 sell wine to class "C", special class "C", class "D", and class

1 "F" retail alcohol licensees for resale for consumption on  
2 the premises. Such wine sales shall be in quantities of less  
3 than one case of any wine brand but not more than one such  
4 sale shall be made to the same retail alcohol licensee in a  
5 twenty-four-hour period.

6 (2) A special class "B" retail native wine license shall  
7 authorize the holder to purchase wine from a native winery  
8 holding a class "A" wine permit and to sell native wine only at  
9 retail for consumption off the licensed premises.

10 b. Class "C".

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

29 (2) A special class "C" retail alcohol license may be issued  
30 to a commercial establishment and shall authorize the holder  
31 to purchase wine from class "A" wine permittees, class "B"  
32 retail alcohol licensees, or class "E" retail alcohol licensees  
33 only as provided in this section and section 123.177, and to  
34 sell wine and beer to patrons by the individual drink for  
35 consumption on the premises only. However, wine and beer in

1 original unopened containers may also be sold for consumption  
2 off the premises. The license issued to holders of a special  
3 class "C" retail alcohol license shall clearly state on its  
4 face that the license is limited.

5 c. Class "D".

6 (1) A class "D" retail alcohol license may be issued  
7 to a railway corporation, to an air common carrier, and to  
8 passenger-carrying boats or ships for hire with a capacity of  
9 twenty-five persons or more operating in inland or boundary  
10 waters, and shall authorize the holder to sell or furnish  
11 alcoholic beverages to passengers for consumption only on  
12 trains, watercraft as described in this section, or aircraft,  
13 respectively. Each license is valid throughout the state.  
14 Only one license is required for all trains, watercraft, or  
15 aircraft operated in the state by the licensee. However, if a  
16 watercraft is an excursion gambling boat licensed under chapter  
17 99F, the owner shall obtain a separate class "D" retail alcohol  
18 license for each excursion gambling boat operating in the  
19 waters of this state.

20 (2) A class "D" retail alcohol licensee who operates a train  
21 or a watercraft intrastate only, or an excursion gambling boat  
22 licensed under chapter 99F, shall purchase alcoholic liquor in  
23 original unopened containers from a class "E" retail alcohol  
24 licensee only, wine from a class "A" wine permittee, class "B"  
25 retail alcohol licensees, or class "E" retail alcohol licensee  
26 only as provided in this section and section 123.177, and beer  
27 from a class "A" beer permittee only.

28 d. Class "E".

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

1 liquor and high alcoholic content beer at wholesale to other  
2 retail alcohol licensees, provided the holder has filed with  
3 the division a basic permit issued by the alcohol and tobacco  
4 tax and trade bureau of the United States department of the  
5 treasury.

6 (2) A holder of a class "E" retail alcohol license may hold  
7 other retail alcohol licenses, but the premises licensed under  
8 a class "E" retail alcohol license shall be separate from other  
9 licensed premises, though the separate premises may have a  
10 common entrance.

11 (3) The holder of a class "E" retail alcohol license may  
12 sell wine to class "C", special class "C", class "D", and class  
13 "F" retail alcohol licensees for resale for consumption on  
14 the premises. Such wine sales shall be in quantities of less  
15 than one case of any wine brand but not more than one such  
16 sale shall be made to the same retail alcohol licensee in a  
17 twenty-four-hour period.

18 (4) The division may issue a class "E" retail alcohol  
19 license for premises covered by a retail alcohol license  
20 for on-premises consumption under any of the following  
21 circumstances:

22 (a) If the premises are in a county having a population  
23 under nine thousand five hundred in which no other class "E"  
24 retail alcohol license has been issued by the division, and no  
25 other application for a class "E" retail alcohol license has  
26 been made within the previous twelve consecutive months.

27 (b) If, notwithstanding any provision of this chapter to the  
28 contrary, the premises covered by a retail alcohol license is a  
29 grocery store that is at least five thousand square feet.

30 e. Class "F". A class "F" retail alcohol license may be  
31 issued to a club and shall authorize the holder to purchase  
32 alcoholic liquors in original unopened containers from class  
33 "E" retail alcohol licensees only, beer from class "A" beer  
34 permittees only, wine from class "A" wine permittees, class "B"  
35 retail alcohol licensees, or class "B" retail alcohol licensees

1 only as provided in this section and section 123.177, and to  
2 sell alcoholic beverages to bona fide members and their guests  
3 by the individual drink for consumption on the premises only.

4 4. Notwithstanding any provision of this chapter to the  
5 contrary, a person holding a retail alcohol license to sell  
6 alcoholic beverages for consumption on the licensed premises  
7 may permit a customer to remove one unsealed bottle of wine  
8 for consumption off the premises if the customer has purchased  
9 and consumed a portion of the bottle of wine on the licensed  
10 premises. The licensee or the licensee's agent shall securely  
11 reseal such bottle in a bag designed so that it is visibly  
12 apparent that the resealed bottle of wine has not been tampered  
13 with and provide a dated receipt for the resealed bottle of  
14 wine to the customer. A wine bottle resealed pursuant to the  
15 requirements of this subsection is subject to the requirements  
16 of sections 321.284 and 321.284A. A person holding a retail  
17 alcohol license to sell alcoholic beverages for consumption on  
18 the licensed premises may permit a customer to carry an open  
19 container of wine from the person's licensed premises into  
20 another immediately adjacent licensed premises that is covered  
21 by a license or permit that authorizes the consumption of wine,  
22 a temporarily closed public right-of-way, or a private place.

23 Sec. 2. Section 123.31, Code 2022, is amended by striking  
24 the section and inserting in lieu thereof the following:

25 **123.31 Retail alcohol licenses — application.**

26 1. A person applying for a retail alcohol license shall  
27 submit a completed application electronically, or in a manner  
28 prescribed by the administrator, which shall set forth under  
29 oath the following:

- 30 a. The name and place of residence of the applicant.
- 31 b. The names and addresses of all persons or, in the case of  
32 a corporation, limited liability company, or any other similar  
33 legal entity, the officers, directors, and persons owning or  
34 controlling ten percent or more of the capital stock thereof,  
35 having a financial interest, by way of loan, ownership, or

1 otherwise, in the business.

2 *c.* The location of the premises where the applicant intends  
3 to operate.

4 *d.* The name of the owner of the premises and if the owner of  
5 the premises is not the applicant, whether the applicant is the  
6 actual lessee of the premises.

7 *e.* When required by the administrator, and in such form and  
8 containing such information as the administrator may require,  
9 a description of the premises where the applicant intends to  
10 use the license, to include a sketch or drawing of the premises  
11 and, if applicable, the number of square feet of interior floor  
12 space which comprises the retail sales area of the premises.

13 *f.* Whether any person specified in paragraph "b" has ever  
14 been convicted of any offense against the laws of the United  
15 States, or any state or territory thereof, or any political  
16 subdivision of any such state or territory.

17 *g.* Any other information as required by the administrator.

18 2. The retail alcohol license shall only be issued to an  
19 applicant who establishes all of the following:

20 *a.* That the applicant has submitted a completed application  
21 as required by subsection 1.

22 *b.* That the applicant is a person of good moral character as  
23 provided in section 123.3, subsection 40.

24 *c.* That the applicant is a citizen of the state of Iowa  
25 or, if a corporation, that the applicant is authorized to do  
26 business in the state.

27 *d.* That the premises where the applicant intends to use the  
28 license conforms to all applicable laws, health regulations,  
29 and fire regulations, and constitutes a safe and proper place  
30 or building and that the applicant shall not have or maintain  
31 any interior access to residential or sleeping quarters unless  
32 permission is granted by the administrator in the form of a  
33 living quarters permit.

34 *e.* That the applicant gives consent to a person, pursuant  
35 to section 123.30, subsection 1, to enter upon the premises

1 without a warrant during the business hours of the applicant  
2 to inspect for violations of the provisions of this chapter or  
3 ordinances and regulations that local authorities may adopt.

4 Sec. 3. NEW SECTION. 123.31A Authority under class "B",  
5 class "C", special class "C", and class "E" retail alcohol  
6 license.

7 1. The holder of a class "B", class "C", special class "C",  
8 or class "E" retail alcohol license shall be allowed to sell  
9 beer and wine to consumers at retail for consumption off the  
10 premises. The sales made pursuant to this section shall be  
11 made in original containers except as provided in subsection 3.

12 2. Every person holding a class "B", class "C", special  
13 class "C", or class "E" retail alcohol license having more  
14 than one place of business where beer and wine is sold which  
15 places do not constitute a single premises within the meaning  
16 of section 123.3, subsection 29, shall be required to have a  
17 separate license for each separate place of business, except as  
18 otherwise provided by this chapter.

19 3. Subject to the rules of the division, sales made pursuant  
20 to this section may be made in a container other than the  
21 original container only if all of the following requirements  
22 are met:

23 a. The beer or wine is transferred from the original  
24 container to the container to be sold on the licensed premises  
25 at the time of sale.

26 b. The person transferring the beer or wine from the  
27 original container to the container to be sold shall be  
28 eighteen years of age or older.

29 c. The container to be sold shall be no larger than  
30 seventy-two ounces.

31 d. The container to be sold shall be securely sealed by  
32 a method authorized by the division that is designed so that  
33 if the sealed container is reopened or the seal tampered with,  
34 it is visibly apparent that the seal on the container of beer  
35 or wine has been tampered with or the sealed container has

1 otherwise been reopened.

2 4. A container of beer or wine other than the original  
3 container that is sold and sealed in compliance with the  
4 requirements of subsection 3 and the division's rules shall  
5 not be deemed an open container subject to the requirements  
6 of sections 321.284 and 321.284A if the sealed container is  
7 unopened and the seal has not been tampered with, and the  
8 contents of the container have not been partially removed.

9 5. *a.* The holder of a class "C" or special class "C" retail  
10 alcohol license, or the licensee's agents or employees, shall  
11 not sell beer or wine to other retail alcohol license holders  
12 knowing or having reasonable cause to believe that the beer  
13 will be resold in another licensed establishment.

14 *b.* A holder of any retail alcohol permit shall not sell wine  
15 except wine which is purchased from a person holding a class  
16 "A" wine permit and on which the tax imposed by section 123.183  
17 has been paid.

18 Sec. 4. NEW SECTION. 123.31B Authority under special class  
19 "B" retail native wine license.

20 1. A person holding a special class "B" retail native wine  
21 license may sell native wine only at retail for consumption off  
22 the premises. Native wine shall be sold for consumption off  
23 the premises in original containers.

24 2. A special class "B" retail native wine licensee having  
25 more than one place of business where wine is sold shall obtain  
26 a separate license for each place of business.

27 Sec. 5. REPEAL. Sections 123.128, 123.129, 123.131,  
28 123.132, 123.140, 123.178, 123.178A, and 123.178B, Code 2022,  
29 are repealed.

30 DIVISION II

31 ALCOHOLIC BEVERAGE CONTROL FEES

32 Sec. 6. Section 123.23, subsection 1, Code 2022, is amended  
33 to read as follows:

34 1. Any manufacturer, distiller, or importer of alcoholic  
35 liquors shipping, selling, or having alcoholic liquors brought

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

23 Sec. 7. Section 123.36, Code 2022, is amended by striking  
24 the section and inserting in lieu thereof the following:

25 **123.36 Retail alcohol license fees.**

26 1. The following fees shall be paid to the division annually  
27 for retail alcohol licenses issued under section 123.30:

28 a. Class "B" retail alcohol license fees shall be determined  
29 as follows:

30 (1) For premises located within the corporate limits of a  
31 city with a population of two thousand five hundred or less, a  
32 fee determined as follows:

33 (a) For a premises with a square footage of one thousand  
34 five hundred or less, seventy-five dollars.

35 (b) For a premises with a square footage of more than one

1 thousand five hundred but not more than two thousand, one  
2 hundred fifty dollars.

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

6 (d) For a premises with a square footage over five thousand,  
7 three hundred fifty dollars.

8 (2) For premises located within the corporate limits of a  
9 city with a population of more than two thousand five hundred  
10 but less than fifteen thousand, a fee determined as follows:

11 (a) For a premises with a square footage of one thousand  
12 five hundred or less, one hundred fifty dollars.

13 (b) For a premises with a square footage of more than one  
14 thousand five hundred but not more than two thousand, two  
15 hundred fifty dollars.

16 (c) For a premises with a square footage of more than two  
17 thousand but not more than five thousand, three hundred fifty  
18 dollars.

19 (d) For a premises with a square footage over five thousand,  
20 five hundred dollars.

21 (3) For premises located within the corporate limits of  
22 a city with a population of fifteen thousand or more, a fee  
23 determined as follows:

24 (a) For a premises with a square footage of one thousand  
25 five hundred or less, two hundred fifty dollars.

26 (b) For a premises with a square footage of more than one  
27 thousand five hundred but not more than two thousand, three  
28 hundred fifty dollars.

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

31 (d) For a premises with a square footage over five thousand,  
32 seven hundred fifty dollars.

33 (4) For premises located outside the corporate limits of  
34 any city, a fee equal to that charged to a premises with the  
35 same square footage in the incorporated city located nearest

1 the premises to be licensed. If there is doubt as to which  
2 of two or more differing corporate limits is the nearest, the  
3 license fee which is the largest shall prevail. However, if  
4 the premises is located in an unincorporated town, for purposes  
5 of this paragraph, the unincorporated town shall be treated as  
6 if it is a city.

7     *b.* Special class "B" retail native wine license fees shall  
8 be one hundred twenty-five dollars.

9     *c.* Class "C" retail alcohol license fees shall be determined  
10 as follows:

11         (1) Commercial establishments located within the corporate  
12 limits of cities of two thousand five hundred population or  
13 less, five hundred fifty dollars.

14         (2) Commercial establishments located within the corporate  
15 limits of cities of over two thousand five hundred and less  
16 than fifteen thousand population, nine hundred dollars.

17         (3) Commercial establishments located within the corporate  
18 limits of cities of fifteen thousand population and over, one  
19 thousand two hundred fifty dollars.

20         (4) Commercial establishments located outside the corporate  
21 limits of any city, a fee equal to that charged in the  
22 incorporated city located nearest the premises to be licensed,  
23 and in case there is doubt as to which of two or more differing  
24 corporate limits is the nearest, the license fee which is the  
25 largest shall prevail. However, if a commercial establishment  
26 is located in an unincorporated town, for purposes of this  
27 paragraph, the unincorporated town shall be treated as if it  
28 is a city.

29     *d.* Special class "C" retail alcohol license fees shall be  
30 determined as follows:

31         (1) Commercial establishments located within the corporate  
32 limits of cities of two thousand five hundred population or  
33 less, one hundred fifty dollars.

34         (2) Commercial establishments located within the corporate  
35 limits of cities of over two thousand five hundred and less

1 than fifteen thousand population, three hundred dollars.

2 (3) Commercial establishments located within the corporate  
3 limits of cities of fifteen thousand population and over, four  
4 hundred fifty dollars.

5 (4) Commercial establishments located outside the corporate  
6 limits of any city, a fee equal to that charged in the  
7 incorporated city located nearest the premises to be licensed,  
8 and in case there is doubt as to which of two or more differing  
9 corporate limits is the nearest, the license fee which is the  
10 largest shall prevail. However, if a commercial establishment  
11 is located in an unincorporated town, for purposes of this  
12 paragraph, the unincorporated town shall be treated as if it  
13 is a city.

14 e. Class "D" retail alcohol license fees shall be determined  
15 as follows:

16 (1) For watercraft, one hundred fifty dollars.

17 (2) For trains, five hundred dollars.

18 (3) For air common carriers, each company shall pay five  
19 hundred dollars.

20 f. Class "E" retail alcohol license fees shall be determined  
21 as follows:

22 (1) For premises located within the corporate limits of a  
23 city with a population of two thousand five hundred or less, a  
24 fee determined as follows:

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

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

30 (c) For a premises with a square footage of more than two  
31 thousand but not more than five thousand, two thousand five  
32 hundred dollars.

33 (d) For a premises with a square footage over five thousand,  
34 three thousand five hundred dollars.

35 (2) For premises located within the corporate limits of a

1 city with a population of more than two thousand five hundred  
2 but less than fifteen thousand, a fee determined as follows:

3 (a) For a premises with a square footage of one thousand  
4 five hundred or less, one thousand five hundred dollars.

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

8 (c) For a premises with a square footage of more than two  
9 thousand but not more than five thousand, three thousand five  
10 hundred dollars.

11 (d) For a premises with a square footage over five thousand,  
12 five thousand dollars.

13 (3) For premises located within the corporate limits of  
14 a city with a population of fifteen thousand or more, a fee  
15 determined as follows:

16 (a) For a premises with a square footage of one thousand  
17 five hundred or less, two thousand five hundred dollars.

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

21 (c) For a premises with a square footage of more than  
22 two thousand but not more than five thousand, five thousand  
23 dollars.

24 (d) For a premises with a square footage over five thousand,  
25 seven thousand five hundred dollars.

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

35 g. Class "F" retail alcohol license fees shall be six

1 hundred dollars, except that for class "F" licenses in cities  
2 of less than two thousand population, and for clubs of less  
3 than two hundred fifty members, the license fee shall be four  
4 hundred dollars; however, the fee shall be two hundred dollars  
5 for any club which is a post, branch, or chapter of a veterans  
6 organization chartered by the Congress of the United States, if  
7 the club does not sell or permit the consumption of alcoholic  
8 beverages on the premises more than one day in any week or  
9 more than a total of fifty-two days in a year, and if the  
10 application for a license states that the club does not and  
11 will not sell or permit the consumption of alcoholic beverages  
12 on the premises more than one day in any week or more than a  
13 total of fifty-two days in a year.

14 2. The division shall credit all fees to the beer and liquor  
15 control fund. The division shall remit to the appropriate  
16 local authority a sum equal to sixty-five percent of the fees  
17 collected for each class "B", class "C", or class "F" license  
18 except special class "C" licenses or class "E" licenses,  
19 covering premises located within the local authority's  
20 jurisdiction. The division shall remit to the appropriate  
21 local authority a sum equal to seventy-five percent of the fees  
22 collected for each special class "C" license covering premises  
23 located within the local authority's jurisdiction. Those fees  
24 collected for each class "E" retail alcohol license shall be  
25 credited to the beer and liquor control fund.

26 3. There is imposed a surcharge on the fee for each class  
27 "C", special class "C", or class "F" retail alcohol license  
28 equal to thirty percent of the scheduled license fee. The  
29 surcharges collected under this subsection shall be deposited  
30 in the beer and liquor control fund, and notwithstanding  
31 subsection 2, no portion of the surcharges collected under this  
32 subsection shall be remitted to the local authority.

33 Sec. 8. Section 123.41, subsection 1, Code 2022, is amended  
34 to read as follows:

35 1. Each completed application to obtain or renew a

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

10 Sec. 9. Section 123.43, subsection 3, Code 2022, is amended  
11 to read as follows:

12 3. A class "A" native distilled spirits license for a native  
13 distillery shall be issued and renewed annually upon payment of  
14 a fee of ~~five~~ three hundred dollars.

15 Sec. 10. Section 123.134, Code 2022, is amended by striking  
16 the section and inserting in lieu thereof the following:

17 **123.134 Beer permit fees.**

18 1. The annual permit fee for a class "A" beer permit is  
19 seven hundred fifty dollars.

20 2. The annual permit fee for a class "A" beer permit for a  
21 native brewery is three hundred dollars.

22 3. The annual permit fee for a special class "A" beer permit  
23 is three hundred dollars.

24 Sec. 11. Section 123.135, subsection 1, Code 2022, is  
25 amended to read as follows:

26 1. A manufacturer, brewer, bottler, importer, or vendor of  
27 beer, or any agent thereof, desiring to ship or sell beer, or  
28 have beer brought into this state for resale by a class "A"  
29 beer permittee, shall first make application for and be issued  
30 a brewer's certificate of compliance by the administrator for  
31 that purpose. The certificate of compliance expires at the  
32 end of one year from the date of issuance and shall be renewed  
33 for a like period upon application to the administrator unless  
34 otherwise revoked for cause. Each completed application for  
35 a certificate of compliance or renewal of a certificate shall

1 be submitted electronically, or in a manner prescribed by the  
2 administrator, and shall be accompanied by a fee of ~~five~~ two  
3 hundred dollars payable to the division. Each holder of a  
4 certificate of compliance shall furnish the information in a  
5 manner the administrator requires.

6 Sec. 12. Section 123.179, Code 2022, is amended by striking  
7 the section and inserting in lieu thereof the following:

8 **123.179 Wine permit and license fees.**

9 1. The annual permit fee for a class "A" wine permit that  
10 is not issued to a native wine manufacturer is seven hundred  
11 fifty dollars.

12 2. The annual permit fee for a class "A" wine permit issued  
13 to a native wine manufacturer is one hundred dollars.

14 3. The fee for a charity beer, spirits, and wine special  
15 event license is one hundred dollars.

16 Sec. 13. Section 123.180, subsection 1, Code 2022, is  
17 amended to read as follows:

18 1. A manufacturer, vintner, bottler, importer, or vendor of  
19 wine, or an agent thereof, desiring to ship, sell, or have wine  
20 brought into this state for sale at wholesale by a class "A"  
21 permittee shall first make application for and shall be issued  
22 a vintner's certificate of compliance by the administrator  
23 for that purpose. The vintner's certificate of compliance  
24 shall expire at the end of one year from the date of issuance  
25 and shall be renewed for a like period upon application to  
26 the administrator unless otherwise revoked for cause. Each  
27 completed application for a vintner's certificate of compliance  
28 or renewal of a certificate shall be submitted electronically,  
29 or in a manner prescribed by the administrator, and shall be  
30 accompanied by a fee of ~~one~~ two hundred dollars payable to the  
31 division. Each holder of a vintner's certificate of compliance  
32 shall furnish the information required by the administrator in  
33 the form the administrator requires. A vintner or wine bottler  
34 whose plant is located in Iowa and who otherwise holds a class  
35 "A" wine permit to sell wine at wholesale is exempt from the

1 fee, but not the other terms and conditions. The holder of a  
2 vintner's certificate of compliance may also hold a class "A"  
3 wine permit.

4 DIVISION III

5 ALCOHOLIC BEVERAGE CONTROL

6 Sec. 14. Section 123.3, subsections 9, 22, 29, and 30, Code  
7 2022, are amended to read as follows:

8 9. "*Brewpub*" means a commercial establishment authorized to  
9 sell beer at retail for consumption on or off the premises that  
10 is operated by a person who holds a class "C" ~~liquor control~~ or  
11 special class "C" retail alcohol license ~~or a class "B" beer~~  
12 ~~permit~~ and who also holds a special class "A" beer permit that  
13 authorizes the holder to manufacture and sell beer pursuant to  
14 this chapter.

15 22. "*High alcoholic content beer*" means beer which contains  
16 more than six and twenty-five hundredths percent of alcohol by  
17 volume, but not more than ~~fifteen~~ nineteen percent of alcohol  
18 by volume, that is made by the fermentation of an infusion  
19 in potable water of barley, malt, and hops, with or without  
20 unmalted grains or decorticated and degerminated grains. Not  
21 more than one and five-tenths percent of the volume of a "*high*  
22 *alcoholic content beer*" may consist of alcohol derived from  
23 added flavors and other nonbeverage ingredients containing  
24 alcohol. The added flavors and other nonbeverage ingredients  
25 may not include added caffeine or other added stimulants  
26 including but not limited to guarana, ginseng, and taurine.

27 29. "*Licensed premises*" or "*premises*" means all rooms,  
28 enclosures, contiguous areas, or places susceptible of precise  
29 description satisfactory to the administrator where alcoholic  
30 beverages, wine, or beer is sold or consumed under authority of  
31 a ~~liquor control~~ retail alcohol license, wine permit, or beer  
32 permit. A single licensed premises may consist of multiple  
33 rooms, enclosures, areas, or places if they are wholly within  
34 the confines of a single building or contiguous grounds.

35 30. "*Local authority*" means the city council of any

1 incorporated city in this state, or the county board of  
2 supervisors of any county in this state, which is empowered by  
3 this chapter to approve or deny applications for retail ~~beer or~~  
4 ~~wine permits and liquor control~~ alcohol licenses; empowered to  
5 recommend that such ~~permits or~~ licenses be granted and issued  
6 by the division; and empowered to take other actions reserved  
7 to them by [this chapter](#).

8 Sec. 15. Section 123.3, subsection 40, paragraph b, Code  
9 2022, is amended to read as follows:

10 b. The person is not prohibited by [section 123.40](#) from  
11 obtaining a ~~liquor control~~ retail alcohol license or a wine or  
12 beer permit.

13 Sec. 16. Section 123.3, subsection 45, Code 2022, is amended  
14 by striking the subsection and inserting in lieu thereof the  
15 following:

16 45. "*Retail alcohol license*" means a class "B", class "C",  
17 special class "C", class "D", class "E", or class "F" retail  
18 alcohol license, or a special class "B" retail native wine  
19 license issued under this chapter.

20 Sec. 17. Section 123.3, subsection 46, Code 2022, is amended  
21 by striking the subsection.

22 Sec. 18. Section 123.9, subsections 5 and 7, Code 2022, are  
23 amended to read as follows:

24 5. To grant and issue beer permits, wine permits, ~~liquor~~  
25 ~~control~~ retail alcohol licenses, and other licenses; and to  
26 suspend or revoke all such permits and licenses for cause under  
27 this chapter.

28 7. To accept alcoholic liquors ordered delivered to the  
29 alcoholic beverages division pursuant to [chapter 809A](#), and  
30 offer for sale and deliver the alcoholic liquors to class  
31 "E" ~~liquor control~~ retail alcohol licensees, unless the  
32 administrator determines that the alcoholic liquors may be  
33 adulterated or contaminated. If the administrator determines  
34 that the alcoholic liquors may be adulterated or contaminated,  
35 the administrator shall order their destruction.

1     Sec. 19. Section 123.10, subsections 3, 6, and 14, Code  
2 2022, are amended to read as follows:

3     3. Regulating the purchase of alcoholic liquor generally  
4 and the furnishing of the liquor to class "E" ~~liquor control~~  
5 retail alcohol licensees under [this chapter](#), and determining  
6 the classes, varieties, and brands of alcoholic liquors to be  
7 kept in state warehouses.

8     6. Providing for the issuance and electronic distribution  
9 of price lists which show the price to be paid by class "E"  
10 ~~liquor control~~ retail alcohol licensees for each brand,  
11 class, or variety of liquor kept for sale by the division,  
12 providing for the filing or posting of prices charged in sales  
13 between class "A" beer and class "A" wine permit holders and  
14 retailers, as provided in [this chapter](#), and establishing or  
15 controlling the prices based on minimum standards of fill,  
16 quantity, or alcoholic content for each individual sale of  
17 alcoholic beverages as deemed necessary for retail or consumer  
18 protection. However, the division shall not regulate markups,  
19 prices, discounts, allowances, or other terms of sale at which  
20 alcoholic liquor may be purchased by the retail public or  
21 ~~liquor control~~ retail alcohol licensees from class "E" ~~liquor~~  
22 ~~control~~ retail alcohol licensees or at which wine may be  
23 purchased and sold by class "A" and retail wine permittees, or  
24 change, nullify, or vary the terms of an agreement between a  
25 holder of a vintner certificate of compliance and a class "A"  
26 wine permittee.

27     14. Prescribing the uniform fee to be assessed against  
28 a class "B" beer permittee, class "C" native wine permittee,  
29 ~~or liquor control~~ retail alcohol licensee, except a class  
30 "B", special class "B", or class "E" ~~liquor control~~ retail  
31 alcohol licensee, to cover the administrative costs incurred  
32 by the division resulting from the failure of the licensee ~~or~~  
33 ~~permittee~~ to maintain dramshop liability insurance coverage  
34 pursuant to [section 123.92, subsection 2](#), paragraph "a".

35     Sec. 20. Section 123.15, Code 2022, is amended to read as

1 follows:

2 **123.15 Favors from licensee or permittee.**

3 A person responsible for the administration or enforcement  
4 of [this chapter](#) shall not accept or solicit donations,  
5 gratuities, political advertising, gifts, or other favors,  
6 directly or indirectly, from any ~~liquor control~~ retail alcohol  
7 licensee, wine permittee, or beer permittee.

8 Sec. 21. Section 123.16, subsections 6 and 7, Code 2022, are  
9 amended to read as follows:

10 6. The number of ~~liquor control~~ retail alcohol licenses,  
11 wine permits, and beer permits issued, by class, the number in  
12 effect on the last day included in the report, and the number  
13 which have been suspended or revoked during the period covered  
14 by the report.

15 7. Amount of fees paid to the division from ~~liquor control~~  
16 retail alcohol licenses, wine permits, and beer permits, in  
17 gross, and the amount of ~~liquor control~~ retail alcohol license  
18 fees returned to local subdivisions of government as provided  
19 under [this chapter](#).

20 Sec. 22. Section 123.22, subsection 1, Code 2022, is amended  
21 to read as follows:

22 1. The division has the exclusive right of importation  
23 into the state of all forms of alcoholic liquor, except as  
24 otherwise provided in [this chapter](#), and a person shall not  
25 import alcoholic liquor, except that an individual of legal age  
26 may import and have in the individual's possession an amount of  
27 alcoholic liquor not exceeding nine liters per calendar month  
28 that the individual personally obtained outside the state.  
29 Alcoholic liquor imported by an individual pursuant to this  
30 subsection shall be for personal consumption only in a private  
31 home or other private accommodation. A distillery shall not  
32 sell alcoholic liquor within the state to any person but only  
33 to the division, except as otherwise provided in [this chapter](#).  
34 This section vests in the division exclusive control within the  
35 state as purchaser of all alcoholic liquor sold by distilleries

1 within the state or imported, except beer and wine, and except  
2 as otherwise provided in [this chapter](#). The division shall  
3 receive alcoholic liquor on a bailment system for resale by the  
4 division in the manner set forth in [this chapter](#). The division  
5 shall act as the sole wholesaler of alcoholic liquor to class  
6 "E" ~~liquor control~~ retail alcohol licensees.

7 Sec. 23. Section 123.24, Code 2022, is amended to read as  
8 follows:

9 **123.24 Alcoholic liquor sales by the division — dishonored**  
10 **payments — liquor prices.**

11 1. The division shall sell alcoholic liquor at wholesale  
12 only. The division shall sell alcoholic liquor to class "E"  
13 ~~liquor control~~ retail alcohol licensees only. The division  
14 shall offer the same price on alcoholic liquor to all class "E"  
15 ~~liquor control~~ retail alcohol licensees without regard for the  
16 quantity of purchase or the distance for delivery.

17 2. The price of alcoholic liquor sold by the division shall  
18 consist of the following:

19 a. The manufacturer's price.

20 b. A markup of up to fifty percent of the wholesale price  
21 paid by the division for the alcoholic liquor. The division  
22 may increase the markup on selected kinds of alcoholic liquor  
23 sold by the division if the average return to the division on  
24 all sales of alcoholic liquor does not exceed the wholesale  
25 price paid by the division and the fifty percent markup.

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

29 d. A bottle surcharge in an amount sufficient, when added  
30 to the amount not refunded to class "E" ~~liquor control~~ retail  
31 alcohol licensees pursuant to [section 455C.2](#), to pay the costs  
32 incurred by the division for collecting and properly disposing  
33 of the liquor containers. The amount collected pursuant to  
34 this paragraph, in addition to any amounts not refunded to  
35 class "E" ~~liquor control~~ retail alcohol licensees pursuant

1 to [section 455C.2](#), shall be deposited in the beer and liquor  
2 control fund established under [section 123.17](#).

3 3. *a.* The division may accept from a class "E" ~~liquor~~  
4 ~~control~~ retail alcohol licensee electronic funds transferred  
5 by automated clearing house, wire transfer, or another method  
6 deemed acceptable by the administrator, in payment of alcoholic  
7 liquor. If a payment is subsequently dishonored, the division  
8 shall cause a notice of nonpayment and penalty to be served  
9 upon the class "E" ~~liquor control~~ retail alcohol licensee or  
10 upon any person in charge of the licensed premises. The notice  
11 shall state that if payment or satisfaction for the dishonored  
12 payment is not made within ten days of the service of notice,  
13 the licensee's ~~liquor control~~ retail alcohol license may be  
14 suspended under [section 123.39](#). The notice of nonpayment and  
15 penalty shall be in a form prescribed by the administrator, and  
16 shall be sent by certified mail.

17 *b.* If upon notice and hearing under [section 123.39](#) and  
18 pursuant to the provisions of [chapter 17A](#) concerning a  
19 contested case hearing, the administrator determines that the  
20 class "E" ~~liquor control~~ retail alcohol licensee failed to  
21 satisfy the obligation for which the payment was issued within  
22 ten days after the notice of nonpayment and penalty was served  
23 on the licensee as provided in paragraph "a" of [this subsection](#),  
24 the administrator may suspend the licensee's class "E" ~~liquor~~  
25 ~~control~~ retail alcohol license for a period not to exceed ten  
26 days.

27 4. The administrator may refuse to sell alcoholic liquor  
28 to a class "E" ~~liquor control~~ retail alcohol licensee who  
29 tenders a payment which is subsequently dishonored until the  
30 outstanding obligation is satisfied.

31 Sec. 24. Section 123.26, Code 2022, is amended to read as  
32 follows:

33 **123.26 Restrictions on sales — seals — labeling.**

34 Alcoholic liquor shall not be sold by a class "E" ~~liquor~~  
35 ~~control~~ retail alcohol licensee except in a sealed container

1 with identifying markers as prescribed by the administrator  
2 and affixed in the manner prescribed by the administrator, and  
3 no such container shall be opened upon the premises of a state  
4 warehouse. The division shall cooperate with the department  
5 of natural resources so that only one identifying marker or  
6 mark is needed to satisfy the requirements of [this section](#) and  
7 section 455C.5, subsection 1. Possession of alcoholic liquors  
8 which do not carry the prescribed identifying markers is a  
9 violation of [this chapter](#) except as provided in [section 123.22](#).

10 Sec. 25. Section 123.28, subsections 2 and 5, Code 2022, are  
11 amended to read as follows:

12 2. The division shall deliver alcoholic liquor purchased by  
13 class "E" ~~liquor control~~ retail alcohol licensees. Class "E"  
14 ~~liquor control~~ retail alcohol licensees may deliver alcoholic  
15 liquor purchased by ~~class "A", class "B", class "C", class "C"~~  
16 ~~native distilled spirits, or class "D" liquor control, or class~~  
17 ~~"F" retail alcohol~~ licensees, and ~~class "A", class "B", class~~  
18 ~~"C", class "C" native distilled spirits, or class "D" liquor~~  
19 ~~control, or class "F" retail alcohol~~ licensees may transport  
20 alcoholic liquor purchased from class "E" ~~liquor control~~ retail  
21 alcohol licensees.

22 5. [This section](#) does not affect the right of a ~~liquor~~  
23 ~~control~~ retail alcohol license holder to purchase, possess, or  
24 transport alcoholic liquors subject to [this chapter](#).

25 Sec. 26. Section 123.32, Code 2022, is amended to read as  
26 follows:

27 123.32 Action by local authorities and division on  
28 applications for ~~liquor control~~ retail alcohol licenses, native  
29 distilled spirits licenses, and wine and beer permits.

30 1. *Filing of application.*

31 a. A completed application for a ~~class "A", class "B", class~~  
32 ~~"C", special class "C", class "C" native distilled spirits, or~~  
33 ~~class "E" liquor control~~ retail alcohol license as provided  
34 in [section 123.31](#), for a retail beer permit as provided in  
35 ~~sections 123.128 and 123.129~~, or for a class "B", class "B"

1 ~~native, or class "C" native retail wine permit as provided in~~  
2 ~~section 123.175~~ except a class "D" retail alcohol license,  
3 shall be filed with the appropriate city council if the  
4 premises for which the license ~~or permit~~ is sought are located  
5 within the corporate limits of a city, or with the board of  
6 supervisors if the premises for which the license ~~or permit~~ is  
7 sought are located outside the corporate limits of a city.

8     *b.* A completed application for a class "D" ~~liquor~~  
9 ~~control retail alcohol~~ license and for any of the following  
10 certificates, licenses, or permits shall be submitted to the  
11 division electronically, or in a manner prescribed by the  
12 administrator, which shall proceed in the same manner as in the  
13 case of an application approved by local authorities:

14     (1) A certificate of compliance as provided in sections  
15 123.23, 123.135, and 123.180.

16     (2) A class "D" ~~liquor control~~ retail alcohol license as  
17 provided in section 123.31.

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

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

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

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

24     (7) A charity beer, spirits, and wine ~~auction permit~~ special  
25 event license as provided in section 123.173A.

26     ~~(8) A charity beer, spirits, and wine event permit as~~  
27 ~~provided in section 123.173B.~~

28     ~~(9)~~ (8) A class "A" wine permit as provided in section  
29 123.175.

30     ~~(10)~~ (9) A wine direct shipper's permit as provided in  
31 section 123.187.

32     ~~(11)~~ (10) A wine carrier permit as provided in section  
33 123.188.

34     2. *Action by local authorities.* The local authority shall  
35 either approve or disapprove the issuance of a ~~liquor control~~

1 retail alcohol license, a retail wine permit, or a retail  
2 ~~beer permit,~~ shall endorse its approval or disapproval on  
3 the application, and shall forward the application with the  
4 necessary fee and bond, if required, to the division. There  
5 is no limit upon the number of ~~liquor control~~ retail alcohol  
6 ~~licenses, retail wine permits, or retail beer permits~~ which may  
7 be approved for issuance by local authorities.

8 3. *Licensed premises for local events.* A local authority  
9 may define, by motion of the local authority, licensed premises  
10 which shall be used by holders of ~~liquor control~~ retail alcohol  
11 ~~licenses, beer permits, and wine permits~~ at festivals, fairs,  
12 or celebrations which are sponsored or authorized by the local  
13 authority. The licensed premises defined by motion of the  
14 local authority shall be used by the holders of five-day or  
15 fourteen-day class "A", class "B", class "C", special class  
16 "C", ~~or class "D"~~ liquor control, or class "F" retail alcohol  
17 ~~licenses, or five-day or fourteen-day class "B" or class "C"~~  
18 ~~native wine permits, or class "B" beer permits only.~~

19 4. *Security employee training.* A local authority, as a  
20 condition of obtaining and holding a license ~~or permit~~ for  
21 on-premises consumption, may require a designated security  
22 employee as defined in [section 123.3](#) to be trained and  
23 certified in security methods. The training shall include but  
24 is not limited to de-escalation techniques, anger management  
25 techniques, civil rights or unfair practices awareness as  
26 provided in [section 216.7](#), recognition of fake or altered  
27 identification, information on laws applicable to the serving  
28 of alcohol at a licensed premises, use of force and techniques  
29 for safely removing patrons, and instruction on the proper  
30 physical restraint methods used against a person who has become  
31 combative.

32 5. *Occupancy rates.* A local authority located in a county  
33 with a population that exceeds three hundred thousand persons,  
34 as a condition of obtaining and holding a license ~~or permit~~  
35 for on-premises consumption, shall require the applicant, or

1 licensee, ~~or permittee~~ to provide, and update if necessary, the  
2 occupancy rate of the licensed premises.

3 6. *Action by administrator.*

4 a. Upon receipt of an application having been disapproved  
5 by the local authority, the administrator shall notify the  
6 applicant that the applicant may appeal the disapproval of  
7 the application to the administrator. The applicant shall  
8 be notified by certified mail or personal service, and the  
9 application, the fee, and any bond shall be returned to the  
10 applicant.

11 b. Upon receipt of an application having been approved by  
12 the local authority, the division shall make an investigation  
13 as the administrator deems necessary to determine that  
14 the applicant complies with all requirements for holding a  
15 license ~~or permit~~, and may require the applicant to appear  
16 to be examined under oath to demonstrate that the applicant  
17 complies with all of the requirements to hold a license  
18 ~~or permit~~. If the administrator requires the applicant to  
19 appear and to testify under oath, a record shall be made of  
20 all testimony or evidence and the record shall become a part  
21 of the application. The administrator may appoint a member  
22 of the division or may request an administrative law judge  
23 of the department of inspections and appeals to receive the  
24 testimony under oath and evidence, and to issue a proposed  
25 decision to approve or disapprove the application for a license  
26 ~~or permit~~. The administrator may affirm, reverse, or modify  
27 the proposed decision to approve or disapprove the application  
28 for the license ~~or permit~~. If the application is approved  
29 by the administrator, the license ~~or permit~~ shall be issued.  
30 If the application is disapproved by the administrator, the  
31 applicant shall be so notified by certified mail or personal  
32 service and the appropriate local authority shall be notified  
33 electronically, or in a manner prescribed by the administrator.

34 7. *Appeal to administrator.* An applicant for a liquor  
35 ~~control~~ retail alcohol license, ~~wine permit, or beer permit~~ may

1 appeal from the local authority's disapproval of an application  
2 for a license or permit to the administrator. In the appeal  
3 the applicant shall be allowed the opportunity to demonstrate  
4 in an evidentiary hearing conducted pursuant to [chapter 17A](#)  
5 that the applicant complies with all of the requirements for  
6 holding the license or permit. The administrator may appoint  
7 a member of the division or may request an administrative law  
8 judge from the department of inspections and appeals to conduct  
9 the evidentiary hearing and to render a proposed decision to  
10 approve or disapprove the issuance of the license or permit.  
11 The administrator may affirm, reverse, or modify the proposed  
12 decision. If the administrator determines that the applicant  
13 complies with all of the requirements for holding a license  
14 or permit, the administrator shall order the issuance of the  
15 license or permit. If the administrator determines that the  
16 applicant does not comply with the requirements for holding  
17 a license or permit, the administrator shall disapprove the  
18 issuance of the license or permit.

19 8. *Judicial review.* The applicant or the local authority  
20 may seek judicial review of the action of the administrator  
21 in accordance with the terms of the Iowa administrative  
22 procedure Act, [chapter 17A](#). Notwithstanding the terms of the  
23 Iowa administrative procedure Act, [chapter 17A](#), petitions  
24 for judicial review may be filed in the district court of  
25 the county where the premises covered by the application are  
26 situated.

27 9. *Suspension by local authority.* A ~~liquor control~~ retail  
28 alcohol licensee ~~or a wine or beer permittee~~ whose license  
29 ~~or permit~~ has been suspended or revoked or a civil penalty  
30 imposed by a local authority for a violation of [this chapter](#)  
31 or suspended by a local authority for violation of a local  
32 ordinance may appeal the suspension, revocation, or civil  
33 penalty to the administrator. The administrator may appoint  
34 a member of the division or may request an administrative law  
35 judge from the department of inspections and appeals to hear

1 the appeal which shall be conducted in accordance with chapter  
2 17A and to issue a proposed decision. The administrator may  
3 review the proposed decision upon the motion of a party to the  
4 appeal or upon the administrator's own motion in accordance  
5 with [chapter 17A](#). Upon review of the proposed decision, the  
6 administrator may affirm, reverse, or modify the proposed  
7 decision. A ~~liquor control retail alcohol licensee, wine or~~  
8 ~~beer permittee~~, or a local authority aggrieved by a decision  
9 of the administrator may seek judicial review of the decision  
10 pursuant to [chapter 17A](#).

11 Sec. 27. Section 123.34, Code 2022, is amended to read as  
12 follows:

13 ~~123.34 Expiration of licenses, permits, and certificates~~  
14 ~~of compliance — seasonal~~ Seasonal, fourteen-day, and five-day  
15 licenses and permits — fees.

16 ~~1. All licenses, permits, and certificates of compliance,~~  
17 ~~unless sooner suspended or revoked, expire one year from date~~  
18 ~~of issuance. The administrator shall notify a license, permit,~~  
19 ~~or certificate holder electronically, or in a manner prescribed~~  
20 ~~by the administrator, sixty days prior to the expiration of~~  
21 ~~each license, permit, or certificate.~~

22 ~~2. 1. a.~~ The administrator may issue six-month or  
23 eight-month seasonal class "A", class "B", class "C", special  
24 class "C", and class "D" ~~liquor control and class "F" retail~~  
25 alcohol licenses, class "B" wine permits, class "B" or class  
26 "C" native wine permits, or class "B" beer permits.

27 ~~b.~~ The fee for a ~~six-month or an~~ eight-month seasonal  
28 license or permit issued pursuant to [this subsection](#) shall be  
29 ~~for a proportionate part~~ fifty percent of the license or permit  
30 fee for that class of license or permit. However, the fee for  
31 a seasonal class "B" native wine permit shall be the permit fee  
32 provided in [section 123.179, subsection 4](#), and the fee for a  
33 seasonal class "C" native wine permit shall be the permit fee  
34 provided in [section 123.179, subsection 5](#).

35 ~~3. 2. a.~~ The administrator may issue fourteen-day class

1 ~~"A", class "B", class "C", special class "C", and class "D"~~  
2 ~~liquor control and class "F" retail alcohol licenses, and~~  
3 ~~fourteen-day class "B" beer permits, class "B" native wine~~  
4 ~~permits, and class "C" native wine permits.~~

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

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

17     ~~(2) The fee for a fourteen-day class "B" native wine permit~~  
18 ~~shall be the permit fee provided in [section 123.179, subsection](#)~~  
19 ~~4, and the fee for a fourteen-day class "C" native wine permit~~  
20 ~~is the permit fee provided in [section 123.179, subsection 5](#).~~

21     ~~4. 3. a. The administrator may issue five-day class "A",~~  
22 ~~class "B", class "C", special class "C", and class "D" liquor~~  
23 ~~control, and class "F" retail alcohol licenses, and five-day~~  
24 ~~class "B" beer permits, class "B" native wine permits, and~~  
25 ~~class "C" native wine permits.~~

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

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

1 ~~price of the five-day liquor control license or beer permit.~~

2 ~~(2) The fee for a five-day class "B" native wine permit~~  
3 ~~shall be the permit fee provided in section 123.179, subsection~~  
4 ~~4, and the fee for a five-day class "C" native wine permit is~~  
5 ~~the permit fee provided in section 123.179, subsection 5.~~

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

11 Sec. 28. NEW SECTION. 123.35 **Expiration of licenses,**  
12 **permits, and certificates of compliance — automatic renewals.**

13 1. Except as otherwise provided by this chapter, all  
14 licenses, permits, and certificates of compliance, unless  
15 sooner suspended or revoked, expire one year from date of  
16 issuance.

17 2. Notwithstanding section 123.31 and any other provision  
18 of this chapter to the contrary, a class "E" retail alcohol  
19 license shall automatically renew without the endorsement  
20 of a local authority or approval by the administrator upon  
21 collection of the annual fee by the division, provided all of  
22 the following conditions are met since the preceding license  
23 was issued:

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

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

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

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

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

35 f. The licensee and all persons associated with the licensee

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

3 g. The licensed premises constitutes a safe and proper place  
4 or building and conforms with all applicable federal, state,  
5 and local laws, orders, ordinances, rules, resolutions, and  
6 health and fire regulations.

7 3. Notwithstanding sections 123.23, 123.135, 123.180,  
8 and any other provision of this chapter to the contrary, a  
9 distiller's, brewer's, or vintner's certificate of compliance  
10 shall automatically renew without approval by the administrator  
11 upon collection of the annual fee by the division, provided  
12 all of the following conditions are met since the preceding  
13 certificate was issued:

14 a. The certificate holder has given written consent to  
15 the division to have the certificate automatically renewed as  
16 provided in this section.

17 b. The certificate has not been suspended or revoked.

18 c. A civil penalty has not been imposed against the  
19 certificate holder.

20 d. An administrative proceeding is not pending against the  
21 certificate holder to suspend or revoke the certificate or to  
22 impose a civil penalty under this chapter.

23 e. The certificate holder and all persons associated  
24 with the certificate holder as described in section 123.3,  
25 subsection 40, paragraph "e", have not been convicted of a  
26 violation of this chapter.

27 4. Notwithstanding section 123.187 and any other provision  
28 of this chapter to the contrary, a wine direct shipper's permit  
29 shall automatically renew without approval by the administrator  
30 upon collection of the annual fee by the division, provided all  
31 of the following conditions are met since the preceding permit  
32 was issued:

33 a. The permittee has given written consent to the division  
34 to have the permit automatically renewed as provided in this  
35 section.

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

2     *c.* A civil penalty has not been imposed against the  
3 permittee.

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

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

9     *f.* The permittee and all persons associated with the  
10 permittee as described in section 123.3, subsection 40,  
11 paragraph "e", have not been convicted of a violation of this  
12 chapter.

13     Sec. 29. Section 123.38, subsection 1, Code 2022, is amended  
14 to read as follows:

15     1. A ~~liquor control~~ retail alcohol license, wine permit,  
16 or beer permit is a personal privilege and is revocable for  
17 cause. It is not property nor is it subject to attachment  
18 and execution nor alienable nor assignable, and it shall  
19 cease upon the death of the permittee or licensee. However,  
20 the administrator of the division may in the administrator's  
21 discretion allow the executor or administrator of the estate of  
22 a permittee or licensee to operate the business of the decedent  
23 for a reasonable time not to exceed the expiration date of the  
24 permit or license. Every permit or license shall be issued in  
25 the name of the applicant and no person holding a permit or  
26 license shall allow any other person to use it.

27     Sec. 30. Section 123.38, subsection 2, paragraph a,  
28 subparagraph (4), Code 2022, is amended to read as follows:

29     (4) No refund shall be made for any ~~liquor control~~ retail  
30 alcohol license, wine permit, or beer permit surrendered more  
31 than nine months after issuance.

32     Sec. 31. Section 123.39, subsection 1, paragraph a, Code  
33 2022, is amended to read as follows:

34     *a.* (1) The administrator or the local authority may suspend  
35 a ~~class "A"~~, class "B", special class "B" native wine, class

1 "C", special class "C", ~~class "C" native distilled spirits, or~~  
2 class "E" ~~liquor control~~, or class "F" retail alcohol license,  
3 ~~or retail wine or beer permit~~ charity beer, spirits, and wine  
4 special event license for a period not to exceed one year,  
5 revoke the license ~~or permit~~, or impose a civil penalty not to  
6 exceed one thousand dollars per violation.

7 (2) The administrator may suspend a certificate of  
8 compliance, a class "D" ~~liquor control~~ retail alcohol license,  
9 a manufacturer's license, a broker's permit, a class "A" native  
10 distilled spirits license, a class "A" or special class "A"  
11 beer permit, ~~a charity beer, spirits, and wine auction permit,~~  
12 a class "A" wine permit, a wine direct shipper's permit, or a  
13 wine carrier permit for a period not to exceed one year, revoke  
14 the license, permit, or certificate, or impose a civil penalty  
15 not to exceed one thousand dollars per violation.

16 Sec. 32. Section 123.39, subsection 1, paragraph b,  
17 subparagraph (3), Code 2022, is amended to read as follows:

18 (3) Any change in the ownership or interest in the business  
19 operated under a ~~liquor control~~ retail alcohol license, ~~or any~~  
20 ~~wine or beer permit~~, which change was not previously reported  
21 in a manner prescribed by the administrator within thirty days  
22 of the change and subsequently approved by the local authority,  
23 when applicable, and the division.

24 Sec. 33. Section 123.39, subsections 2 and 3, Code 2022, are  
25 amended to read as follows:

26 2. Local authorities may suspend any ~~liquor control~~ retail  
27 alcohol license ~~or retail wine or beer permit~~ for a violation  
28 of any ordinance or regulation adopted by the local authority.  
29 Local authorities may adopt ordinances or regulations for the  
30 location of the premises of ~~liquor control~~ retail alcohol  
31 licensed ~~and retail wine or beer permitted~~ establishments  
32 and local authorities may adopt ordinances, not in conflict  
33 with [this chapter](#) and that do not diminish the hours during  
34 which alcoholic beverages may be sold or consumed at retail,  
35 governing any other activities or matters which may affect the

1 retail sale and consumption of alcoholic beverages and the  
2 health, welfare and morals of the community involved.

3 3. When a ~~liquor control~~ retail alcohol license ~~or retail~~  
4 ~~wine or beer permit~~ is suspended after a hearing as a result  
5 of violations of **this chapter** by the licensee, ~~permittee~~  
6 or the licensee's ~~or permittee's~~ agents or employees, the  
7 premises which were licensed by the license ~~or permit~~ shall  
8 not be relicensed for a new applicant until the suspension  
9 has terminated or time of suspension has elapsed, or ninety  
10 days have elapsed since the commencement of the suspension,  
11 whichever occurs first. However, **this section** does not  
12 prohibit the premises from being relicensed to a new applicant  
13 before the suspension has terminated or before the time of  
14 suspension has elapsed or before ninety days have elapsed from  
15 the commencement of the suspension, if the premises prior to  
16 the time of the suspension had been purchased under contract,  
17 and the vendor under that contract had exercised the person's  
18 rights under **chapter 656** and sold the property to a different  
19 person who is not related to the previous licensee or permittee  
20 by marriage or within the third degree of consanguinity or  
21 affinity and if the previous licensee or permittee does not  
22 have a financial interest in the business of the new applicant.

23 Sec. 34. Section 123.40, Code 2022, is amended to read as  
24 follows:

25 **123.40 Effect of revocation.**

26 Any ~~liquor control~~ retail alcohol licensee, wine permittee,  
27 or beer permittee whose license or permit is revoked under this  
28 chapter shall not thereafter be permitted to hold a ~~liquor~~  
29 ~~control~~ retail alcohol license, wine permit, or beer permit in  
30 the state of Iowa for a period of two years from the date of  
31 revocation. A spouse or business associate holding ten percent  
32 or more of the capital stock or ownership interest in the  
33 business of a person whose license or permit has been revoked  
34 shall not be issued a ~~liquor control~~ retail alcohol license,  
35 wine permit, or beer permit, and no ~~liquor control~~ retail

1 alcohol license, wine permit, or beer permit shall be issued  
2 which covers any business in which such person has a financial  
3 interest for a period of two years from the date of revocation.  
4 If a license or permit is revoked, the premises which had been  
5 covered by the license or permit shall not be relicensed for  
6 one year.

7 Sec. 35. Section 123.43A, subsection 6, Code 2022, is  
8 amended to read as follows:

9 6. Notwithstanding any provision of this chapter to the  
10 contrary or the fact that a person is the holder of a class  
11 "A" native distilled spirits license, a native distillery  
12 which, combining all production facilities of the business,  
13 produces and manufactures not more than one hundred thousand  
14 proof gallons of native distilled spirits on an annual basis  
15 may sell those native distilled spirits manufactured on the  
16 premises of the native distillery for consumption on the  
17 premises by applying for a class "C" ~~native distilled spirits~~  
18 ~~liquor control~~ retail alcohol license as provided in section  
19 123.30. A native distillery may be granted not more than  
20 two class "C" ~~native distilled spirits liquor control~~ retail  
21 alcohol licenses. All native distilled spirits sold by a  
22 native distillery for on-premises consumption and mixed drinks  
23 or cocktails sold for consumption off the premises shall be  
24 purchased from a class "E" ~~liquor control~~ retail alcohol  
25 licensee. A manufacturer of native distilled spirits may be  
26 issued a class "C" ~~native distilled spirits liquor control~~  
27 retail alcohol license regardless of whether the manufacturer  
28 is also a manufacturer of beer pursuant to a class "A" beer  
29 permit or a manufacturer of native wine pursuant to a class "A"  
30 wine permit.

31 Sec. 36. Section 123.45, subsection 1, paragraph d, Code  
32 2022, is amended to read as follows:

33 d. Hold a retail ~~liquor control~~ alcohol license or retail  
34 ~~wine or beer permit~~, unless the licensee or permittee holding a  
35 retail ~~liquor control~~ alcohol license or ~~retail wine or beer~~

1 ~~permit~~ does not purchase or sell the alcoholic beverages of  
2 the person engaged in the business of manufacturing, bottling,  
3 or wholesaling alcoholic beverages. However, a person engaged  
4 in the business of manufacturing wine that is not native wine  
5 may purchase and sell the person's wine under the authority  
6 of a special class "C" ~~liquor control~~ retail alcohol license  
7 and a class "B" ~~wine permit~~ retail alcohol license provided  
8 the licensed premises is the principal office, as defined in  
9 section 490.140, of the person.

10 Sec. 37. Section 123.45, subsection 3, Code 2022, is amended  
11 to read as follows:

12 3. A person engaged in the wholesaling of beer or wine  
13 may sell only disposable glassware, which is constructed of  
14 paper, paper laminated, or plastic materials and designed  
15 primarily for personal consumption on a one-time usage  
16 basis, to retailers for use within the premises of licensed  
17 establishments, for an amount which is greater than or equal  
18 to an amount which represents the greater of either the amount  
19 paid for the disposable glassware by the supplier or the amount  
20 paid for the disposable glassware by the wholesaler. Also, a  
21 person engaged in the business of manufacturing beer may sell  
22 beer at retail for consumption on or off the premises of the  
23 manufacturing facility and, notwithstanding any other provision  
24 of [this chapter](#) or the fact that a person is the holder of  
25 a class "A" beer permit, may be granted not more than two  
26 class "~~B~~" ~~beer permits~~ "C" or special class "C" retail alcohol  
27 licenses as defined in [section ~~123.124~~ 123.30](#) for that purpose  
28 regardless of whether that person is also a manufacturer  
29 of native distilled spirits pursuant to a class "A" native  
30 distilled spirits license or a manufacturer of native wine  
31 pursuant to a class "A" wine permit.

32 Sec. 38. Section 123.46, subsection 2, Code 2022, is amended  
33 to read as follows:

34 2. A person shall not use or consume alcoholic liquor, wine,  
35 or beer upon the public streets or highways. A person shall

1 not use or consume alcoholic liquor in any public place except  
2 premises covered by a ~~liquor control~~ retail alcohol license.  
3 A person shall not possess or consume alcoholic liquors,  
4 wine, or beer on public school property or while attending a  
5 public or private school-related function. A person shall not  
6 be intoxicated in a public place. A person violating this  
7 subsection is guilty of a simple misdemeanor.

8 Sec. 39. Section 123.46A, Code 2022, is amended to read as  
9 follows:

10 **123.46A Delivery of alcoholic beverages by retailers.**

11 1. Licensees and ~~permittees~~ authorized to sell alcoholic  
12 liquor, wine, or beer in original unopened containers for  
13 consumption off the licensed premises may deliver alcoholic  
14 liquor, wine, or beer to a home, another licensed premises if  
15 there is identical ownership of the premises by the licensee  
16 ~~or permittee~~, or other designated location in this state.  
17 Deliveries shall be limited to alcoholic beverages authorized  
18 by the licensee's ~~or permittee's~~ license ~~or permit~~. Orders  
19 delivered to another licensed premises shall contain only  
20 those alcoholic beverages authorized for sale by the ~~liquor~~  
21 ~~control~~ retail alcohol license ~~or retail wine or beer permit~~  
22 covering the premises to which the alcoholic beverages will  
23 be delivered. Orders delivered to another licensed premises  
24 shall be fulfilled using the alcoholic beverages inventory  
25 owned by the licensee ~~or permittee~~ who will receive the order  
26 for delivery. If the recipient refuses or fails to pick up  
27 the delivery, or is ineligible to receive the delivery, the  
28 alcoholic beverages shall be returned to the licensee ~~or~~  
29 ~~permittee~~ who fulfilled the order.

30 2. Licensees and ~~permittees~~ authorized to sell wine, beer,  
31 or mixed drinks or cocktails for consumption off the licensed  
32 premises in a container other than the original container may  
33 deliver the wine, beer, or mixed drinks or cocktails to a  
34 home or other designated location in this state only if the  
35 container other than the original container has been sold and

1 securely sealed in compliance with [this chapter](#) or the rules  
2 of the division. Deliveries shall be limited to alcoholic  
3 beverages authorized by the licensee's ~~or permittee's~~ license  
4 or permit.

5 3. All deliveries of alcoholic liquor, wine, beer, or  
6 mixed drinks or cocktails shall be subject to the following  
7 requirements and restrictions:

8 a. Payment for the alcoholic liquor, wine, beer, or mixed  
9 drinks or cocktails shall be received by the licensee ~~or~~  
10 ~~permittee~~ at the time of order.

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 c. Alcoholic liquor, wine, beer, or mixed drinks or  
21 cocktails delivered to a person shall be for personal use and  
22 not for resale.

23 d. Deliveries shall only be made to persons in this state  
24 who are twenty-one years of age or older.

25 e. Deliveries shall not be made to a person who is  
26 intoxicated or is simulating intoxication.

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

31 g. Delivery of alcoholic liquor, wine, beer, or mixed drinks  
32 or cocktails shall be made by the licensee ~~or permittee,~~ the  
33 licensee's ~~or permittee's~~ employee, or a third party, provided  
34 the licensee ~~or permittee~~ has entered into a written agreement  
35 with the third party that authorizes the third party to act

1 as an agent of the licensee ~~or permittee~~ for the purpose of  
2 delivering alcoholic liquor, wine, beer, or mixed drinks or  
3 cocktails. Each licensee ~~or permittee~~ shall submit to the  
4 division electronically, or in a manner prescribed by the  
5 administrator, a list of names and addresses of all third  
6 parties it has authorized to act as its agent for the purpose  
7 of delivering alcoholic liquor, wine, beer, or mixed drinks  
8 or cocktails. The licensee ~~or permittee~~ shall provide the  
9 division with amendments to the list as necessary to ensure the  
10 division possesses an accurate, current list.

11 *h.* Delivery personnel shall be twenty-one years of age or  
12 older.

13 *i.* Valid proof of the recipient's identity and age shall  
14 be obtained at the time of delivery, and the signature of a  
15 person twenty-one years of age or older shall be obtained as a  
16 condition of delivery.

17 *j.* Licensees ~~and permittees~~ shall maintain records  
18 of deliveries which include the quantity delivered, the  
19 recipient's name and address, and the signature of the  
20 recipient of the alcoholic liquor, wine, beer, or mixed drinks  
21 or cocktails. The records shall be maintained on the licensed  
22 premises for a period of three years.

23 4. A violation of [this section](#) or any other provision  
24 of [this chapter](#) shall subject the licensee ~~or permittee~~ to  
25 the penalty provisions of [section 123.39](#). If the licensee  
26 ~~or permittee~~, an employee of the licensee ~~or permittee~~, or  
27 a person delivering alcoholic liquor, wine, beer, or mixed  
28 drinks or cocktails for a third party acting on behalf of the  
29 licensee ~~or permittee~~ pursuant to a written agreement violates  
30 this section, the licensee ~~or permittee~~ shall not be assessed  
31 a penalty under [section 123.39](#) if the licensee ~~or permittee~~  
32 establishes all of the following:

33 *a.* The violation was committed off of the licensee's  
34 ~~or permittee's~~ premises after the liquor, wine, beer, or  
35 mixed drinks or cocktails was removed from the licensee's ~~or~~

1 ~~permittee's~~ premises in fulfillment of a delivery order.

2     *b.* (1) If the person who committed the violation is an  
3 employee of the licensee ~~or permittee~~, that no other violation  
4 of [this section](#) was committed by any employee of the licensee  
5 ~~or permittee~~ within the two-year period immediately preceding  
6 the date of violation.

7     (2) If the person who committed the violation is a person  
8 delivering for a third party acting on behalf of the licensee  
9 ~~or permittee~~, that no other violation of [this section](#) was  
10 committed by any person delivering for the same third party  
11 while the third party was acting on behalf of the licensee ~~or~~  
12 ~~permittee~~ within the two-year period immediately preceding the  
13 date of violation.

14     5. Nothing in [this section](#) shall impact the direct shipment  
15 of wine as regulated by [section 123.187](#).

16     Sec. 40. Section 123.47, subsection 3, Code 2022, is amended  
17 to read as follows:

18     3. A person or persons under legal age shall not purchase  
19 or attempt to purchase, consume, or individually or jointly  
20 have alcoholic beverages in their possession or control; except  
21 in the case of any alcoholic beverage given or dispensed to  
22 a person under legal age within a private home and with the  
23 knowledge, presence, and consent of the parent or guardian, for  
24 beverage or medicinal purposes or as administered to the person  
25 by either a physician or dentist for medicinal purposes and  
26 except to the extent that a person under legal age may handle  
27 alcoholic beverages during the regular course of the person's  
28 employment by a ~~liquor control~~ retail alcohol licensee, or wine  
29 or beer permittee under [this chapter](#).

30     Sec. 41. Section 123.48, subsections 1 and 3, Code 2022, are  
31 amended to read as follows:

32     1. If a ~~liquor control~~ retail alcohol licensee ~~or wine or~~  
33 ~~beer permittee~~ or an employee of the licensee ~~or permittee~~  
34 has a reasonable belief based on factual evidence that a  
35 driver's license as defined in section 321.1, subsection

1 20A, or nonoperator's identification card issued pursuant to  
2 section 321.190 offered by a person who wishes to purchase  
3 an alcoholic beverage at the licensed premises is altered  
4 or falsified or belongs to another person, the licensee,  
5 ~~permittee~~, or employee may retain the driver's license or  
6 nonoperator's identification card. Within twenty-four hours,  
7 the license or card shall be delivered to the appropriate  
8 city or county law enforcement agency of the jurisdiction in  
9 which the licensed premises is located. When the license or  
10 card is delivered to the appropriate law enforcement agency,  
11 the licensee shall file a written report of the circumstances  
12 under which the license or card was retained. The local law  
13 enforcement agency may investigate whether a violation of  
14 section 321.216, [321.216A](#), or [321.216B](#) has occurred. If an  
15 investigation is not initiated or a probable cause is not  
16 established by the local law enforcement agency, the driver's  
17 license or nonoperator's identification card shall be delivered  
18 to the person to whom it was issued. The local law enforcement  
19 agency may forward the license or card with the report to the  
20 department of transportation for investigation, in which case,  
21 the department may investigate whether a violation of section  
22 321.216, [321.216A](#), or [321.216B](#) has occurred. The department of  
23 transportation shall return the license or card to the person  
24 to whom it was issued if an investigation is not initiated or a  
25 probable cause is not established.

26 3. A ~~liquor control~~ retail alcohol licensee or ~~wine or~~  
27 ~~beer~~ ~~permittee~~ or an employee of the licensee or ~~permittee~~  
28 is not subject to criminal prosecution for, or to civil  
29 liability for damages alleged to have resulted from, the  
30 retention and delivery of a driver's license or a nonoperator's  
31 identification card which is taken pursuant to subsections  
32 1 and 2. [This section](#) shall not be construed to relieve a  
33 licensee, ~~permittee~~, or employee of the licensee or ~~permittee~~  
34 from civil liability for damages resulting from the use of  
35 unreasonable force in obtaining the altered or falsified

1 driver's license or nonoperator's identification card or the  
2 driver's license or nonoperator's identification card believed  
3 to belong to another person.

4 Sec. 42. Section 123.49, subsection 2, unnumbered paragraph  
5 1, Code 2022, is amended to read as follows:

6 A person holding a ~~liquor control~~ retail alcohol license or  
7 ~~retail wine or beer permit~~ under **this chapter**, and the person's  
8 agents or employees, shall not do any of the following:

9 Sec. 43. Section 123.49, subsection 2, paragraph b, Code  
10 2022, is amended to read as follows:

11 b. Sell or dispense any alcoholic beverage on the premises  
12 covered by the license or ~~permit~~, or permit its consumption  
13 thereon between the hours of 2:00 a.m. and 6:00 a.m. on a  
14 ~~weekday, and between the hours of 2:00 a.m. on Sunday and 6:00~~  
15 ~~a.m. on the following Monday, however, a holder of a liquor~~  
16 ~~control license or retail wine or beer permit granted the~~  
17 ~~privilege of selling alcoholic liquor, wine, or beer on Sunday~~  
18 ~~may sell or dispense alcoholic liquor, wine, or beer between~~  
19 ~~the hours of 6:00 a.m. on Sunday and 2:00 a.m. on the following~~  
20 Monday any day of the week.

21 Sec. 44. Section 123.49, subsection 2, paragraph d,  
22 subparagraphs (1) and (3), Code 2022, are amended to read as  
23 follows:

24 (1) Keep on premises covered by a ~~liquor control~~ retail  
25 alcohol license any alcoholic liquor in any container except  
26 the original package purchased from the division, and except  
27 mixed drinks or cocktails mixed on the premises for immediate  
28 consumption on the licensed premises or as otherwise provided  
29 by this paragraph "d". This prohibition does not apply to  
30 holders of a class "D" ~~liquor control~~ retail alcohol license  
31 or to alcoholic liquor delivered in accordance with section  
32 123.46A.

33 (3) Mixed drinks or cocktails mixed on premises covered by  
34 a class "C" ~~liquor control~~ retail alcohol license or a class  
35 "C" ~~native distilled spirits liquor control~~ retail alcohol

1 license for consumption off the licensed premises may be  
2 sold if the mixed drink or cocktail is immediately filled in  
3 a sealed container and is promptly taken from the licensed  
4 premises prior to consumption of the mixed drink or cocktail.  
5 A mixed drink or cocktail that is sold in a sealed container in  
6 compliance with the requirements of this subparagraph and rules  
7 adopted by the division shall not be deemed an open container  
8 subject to the requirements of [sections 321.284](#) and [321.284A](#)  
9 if the sealed container is unopened and the seal has not been  
10 tampered with, and the contents of the container have not been  
11 partially removed.

12 Sec. 45. Section 123.49, subsection 2, paragraphs g and j,  
13 Code 2022, are amended to read as follows:

14 *g.* Allow any person other than the licensee, ~~permittee,~~  
15 or employees of the licensee ~~or permittee,~~ to use or keep  
16 on the licensed premises any alcoholic liquor in any bottle  
17 or other container which is designed for the transporting of  
18 such beverages, except as permitted in [section 123.95](#). This  
19 paragraph does not apply to the lodging quarters of a ~~class~~  
20 ~~"B" liquor control licensee or wine or beer permittee~~ hotel  
21 or motel holding a retail alcohol license, or to holders of a  
22 class "D" ~~liquor control~~ retail alcohol license.

23 *j.* Knowingly permit or engage in any criminal activity  
24 on the premises covered by the license ~~or permit~~. However,  
25 the absence of security personnel on the licensed premises  
26 is insufficient, without additional evidence, to prove that  
27 criminal activity occurring on the licensed premises was  
28 knowingly permitted in violation of this paragraph "j". For  
29 purposes of this paragraph "j", "premises" includes parking lots  
30 and areas adjacent to the premises of a ~~liquor control~~ retail  
31 alcohol licensee ~~or wine or beer permittee~~ authorized to sell  
32 alcoholic beverages for consumption on the licensed premises  
33 and used by patrons of the ~~liquor control~~ retail alcohol  
34 licensee ~~or wine or beer permittee~~.

35 Sec. 46. Section 123.49, subsection 3, Code 2022, is amended

1 to read as follows:

2 3. A person under legal age shall not misrepresent the  
3 person's age for the purpose of purchasing or attempting  
4 to purchase any alcoholic beverage from any ~~liquor control~~  
5 retail alcohol licensee or wine or beer permittee. If any  
6 person under legal age misrepresents the person's age, and  
7 the licensee ~~or permittee~~ establishes that the licensee ~~or~~  
8 ~~permittee~~ made reasonable inquiry to determine whether the  
9 prospective purchaser was over legal age, the licensee ~~or~~  
10 ~~permittee~~ is not guilty of selling alcoholic beverages to a  
11 person under legal age.

12 Sec. 47. Section 123.49, subsection 4, Code 2022, is amended  
13 by striking the subsection.

14 Sec. 48. Section 123.50, subsections 1, 2, 4, and 5, Code  
15 2022, are amended to read as follows:

16 1. Any person who violates any of the provisions of section  
17 123.49, except [section 123.49, subsection 2](#), paragraph "h",  
18 or who fails to affix upon sale, defaces, or fails to record  
19 a keg identification ~~sticker~~ label or produce a record of keg  
20 identification ~~stickers~~ labels pursuant to [section 123.138](#),  
21 shall be guilty of a simple misdemeanor. A person who violates  
22 section 123.49, subsection 2, paragraph "h", commits a simple  
23 misdemeanor punishable as a scheduled violation under section  
24 805.8C, subsection 2.

25 2. The conviction of any ~~liquor control~~ retail alcohol  
26 ~~licensee or wine or beer permittee~~ for a violation of any of  
27 the provisions of [section 123.49](#), subject to [subsection 3](#) of  
28 this section, is grounds for the suspension or revocation of  
29 the license or permit by the division or the local authority.  
30 However, if any ~~liquor control~~ retail alcohol licensee is  
31 convicted of any violation of [section 123.49, subsection 2](#),  
32 paragraph "a", "d", or "e", or any ~~wine or beer permittee~~ retail  
33 alcohol licensee, excluding a special class "B" or class "D"  
34 retail alcohol licensee, is convicted of a violation of section  
35 123.49, subsection 2, paragraph "a" or "e" "d", the liquor

1 ~~control~~ retail alcohol license ~~or wine or beer permit~~ shall be  
2 revoked and shall immediately be surrendered by the holder,  
3 and the bond, if any, of the license ~~or permit~~ holder shall be  
4 forfeited to the division. However, the division shall retain  
5 only that portion of the bond equal to the amount the division  
6 determines the license ~~or permit~~ holder owes the division.

7 4. In addition to any other penalties imposed under this  
8 chapter, the division shall assess a civil penalty up to  
9 the amount of five thousand dollars upon a class "E" ~~liquor~~  
10 ~~control~~ retail alcohol licensee when the class "E" ~~liquor~~  
11 retail alcohol license is revoked for a violation of section  
12 123.59. Failure to pay the civil penalty as required under  
13 this subsection shall result in forfeiture of the bond to the  
14 division. However, the division shall retain only that portion  
15 of the bond equal to the amount the division determines the  
16 license or permit holder owes the division.

17 5. If an employee of a ~~liquor control~~ retail alcohol  
18 licensee ~~or wine or beer permittee~~ violates section 123.49,  
19 subsection 2, paragraph "h", the licensee ~~or permittee~~ shall  
20 not be assessed a penalty under [subsection 3](#), and the violation  
21 shall be deemed not to be a violation of section 123.49,  
22 subsection 2, paragraph "h", for the purpose of determining  
23 the number of violations for which a penalty may be assessed  
24 pursuant to [subsection 3](#), if the employee holds a valid  
25 certificate of completion of the alcohol compliance employee  
26 training program pursuant to [section 123.50A](#) at the time of the  
27 violation, and if the violation involves selling, giving, or  
28 otherwise supplying any alcoholic beverage to a person between  
29 the ages of eighteen and twenty years of age. A violation  
30 involving a person under the age of eighteen years of age  
31 shall not qualify for the bar against assessment of a penalty  
32 pursuant to [subsection 3](#), for a violation of section 123.49,  
33 subsection 2, paragraph "h". A licensee ~~or permittee~~ may assert  
34 only once in a four-year period the bar under [this subsection](#)  
35 against assessment of a penalty pursuant to [subsection 3](#), for a

1 violation of section 123.49, subsection 2, paragraph "h", that  
2 takes place at the same place of business location.

3 Sec. 49. Section 123.50, subsection 3, unnumbered paragraph  
4 1, Code 2022, is amended to read as follows:

5 If any ~~liquor control~~ retail alcohol licensee, ~~wine or~~  
6 ~~beer permittee~~, or employee of a licensee ~~or permittee~~ is  
7 convicted or found in violation of section 123.49, subsection  
8 2, paragraph "h", the administrator or local authority shall,  
9 in addition to criminal penalties fixed for violations by this  
10 section, assess a civil penalty as follows:

11 Sec. 50. Section 123.92, subsection 2, paragraphs a and c,  
12 Code 2022, are amended to read as follows:

13 a. Every ~~liquor control~~ retail alcohol licensee, ~~class "B"~~  
14 ~~beer permittee~~, and ~~class "C" native wine permittee~~, except  
15 a class "B", special class "B", or class "E" liquor control  
16 retail alcohol licensee, shall furnish proof of financial  
17 responsibility by the existence of a liability insurance  
18 policy in an amount determined by the division. If an insurer  
19 provides dramshop liability insurance at a new location to  
20 a licensee or permittee who has a positive loss experience  
21 at other locations for which such insurance is provided by  
22 the insurer, and the insurer bases premium rates at the new  
23 location on the negative loss history of the previous licensee  
24 ~~or permittee~~ at that location, the insurer shall examine and  
25 consider adjusting the premium for the new location not less  
26 than thirty months after the insurance is issued, based on the  
27 loss experience of the licensee ~~or permittee~~ at that location  
28 during that thirty-month period of time.

29 c. The purpose of dramshop liability insurance is to provide  
30 protection for members of the public who experience damages  
31 as a result of licensees ~~or permittees~~ serving patrons any  
32 alcoholic beverage to a point that reaches or exceeds the  
33 standard set forth in law for liability. Minimum coverage  
34 requirements for such insurance are not for the purpose of  
35 making the insurance affordable for all licensees ~~or permittees~~

1 regardless of claims experience. A dramshop liability  
2 insurance policy obtained by a licensee ~~or permittee~~ shall meet  
3 the minimum insurance coverage requirements as determined by  
4 the division and is a mandatory condition for holding a license  
5 ~~or permit~~.

6 Sec. 51. Section 123.92, subsection 3, paragraphs a and b,  
7 Code 2022, are amended to read as follows:

8 a. Notwithstanding [section 123.49, subsection 1](#), any  
9 person who is injured in person or property or means of  
10 support by an intoxicated person who is under legal age or  
11 resulting from the intoxication of a person who is under  
12 legal age, has a right of action for all damages actually  
13 sustained, severally or jointly, against a person who is  
14 not a licensee ~~or permittee~~ and who dispensed or gave any  
15 alcoholic beverage to the intoxicated underage person when the  
16 nonlicensee ~~or nonpermittee~~ who dispensed or gave the alcoholic  
17 beverage to the underage person knew or should have known the  
18 underage person was intoxicated, or who dispensed or gave any  
19 alcoholic beverage to the underage person to a point where the  
20 nonlicensee ~~or nonpermittee~~ knew or should have known that the  
21 underage person would become intoxicated.

22 b. If the injury was caused by an intoxicated person who is  
23 under legal age, a person who is not a licensee ~~or permittee~~  
24 and who dispensed or gave the alcoholic beverage to the  
25 underage person may establish as an affirmative defense that  
26 the intoxication did not contribute to the injurious action of  
27 the underage person.

28 Sec. 52. Section 123.95, subsection 2, paragraphs a and c,  
29 Code 2022, are amended to read as follows:

30 a. The holder of an ~~annual class "B" liquor control license~~  
31 ~~or an annual class "C" liquor control~~ retail alcohol license  
32 may act as the agent of a private social host for the purpose  
33 of providing and serving alcoholic beverages as part of a food  
34 catering service for a private social gathering in a private  
35 place, provided the licensee has applied for and been granted a

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

11 c. **Section 123.92** does not apply to a ~~liquor control~~ retail  
12 alcohol licensee who acts in accordance with **this section** when  
13 the ~~liquor control~~ retail alcohol licensee is providing and  
14 serving food and alcoholic beverages as an agent of a private  
15 social host at a private social gathering in a private place  
16 which is not on the licensed premises.

17 Sec. 53. Section 123.122, subsection 1, Code 2022, is  
18 amended to read as follows:

19 1. A person shall not cause the manufacture, importation,  
20 or sale of beer in this state unless a certificate or permit as  
21 provided in **this subchapter**, or a ~~liquor control~~ retail alcohol  
22 license as provided in **subchapter I** of **this chapter**, is first  
23 obtained which authorizes that manufacture, importation, or  
24 sale.

25 Sec. 54. Section 123.124, Code 2022, is amended to read as  
26 follows:

27 **123.124 Beer permits — classes.**

28 Permits for the manufacture and sale, ~~or sale,~~ of beer shall  
29 be ~~divided into four classes,~~ known as class "A", and special  
30 class "A", ~~class "B", or class "C"~~ beer permits. A holder of  
31 a class "A" or special class "A" beer permit shall have the  
32 authority as provided in **section 123.130**. ~~A holder of a class~~  
33 ~~"B" beer permit shall have the authority as provided in section~~  
34 ~~123.131, and a holder of a class "C" beer permit shall have the~~  
35 ~~authority as provided in **section 123.132**.~~

1     Sec. 55. Section 123.125, Code 2022, is amended to read as  
2 follows:

3     **123.125 Issuance of beer permits.**

4     The administrator shall issue class "A", and special class  
5 "A", ~~class "B", and class "C"~~ beer permits and may suspend or  
6 revoke permits for cause as provided in [this chapter](#).

7     Sec. 56. Section 123.127, subsection 2, paragraph h, Code  
8 2022, is amended to read as follows:

9     h. If the person is applying for a special class "A" beer  
10 permit, that the applicant holds or has applied for a class "C"  
11 ~~liquor control retail alcohol license or class "B" beer permit.~~

12     Sec. 57. Section 123.130, subsection 1, paragraph a, Code  
13 2022, is amended to read as follows:

14     a. Any person holding a class "A" beer permit issued by  
15 the division shall be authorized to manufacture and sell, or  
16 sell at wholesale, beer for consumption off the premises, such  
17 sales within the state to be made only to persons holding a  
18 subsisting class "A", ~~"B", or "C"~~ beer permits permit, both  
19 ~~a class "C" native wine permit and a class "A" wine permit~~  
20 ~~pursuant to [section 123.178B, subsection 4](#), or liquor control~~  
21 ~~retail alcohol licenses, excluding a special class "B" retail~~  
22 ~~native wine license, issued in accordance with the provisions~~  
23 ~~of [this chapter](#). However, a person holding a class "A" beer~~  
24 ~~permit issued by the division who also holds a brewer's notice~~  
25 ~~issued by the alcohol and tobacco tax and trade bureau of the~~  
26 ~~United States department of the treasury shall be authorized~~  
27 ~~to sell, at wholesale, no more than thirty thousand barrels of~~  
28 ~~beer on an annual basis for consumption off the premises to a~~  
29 ~~licensee or permittee authorized under this chapter to sell~~  
30 ~~beer at retail.~~

31     Sec. 58. Section 123.130, subsections 2 and 4, Code 2022,  
32 are amended to read as follows:

33     2. Pursuant to [section 123.45, subsection 3](#), a native  
34 brewery may be granted not more than two ~~class "B" beer permits~~  
35 ~~as defined in [section 123.124](#) for the purpose of selling~~

1 ~~beer at retail for consumption on or off the premises of the~~  
2 ~~manufacturing facility class "C" or special class "C" retail~~  
3 ~~alcohol permits.~~

4 4. All special class "A" premises shall be located within  
5 the state. A person who holds a special class "A" beer  
6 permit for the same location at which the person holds a  
7 class "C" ~~liquor control~~ retail alcohol license ~~or class "B"~~  
8 ~~beer permit~~ for the purpose of operating as a brewpub may  
9 manufacture and sell beer to be consumed on the premises,  
10 may sell beer at retail at the manufacturing premises for  
11 consumption off the premises ~~beer that is transferred at the~~  
12 ~~time of sale to another container subject to the requirements~~  
13 ~~of section 123.131, subsection 2,~~ may sell beer to a class  
14 "A" beer permittee for resale purposes, and may sell beer to  
15 distributors outside of the state that are authorized by the  
16 laws of that jurisdiction to sell beer at wholesale. The  
17 permit issued to holders of a special class "A" beer permit  
18 shall clearly state on its face that the permit is limited.

19 Sec. 59. Section 123.135, subsection 4, Code 2022, is  
20 amended to read as follows:

21 4. It shall be unlawful for any holder of a certificate  
22 of compliance or the holder's agent, or any class "A" beer  
23 permit holder or the beer permit holder's agent, to grant to  
24 any retail ~~beer permit~~ alcohol license holder, directly or  
25 indirectly, any rebates, free goods, or quantity discounts on  
26 beer which are not uniformly offered to all retail ~~permittees~~  
27 alcohol licensees.

28 Sec. 60. Section 123.138, subsection 1, Code 2022, is  
29 amended to read as follows:

30 1. Each class "A" or special class "A" beer permittee  
31 shall keep proper records showing the amount of beer sold  
32 by the permittee, and these records shall be at all times  
33 open to inspection by the administrator and to other persons  
34 pursuant to section 123.30, subsection 1. Each ~~class "B"~~  
35 ~~beer permittee, class "C" beer permittee, or retail liquor~~

1 ~~control~~ alcohol licensee as described in section 123.30 shall  
2 keep proper records showing each purchase of beer made by the  
3 ~~permittee or~~ licensee, and the date and the amount of each  
4 purchase and the name of the person from whom each purchase  
5 was made, which records shall be open to inspection pursuant  
6 to section 123.30, subsection 1, during normal business hours  
7 of the ~~permittee or~~ licensee.

8 Sec. 61. Section 123.138, subsection 2, paragraph a, Code  
9 2022, is amended to read as follows:

10 a. Each class "B", "C", or special class "C" ~~liquor control~~  
11 retail alcohol licensee and class "B" or "C" beer permittee who  
12 sells beer for off-premises consumption shall affix to each  
13 keg of beer an identification ~~sticker~~ label provided by the  
14 administrator. The ~~sticker~~ label provided shall allow for its  
15 full removal when common external keg cleaning procedures are  
16 performed. For the purposes of this subsection, "keg" means  
17 all durable and disposable containers with a liquid capacity  
18 of five gallons or more. Each class "B", "C", or special class  
19 "C" ~~liquor control~~ retail alcohol licensee and class "B" or "C"  
20 beer permittee shall also keep a record of the identification  
21 ~~sticker~~ label number of each keg of beer sold by the licensee  
22 or permittee with the name and address of the purchaser and  
23 the number of the purchaser's driver's license, nonoperator's  
24 identification card, or military identification card, if the  
25 military identification card contains a picture and signature.  
26 This information shall be retained by the licensee or permittee  
27 for a minimum of ninety days. The records kept pursuant to  
28 this subsection shall be available for inspection by any law  
29 enforcement officer during normal business hours.

30 Sec. 62. Section 123.138, subsection 2, paragraph b, Code  
31 2022, is amended to read as follows:

32 b. (1) The division shall provide the keg identification  
33 ~~stickers~~ labels described in paragraph "a" and shall, prior to  
34 utilizing a ~~sticker~~ label, notify licensed brewers and licensed  
35 beer importers of the type of ~~sticker~~ label to be utilized.

1 Each ~~sticker~~ label shall contain a number and the following  
2 statement:

3 It is unlawful to sell, give, or otherwise supply any  
4 alcoholic beverage, wine, or beer to any person under legal  
5 age. Any person who defaces this ~~sticker~~ label shall be guilty  
6 of criminal mischief punishable pursuant to section 716.6 and  
7 ~~shall cause the forfeiture of any deposit, if applicable.~~

8 (2) The identification ~~sticker~~ label shall be placed on  
9 the keg at the time of retail sale. The licensee ~~or permittee~~  
10 shall ~~purchase~~ obtain the ~~stickers~~ labels referred to in this  
11 subsection from the division and ~~shall remit to the division~~  
12 ~~deposits forfeited pursuant to this lettered paragraph due to~~  
13 ~~defacement.~~ The cost of the ~~stickers~~ labels to licensees and  
14 ~~permittees~~ shall not exceed the division's cost of producing  
15 and distributing the ~~stickers~~ labels. The moneys collected by  
16 the division relating to the sale of stickers and forfeited  
17 deposits shall be credited to the beer and liquor control fund.

18 Sec. 63. Section 123.138, subsection 2, paragraph d, Code  
19 2022, is amended by striking the paragraph.

20 Sec. 64. Section 123.141, Code 2022, is amended to read as  
21 follows:

22 **123.141 Keeping liquor where beer is sold.**

23 No alcoholic liquor for beverage purposes shall be used,  
24 or kept for any purpose in the place of business of a special  
25 class "~~B~~" ~~beer permittees~~ "C" retail alcohol licensee, or on  
26 the premises of such special class "~~B~~" ~~beer permittees~~ "C"  
27 retail alcohol licensee, at any time. A violation of any  
28 provision of this section shall be grounds for suspension or  
29 revocation of the beer permit pursuant to section 123.50,  
30 subsection 3. This section shall not apply in any manner or  
31 in any way to the premises of any hotel or motel for which a  
32 special class "~~B~~" ~~beer permit~~ "C" retail alcohol license has  
33 been issued, other than that part of such premises regularly  
34 used by the hotel or motel for the principal purpose of selling  
35 beer or food to the general public, to a premises for which

1 both a special class "B" beer permit "C" retail alcohol license  
2 and a class "A" native distilled spirits license have been  
3 issued, or to keep a pharmacy from having alcohol in stock for  
4 medicinal and compounding purposes.

5 Sec. 65. Section 123.142, subsection 1, Code 2022, is  
6 amended to read as follows:

7 1. It is unlawful for the holder of a ~~class "B" or class "C"~~  
8 ~~beer permit~~ retail alcohol license issued under this chapter  
9 to sell beer, except beer brewed on the premises covered by a  
10 special class "A" beer permit or beer purchased from a person  
11 holding a class "A" beer permit issued in accordance with this  
12 chapter, and on which the tax provided in section 123.136 has  
13 been paid. However, this section does not apply to class "D"  
14 ~~liquor control~~ retail alcohol licensees as provided in this  
15 chapter.

16 Sec. 66. Section 123.143, subsection 1, Code 2022, is  
17 amended by striking the subsection.

18 Sec. 67. Section 123.171, subsection 1, Code 2022, is  
19 amended to read as follows:

20 1. A person shall not cause the manufacture, importation,  
21 or sale of wine in this state unless a certificate or permit as  
22 provided in this subchapter, or a ~~liquor control~~ retail alcohol  
23 license as provided in subchapter I of this chapter, is first  
24 obtained which authorizes that manufacture, importation, or  
25 sale.

26 Sec. 68. Section 123.173, Code 2022, is amended to read as  
27 follows:

28 **123.173 Wine permits permit — classes class "A" —**  
29 **authority.**

30 1. Except as provided in section 123.187, ~~permits a permit~~  
31 exclusively for the ~~sale or~~ manufacture and sale of wine shall  
32 be ~~divided into four classes, and shall be~~ known as a class  
33 "A", "B", "B" native, or "C" native wine permits permit.

34 2. A class "A" wine permit allows the holder to manufacture  
35 and sell, or sell at wholesale, in this state, wine. The

1 holder of a class "A" wine permit may manufacture in this state  
 2 wine having an alcoholic content greater than seventeen percent  
 3 by weight or twenty-one and twenty-five hundredths percent of  
 4 alcohol by volume for shipment outside this state. All class  
 5 "A" premises shall be located within the state. ~~A class "B" or~~  
 6 ~~class "B" native wine permit allows the holder to sell wine at~~  
 7 ~~retail for consumption off the premises. A class "B" or class~~  
 8 ~~"B" native wine permittee who also holds a class "E" liquor~~  
 9 ~~control license may sell wine to class "A", class "B", class~~  
 10 ~~"C", special class "C", and class "D" liquor control licensees~~  
 11 ~~for resale for consumption on the premises. Such wine sales~~  
 12 ~~shall be in quantities of less than one case of any wine brand~~  
 13 ~~but not more than one such sale shall be made to the same liquor~~  
 14 ~~control licensee in a twenty-four-hour period. A class "B" or~~  
 15 ~~class "B" native wine permittee shall not sell wine to other~~  
 16 ~~class "B" or class "B" native wine permittees. A class "C"~~  
 17 ~~native wine permit allows the holder to sell native wine for~~  
 18 ~~consumption on or off the premises.~~

19 3. A class "A" wine permittee shall be required to deliver  
 20 wine to a retail wine permittee alcohol licensee, and a retail  
 21 wine permittee alcohol licensee shall be required to accept  
 22 delivery of wine from a class "A" wine permittee, only at  
 23 the licensed premises of the retail wine permittee alcohol  
 24 licensee. Except as specifically permitted by the division  
 25 upon good cause shown, delivery or transfer of wine from an  
 26 unlicensed premises to a licensed retail wine permittee's  
 27 alcohol licensee's premises, or from one licensed retail wine  
 28 permittee's alcohol licensee's premises to another licensed  
 29 retail wine permittee's alcohol licensee's premises, even if  
 30 there is common ownership of all of the premises by one retail  
 31 permittee, is prohibited. ~~A class "B" or class "B" native wine~~  
 32 ~~permittee who also holds a class "E" liquor control license~~  
 33 ~~shall keep and maintain records for each sale of wine to liquor~~  
 34 ~~control licensees showing the name of the establishment to~~  
 35 ~~which wine was sold, the date of sale, and the brands and~~

1 ~~number of bottles sold to the liquor control licensee.~~

2 4. ~~When a class "B" or class "B" native wine permittee who~~  
3 ~~also holds a class "E" liquor control license sells wine to a~~  
4 ~~liquor control licensee, the liquor control licensee shall sign~~  
5 ~~a report attesting to the purchase. The class "B" or class "B"~~  
6 ~~native wine permittee who also holds a class "E" liquor control~~  
7 ~~license shall submit a report to the division electronically,~~  
8 ~~or in a manner prescribed by the administrator, not later than~~  
9 ~~the tenth of each month stating each sale of wine to liquor~~  
10 ~~control licensees during the preceding month, the date of each~~  
11 ~~sale, and the brands and numbers of bottles with each sale.~~  
12 ~~A class "B" permittee who holds a class "E" liquor control~~  
13 ~~license may sell to class "A", class "B", or class "C" liquor~~  
14 ~~control licensees only if the licensed premises of the liquor~~  
15 ~~control licensee is located within the geographic territory of~~  
16 ~~the class "A" wine permittee from which the wine was originally~~  
17 ~~purchased by the class "B" or class "B" native wine permittee.~~

18 Sec. 69. Section 123.173A, Code 2022, is amended by striking  
19 the section and inserting in lieu thereof the following:

20 **123.173A Charity beer, spirits, and wine special event**  
21 **license.**

22 1. For purposes of this section:

23 a. *"Authorized nonprofit entity"* includes a nonprofit  
24 entity which has a principal office in the state, a nonprofit  
25 corporation organized under chapter 504, or a foreign  
26 corporation as defined in section 504.141, whose income is  
27 exempt from federal taxation under section 501(c) of the  
28 Internal Revenue Code.

29 b. *"Charity auction"* means an auction conducted by an  
30 authorized nonprofit entity which includes beer, spirits, and  
31 wine.

32 c. *"Charity event"* means an event at which an authorized  
33 nonprofit entity may serve the event's attendees beer,  
34 spirits, and wine for consumption on the premises of the event,  
35 regardless of whether the entity charges an admission fee to

1 the event or otherwise collects the cost of the beer, spirits,  
2 and wine served from the event's attendees.

3 *d. "Charity special event"* means a charity auction, charity  
4 event, or a combined charity auction and charity event.

5 2. Upon application to the division and receipt of a charity  
6 beer, spirits, and wine special event license, an authorized  
7 nonprofit entity may conduct a charity special event subject to  
8 the requirements of this section.

9 3. A charity auction conducted by a charity beer, spirits,  
10 and wine special event licensee shall comply with the following  
11 requirements:

12 *a.* The authorized nonprofit entity conducting the charity  
13 auction shall obtain the beer, spirits, and wine to be  
14 auctioned at the charity auction from an Iowa retail alcohol  
15 licensee, or may receive donations of beer, spirits, or wine to  
16 be auctioned at the charity auction from persons who purchased  
17 the donated beer, spirits, or wine from an Iowa retail alcohol  
18 licensee or an Iowa class "A" native distilled spirits licensee  
19 and who present a receipt documenting the purchase at the  
20 time the beer, spirits, or wine is donated. The authorized  
21 nonprofit entity conducting the charity auction shall retain a  
22 copy of the receipt for a period of one year from the date of  
23 the charity beer, spirits, and wine auction.

24 *b.* The beer, spirits, and wine sold at the charity auction  
25 shall be in original containers for consumption off of the  
26 premises where the charity auction is conducted. No other  
27 alcoholic beverage may be sold by the charity beer, spirits,  
28 and wine special event licensee at the charity auction. A  
29 purchaser of beer, spirits, or wine at a charity auction shall  
30 not take possession of the beer, spirits, or wine until the  
31 person is leaving the event. A purchaser of beer, spirits,  
32 or wine at a charity auction shall not open the container or  
33 consume or permit the consumption of the beer, spirits, or  
34 wine purchased on the premises where the charity auction is  
35 conducted. A purchaser of beer, spirits, or wine at a charity

1 auction shall not resell the beer, spirits, or wine.

2 *c.* A retail alcohol licensee or class "A" native distilled  
3 spirits licensee shall not purchase beer, spirits, or wine at  
4 a charity auction. The charity auction may be conducted on  
5 a premises for which a class "B" or class "C" retail alcohol  
6 license has been issued, provided that the retail alcohol  
7 licensee does not participate in the charity auction, supply  
8 beer, spirits, or wine to be auctioned at the charity auction,  
9 or receive any of the proceeds of the charity auction.

10 4. A charity event conducted by a charity beer, spirits,  
11 and wine special event licensee shall comply with the following  
12 requirements:

13 *a.* The charity event shall be conducted on a premises  
14 covered by a valid retail alcohol license issued by the  
15 division.

16 *b.* The authorized nonprofit entity conducting a charity  
17 event shall have a written agreement with the retail alcohol  
18 licensee covering the premises where the charity event is to be  
19 conducted specifying that that licensee shall act as the agent  
20 of the authorized nonprofit entity for the purpose of providing  
21 and serving alcoholic beverages to the attendees of the charity  
22 event.

23 *c.* The retail alcohol licensee covering the premises where  
24 the charity event is to be conducted shall supply all alcoholic  
25 beverages served to the attendees of the charity event.

26 *d.* Only those types of alcoholic beverages as are authorized  
27 to be sold by the retail alcohol license covering the premises  
28 where the charity event is to be conducted are to be served to  
29 the attendees of the charity event.

30 5. An application for a charity beer, spirits, and wine  
31 special event license to conduct a charity special event shall  
32 include all of the following information:

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

1     *b.* The retail alcohol license number issued by the division  
2 for the premises where a charity event is to be conducted, if  
3 applicable.

4     *c.* A certification that the objective of the charity special  
5 event is to raise funds solely to be used for educational,  
6 religious, or charitable purposes and that the entire proceeds  
7 from the charity special event are to be expended for any of  
8 the purposes described in section 423.3, subsection 78.

9     6. An authorized nonprofit entity shall be eligible to  
10 receive no more than two charity beer, spirits, and wine  
11 special event licenses during a calendar year and each charity  
12 beer, spirits, and wine special event license shall be valid  
13 for a period not to exceed thirty-six consecutive hours.

14     7. Any violation of the requirements of this chapter or  
15 the rules adopted pursuant to this chapter shall subject  
16 the charity beer, spirits, and wine special event license  
17 holder to the general penalties provided in this chapter and  
18 shall constitute grounds for imposition of a civil penalty,  
19 suspension of the license, or revocation of the permit after  
20 notice and opportunity for a hearing pursuant to section 123.39  
21 and chapter 17A.

22     Sec. 70. Section 123.175, subsection 1, unnumbered  
23 paragraph 1, Code 2022, is amended to read as follows:

24     A person applying for a class "A" ~~or retail~~ wine permit shall  
25 submit a completed application electronically, or in a manner  
26 prescribed by the administrator, which shall set forth under  
27 oath the following:

28     Sec. 71. Section 123.175, subsection 1, paragraph e, Code  
29 2022, is amended to read as follows:

30     *e.* When required by the administrator, and in such form and  
31 containing such information as the administrator may require,  
32 a description of the premises where the applicant intends to  
33 use the permit, to include a sketch or drawing of the premises  
34 ~~and, if applicable, the number of square feet of interior floor~~  
35 ~~space which comprises the retail sales area of the premises.~~

1     Sec. 72. Section 123.175, subsection 2, unnumbered  
2 paragraph 1, Code 2022, is amended to read as follows:

3     The administrator shall issue a class "A" ~~or retail~~ wine  
4 permit to any applicant who establishes all of the following:

5     Sec. 73. Section 123.175, subsection 2, paragraphs d and g,  
6 Code 2022, are amended to read as follows:

7     ~~d. That, in the case of a class "A" wine permit,~~ the  
8 applicant has filed with the division a basic permit issued  
9 by the alcohol and tobacco tax and trade bureau of the United  
10 States department of the treasury, and that the applicant will  
11 faithfully observe and comply with all the laws, rules, and  
12 regulations governing the manufacture and sale of wine.

13     ~~g. That the applicant has submitted, in the case of a class~~  
14 ~~"A" wine permit,~~ a bond in the amount of five thousand dollars  
15 in a manner prescribed by the administrator with good and  
16 sufficient sureties to be approved by the division conditioned  
17 upon compliance with [this chapter](#).

18     Sec. 74. Section 123.176, subsections 2, 5, and 7, Code  
19 2022, are amended to read as follows:

20     2. Native wine may be sold at retail for off-premises  
21 consumption when sold on the premises of the manufacturer, or  
22 in a retail establishment operated by the manufacturer. Sales  
23 may also be made to class "A" or retail ~~wine permittees or~~  
24 ~~liquor control~~ alcohol licensees as authorized by sections  
25 ~~123.173~~ 123.30 and 123.177. A manufacturer of native wines  
26 shall not sell the wines other than as permitted in this  
27 chapter and shall not allow wine sold to be consumed upon the  
28 premises of the manufacturer. However, prior to sale, native  
29 wines may be tasted pursuant to the rules of the division  
30 on the premises where made, when no charge is made for the  
31 tasting.

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

1 ~~wine permit~~ retail alcohol license as provided in section  
2 ~~123.178B~~ 123.31. A manufacturer of native wine may be granted  
3 not more than two class "C" ~~native wine permits~~ retail alcohol  
4 licenses. A manufacturer of native wine may be issued a class  
5 "C" ~~native wine permit~~ retail alcohol license regardless  
6 of whether the manufacturer is also a manufacturer of beer  
7 pursuant to a class "A" beer permit or a manufacturer of native  
8 distilled spirits pursuant to a class "A" native distilled  
9 spirits license.

10 7. A manufacturer may use the space and equipment of another  
11 manufacturer for the purpose of manufacturing native wine,  
12 provided that such an alternating proprietorship arrangement  
13 is approved by the alcohol and tobacco tax and trade bureau  
14 of the United States department of the treasury. A separate  
15 class "A" wine permit shall be issued to each manufacturer,  
16 and each manufacturer shall be subject to the provisions of  
17 this chapter and the rules of the division. Notwithstanding  
18 subsection 5, not more than one class "C" ~~native wine permit~~  
19 retail alcohol license shall be issued to a premises with  
20 alternating proprietorships.

21 Sec. 75. Section 123.177, subsection 1, Code 2022, is  
22 amended to read as follows:

23 1. A person holding a class "A" wine permit may manufacture  
24 and sell, or sell at wholesale, wine for consumption off the  
25 premises. Sales within the state may be made only to persons  
26 holding a class "A" ~~or "B"~~ wine permit and to persons holding a  
27 ~~retail liquor control~~ alcohol license. However, if the person  
28 holding the class "A" permit is a manufacturer of native wine,  
29 the person may sell only native wine to a person holding a  
30 ~~retail wine permit~~ ~~or a retail liquor control~~ alcohol license.  
31 A person holding a class "A" wine permit may sell wine to  
32 distributors outside of the state that are authorized by the  
33 laws of that jurisdiction to sell wine at wholesale. A class  
34 "A" wine permittee having more than one place of business shall  
35 obtain a separate permit for each place of business where wine

1 is to be manufactured, stored, warehoused, or sold.

2 Sec. 76. Section 123.177, subsection 3, Code 2022, is  
3 amended by striking the subsection.

4 Sec. 77. Section 123.180, subsection 4, Code 2022, is  
5 amended to read as follows:

6 4. It is unlawful for a holder of a vintner's certificate  
7 of compliance or the holder's agent, or any class "A" wine  
8 permittee or the permittee's agent, to discriminate between  
9 ~~class "B" wine permittees~~ retail alcohol licensees authorized  
10 to sell wine at retail.

11 Sec. 78. Section 123.181, subsection 1, Code 2022, is  
12 amended by striking the subsection.

13 Sec. 79. Section 123.181, subsection 2, Code 2022, is  
14 amended to read as follows:

15 2. A class "A" wine permittee shall not sell wine on  
16 credit to a retail alcohol licensee ~~or permittee~~ for a period  
17 exceeding thirty days from date of delivery.

18 Sec. 80. Section 123.187, subsection 2, paragraph a, Code  
19 2022, is amended to read as follows:

20 a. Only a wine manufacturer that holds a wine direct shipper  
21 permit issued pursuant to [this section](#) shall sell wine at  
22 retail for direct shipment to any person within this state.  
23 This section shall not prohibit an authorized retail licensee  
24 ~~or permittee~~ from delivering wine pursuant to [section 123.46A](#).

25 Sec. 81. Section 123.187, subsection 2, paragraph d, Code  
26 2022, is amended by striking the paragraph.

27 Sec. 82. Section 125.59, unnumbered paragraph 1, Code 2022,  
28 is amended to read as follows:

29 The treasurer of state, on each July 1 for that fiscal  
30 year, shall transfer the estimated amounts to be received from  
31 ~~[section 123.36, subsection 8](#) and [section 123.143, subsection 1](#)~~  
32 for purposes of this section to the department.

33 Sec. 83. REPEAL. Sections 123.97, 123.123, 123.150,  
34 123.172, 123.173B, and 123.185, Code 2022, are repealed.

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DIVISION IV

CONFORMING CHANGES

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Sec. 84. Section 7D.16, Code 2022, is amended to read as follows:

**7D.16 Alcoholic beverages in state capitol or on complex grounds.**

Notwithstanding any contrary provision of law prohibiting the use and consumption of alcoholic beverages in a public place, the executive council may authorize, by resolution, the temporary use and consumption of alcoholic beverages, as defined in [section 123.3](#), in the state capitol or on the state capitol complex grounds, as if the state capitol or state capitol complex grounds were a private place. The authorization by resolution shall be limited to the use and consumption of alcoholic beverages as an accompaniment to food at a single award ceremony, social event, or other occasion deemed appropriate by the executive council. The authorization shall require that the person providing the food and alcoholic beverages possess an appropriate ~~liquor control~~ retail alcohol license in accordance with [section 123.95](#). The secretary of the executive council shall inform the secretary of the legislative council and the director of the department of administrative services of the approval of any such resolution.

Sec. 85. Section 12.43, subsection 5, paragraph e, Code 2022, is amended to read as follows:

e. Liquor, beer, and wine sales must not exceed twenty percent of annual sales for establishments holding a class "C" ~~liquor~~ retail alcohol license issued pursuant to section 123.30.

Sec. 86. Section 99B.3, subsection 2, Code 2022, is amended to read as follows:

2. A person whose license is revoked under [this section](#) who is a person for whom a ~~class "A", class "B", class "C", or class "D" liquor control~~ retail alcohol license has been issued pursuant to [chapter 123](#) shall have the person's ~~liquor control~~ retail alcohol license suspended for a period of fourteen days

1 in the same manner as provided in section 123.50, subsection  
2 3, paragraph "a".

3 Sec. 87. Section 99B.3, subsection 3, Code 2022, is amended  
4 by striking the subsection.

5 Sec. 88. Section 99B.43, subsection 1, unnumbered paragraph  
6 1, Code 2022, is amended to read as follows:

7 Social gambling is lawful on the premises of an  
8 establishment for which a class "A", ~~class "B", class "C",~~  
9 ~~special class "C", or class "D" liquor control,~~ class "E", or  
10 class "F" retail alcohol license, ~~or class "B" beer permit~~  
11 has been issued pursuant to [chapter 123](#) when, subject to the  
12 provisions of [section 99B.42](#), all of the following requirements  
13 are met:

14 Sec. 89. Section 99B.43, subsection 1, paragraph a, Code  
15 2022, is amended to read as follows:

16 a. The ~~liquor control~~ retail alcohol licensee ~~or beer~~  
17 ~~permittee~~ has submitted an application for a social gambling  
18 license and a license fee of one hundred fifty dollars to the  
19 department, and a license has been issued.

20 Sec. 90. Section 99B.43, subsection 2, unnumbered paragraph  
21 1, Code 2022, is amended to read as follows:

22 A ~~liquor control~~ retail alcohol licensee ~~or beer permittee~~  
23 with a social gambling license issued pursuant to [this section](#)  
24 may conduct a sports betting pool if all of the requirements of  
25 this subsection are met.

26 Sec. 91. Section 99B.43, subsection 3, Code 2022, is amended  
27 to read as follows:

28 3. An establishment issued a social gambling license under  
29 this section that is required to obtain a new ~~liquor~~ retail  
30 alcohol license ~~or permit~~ under [chapter 123](#) due to a change in  
31 ownership shall be required to obtain a new social gambling  
32 license under [this section](#) to conduct social gambling.

33 Sec. 92. Section 99B.53, subsections 2, 3, 4, and 13, Code  
34 2022, are amended to read as follows:

35 2. Except as provided in [subsection 3](#), an electrical or

1 mechanical amusement device requiring registration may be  
2 located on premises for which a ~~class "A", class "B", class~~  
3 ~~"C", special class "C", or class "D" liquor control,~~ class "E",  
4 or class "F" retail alcohol license has been issued pursuant  
5 to [chapter 123](#).

6 3. a. An electrical or mechanical amusement device  
7 requiring registration may be located on premises for which a  
8 class "B" or class ~~"C" beer permit~~ "E" retail alcohol license  
9 has been issued pursuant to [chapter 123](#), but the department  
10 shall not initially register an electrical or mechanical  
11 amusement device to an owner or distributor for a location for  
12 which a class "B" or class ~~"C" beer permit~~ "E" retail alcohol  
13 license has been issued pursuant to [chapter 123](#) on or after  
14 April 28, 2004.

15 b. A distributor that owns an amusement device at a location  
16 for which only a class "B" or class ~~"C" beer permit~~ "E" retail  
17 alcohol license has been issued pursuant to [chapter 123](#) shall  
18 not relocate an amusement device registered as provided in  
19 this section to a location other than a location for which a  
20 ~~class "A", class "B", class "C", special class "C", or class~~  
21 ~~"D" liquor,~~ class "E", or class "F" retail alcohol license has  
22 been issued and shall not transfer, assign, sell, or lease an  
23 amusement device registered as provided in [this section](#) to  
24 another person for which only a class "B" or class ~~"C" beer~~  
25 ~~permit~~ "E" retail alcohol license has been issued pursuant to  
26 [chapter 123](#) after April 28, 2004.

27 c. If ownership of the location changes, the class "B"  
28 or class ~~"C" beer permit~~ "E" retail alcohol license does not  
29 lapse, and the device is not removed from the location, the  
30 device may remain at the location.

31 4. An electrical or mechanical amusement device required  
32 to be registered and at a location for which only a class "B"  
33 or class ~~"C" beer permit~~ "E" retail alcohol license has been  
34 issued pursuant to [chapter 123](#) shall include on the device  
35 a security mechanism which prevents the device from being

1 operated by a person until action is taken by the owner or  
2 owner's designee to allow the person to operate the device.

3 13. A person owning or leasing an electrical or mechanical  
4 amusement device required to be registered by this section  
5 shall not relocate and place into operation an amusement  
6 device in any location other than a location which has been  
7 issued an appropriate ~~liquor control~~ retail alcohol license in  
8 good standing and to which the device has been appropriately  
9 registered with the department.

10 Sec. 93. Section 99B.55, subsection 2, Code 2022, is amended  
11 to read as follows:

12 2. *a.* A person who commits an offense of awarding a cash  
13 prize of fifty dollars or less in violation of section 99B.52,  
14 subsection 3, pursuant to rules adopted by the department,  
15 shall be subject to a civil penalty in the amount of two  
16 hundred fifty dollars. Additional sanctions beyond the civil  
17 penalty prescribed by this paragraph, including but not limited  
18 to the suspension or revocation of any ~~liquor control~~ retail  
19 alcohol license issued pursuant to chapter 123 or registration  
20 issued pursuant to section 99B.53 or 99B.56, shall not be  
21 applicable.

22 *b.* A person who commits, within two years, a second offense  
23 of awarding a cash prize of fifty dollars or less in violation  
24 of section 99B.52, subsection 3, or a person who commits an  
25 offense of awarding a cash prize of more than fifty dollars in  
26 violation of section 99B.52, subsection 3, pursuant to rules  
27 adopted by the department, shall be subject to revocation of  
28 the person's registration and the following:

29 (1) If the person whose registration is revoked under this  
30 paragraph "b" is a person for which a ~~class "A", class "B",~~  
31 ~~class "C", special class "C", or class "D" liquor control,~~  
32 class "E", or class "F" retail alcohol license has been  
33 issued pursuant to chapter 123, the person's ~~liquor control~~  
34 retail alcohol license shall be suspended for a period of  
35 fourteen days in the same manner as provided in section 123.50,

1 subsection 3, paragraph "a".

2 (2) If the person whose registration is revoked under this  
3 paragraph "b" is a person for which only a class "B" or class  
4 "~~C~~" ~~beer permit~~ "E" retail alcohol license has been issued  
5 pursuant to [chapter 123](#), the person's class "B" or class "~~C~~"  
6 ~~beer permit~~ "E" retail alcohol license shall be suspended for  
7 a period of fourteen days in the same manner as provided in  
8 section 123.50, subsection 3, paragraph "a".

9 (3) If a person owning or employed by an establishment  
10 having a ~~class "A", class "B", class "C", special class "C",~~  
11 ~~or class "D" liquor control,~~ class "E", or class "F" retail  
12 alcohol license issued pursuant to [chapter 123](#) commits an  
13 offense as provided in this paragraph "b", the ~~liquor control~~  
14 retail alcohol license of the establishment shall be suspended  
15 for a period of fourteen days in the same manner as provided in  
16 section 123.50, subsection 3, paragraph "a".

17 (4) If a person owning or employed by an establishment  
18 having a class "B" or class "~~C~~" ~~beer permit~~ "E" retail alcohol  
19 license issued pursuant to [chapter 123](#) commits an offense as  
20 provided in this paragraph "b", the ~~beer permit~~ retail alcohol  
21 license of the establishment shall be suspended for a period of  
22 fourteen days in the same manner as provided in section 123.50,  
23 subsection 3, paragraph "a".

24 Sec. 94. Section 137F.1, subsection 9, paragraph c, Code  
25 2022, is amended to read as follows:

26 c. A premises covered by a class "A" wine permit ~~or a class~~  
27 ~~"B" wine permit~~ as provided in [chapter 123](#).

28 Sec. 95. Section 331.303, subsection 4, Code 2022, is  
29 amended to read as follows:

30 4. Act upon applications for ~~liquor control~~ retail alcohol  
31 ~~licenses and retail beer permits~~ in accordance with section  
32 123.32.

33 Sec. 96. Section 455C.4, subsection 4, Code 2022, is amended  
34 to read as follows:

35 4. A class "E" ~~liquor control~~ retail alcohol licensee

1 may refuse to accept and to pay the refund value on an empty  
2 alcoholic liquor container from a dealer or a redemption center  
3 or from a person acting on behalf of or who has received empty  
4 alcoholic liquor containers from a dealer or a redemption  
5 center.

6 DIVISION V

7 TRANSITION PROVISIONS — EFFECTIVE DATE

8 Sec. 97. TRANSITION PROVISIONS. Any license or permit  
9 issued by the alcoholic beverages division of the department  
10 of commerce that is repealed, merged, or altered in this Act,  
11 and in effect on the effective date of this Act, shall continue  
12 in full force and effect with the authority granted by that  
13 license or permit until expiration or renewal.

14 Sec. 98. EFFECTIVE DATE. This Act takes effect January 1,  
15 2023.

16 EXPLANATION

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

19 This bill relates to alcoholic beverage control. The bill is  
20 organized by divisions.

21 DIVISION I — RETAIL ALCOHOL LICENSES. Code section 123.30,  
22 establishing liquor control licenses, is stricken and rewritten  
23 by the bill. The bill replaces liquor control licenses with  
24 retail alcohol licenses and modifies the classes within the  
25 new category of retail alcohol licenses. The current class  
26 "A" liquor control license and class "D" liquor control  
27 license are renamed a class "F" and a class "D" retail alcohol  
28 license, respectively. The current class "B" liquor control  
29 license that may be issued to a hotel or motel is eliminated.  
30 Instead, the bill establishes a new class "B" retail alcohol  
31 license and special class "B" retail alcohol license. The  
32 new class "B" retail alcohol license allows the holder to  
33 purchase wine from a class "A" wine permittee and beer from a  
34 class "A" beer permittee and to sell wine and beer in original  
35 unopened containers at retail to patrons for consumption off

1 the licensed premises. The bill also allows a holder of the  
2 new class "B" retail alcohol license to sell wine in limited  
3 quantities to class "C", special class "C", class "D", and  
4 class "F" retail alcohol licensees for resale for consumption  
5 on the premises. This new license combines, in part, the  
6 authority granted under the current class "C" beer permit for  
7 beer and the class "B" wine permit for wine. The new special  
8 class "B" retail native wine license authorizes the holder to  
9 purchase wine from a native winery holding a class "A" wine  
10 permit and to sell native wine only at retail for consumption  
11 off the licensed premises. The authority under this new  
12 special class "B" retail alcohol license is similar to the  
13 authority granted a holder of a current class "B" native wine  
14 permit. The current class "C" and special class "C" liquor  
15 control licenses are renamed as class "C" and special class "C"  
16 retail alcohol licenses. The current special class "C" native  
17 distilled spirits liquor control license is repealed. Finally,  
18 the current class "E" liquor control license is renamed a class  
19 "E" retail alcohol license. In addition, the bill provides  
20 that a class "E" retail alcohol licensee can purchase wine and  
21 beer from a class "A" wine or beer permittee, respectively.  
22 The bill specifically allows the class "E" licensee to sell  
23 wine and beer in unopened containers at retail, and to sell  
24 alcoholic liquor and high alcoholic content beer at wholesale.

25 Code section 123.131, providing for liquor control license  
26 applications, is stricken and rewritten by the bill. Existing  
27 application requirements for liquor control licenses are made  
28 applicable to retail alcohol licenses established by the bill.  
29 In addition, requirements for issuance of a current class "B"  
30 beer permit, class "C" beer permit, and retail wine permit  
31 are generally made applicable to issuance of a retail alcohol  
32 license.

33 New Code section 123.31A establishes the authority granted  
34 a holder of a new class "B", class "C", special class "C",  
35 and class "E" retail alcohol license. The authority granted

1 a holder of these licenses as to both wine and beer is similar  
2 to the authority granted current holders of a class "B" beer  
3 permit, class "C" beer permit, and class "B" wine permit,  
4 to include sales of beer or wine in other than the original  
5 container. The new Code section provides that a holder of  
6 a new class "C" or special class "C" retail alcohol license  
7 cannot sell beer or wine to other retail alcohol license  
8 holders. The bill also provides, similarly to current Code  
9 section 123.181(1), that a holder of any retail alcohol permit  
10 shall not sell wine except wine purchased from a person holding  
11 a class "A" permit or native wine manufacturer.

12 New Code section 123.31B establishes the authority granted a  
13 holder of a new special class "B" retail native wine license.  
14 The authority granted a holder of this new license is similar  
15 to the authority granted a holder of a current class "B" native  
16 wine permit.

17 With the authority granted retail alcohol licensees  
18 regarding beer, the current class "B" and class "C" beer  
19 permits are repealed. As a result, the division repeals, as  
20 to beer permits, Code section 123.138, providing for class  
21 "B" beer permit applications, Code section 123.129, providing  
22 for class "C" beer permit applications, Code section 123.131,  
23 concerning authority under a class "B" beer permit, Code  
24 section 123.132, concerning authority under a class "C" beer  
25 permit, and Code section 123.140, concerning separate locations  
26 for class "B" or class "C" beer permits. In addition, based  
27 on the authority granted the new retail licenses regarding  
28 wine, the current class "B" wine, class "B" native wine, and  
29 class "C" native wine permits are repealed. As a result, the  
30 division repeals, as to wine permits, Code section 123.178,  
31 concerning authority under a class "B" wine permit, Code  
32 section 123.178A, concerning authority under a class "B" native  
33 wine permit, and Code section 123.178B, concerning authority  
34 under a class "C" native wine permit.

35 DIVISION II — ALCOHOLIC BEVERAGE CONTROL FEES. This

1 division concerns fees for the new retail alcohol licenses as  
2 well as changes to fees for other licenses and permits in Code  
3 chapter 123.

4 Code section 123.23, concerning the distiller's certificate  
5 of compliance, is amended to increase the annual fee for the  
6 certificate from \$50 to \$200.

7 Code section 123.36, concerning liquor control license  
8 fees, is stricken and rewritten and made applicable to the new  
9 retail alcohol licenses. The current fees for a class "A"  
10 liquor control licensee are made applicable to the new class  
11 "F" retail alcohol license. The current fees for a class  
12 "B" liquor control license are repealed. Instead, the bill  
13 establishes fees for the new class "B" retail alcohol license  
14 based on the population of the city where the premises is  
15 located as well as the square footage of the licensed premises.  
16 The fee for the new special class "B" native wine license is  
17 \$125, an increase from the fee for a current class "B" native  
18 wine permit of \$25. The fees for the new class "C" and special  
19 class "C" retail alcohol license are modified from the current  
20 fees for class "C" liquor control licenses. The new fees  
21 increase the population thresholds for increased fees for both  
22 the new class "C" and special class "C" licenses and reduce the  
23 fees for the class "C" retail alcohol license by \$50 over the  
24 current fees for a class "C" liquor control license. The new  
25 class "D" retail alcohol license fees remain the same as the  
26 fees for the current class "D" liquor control license. The  
27 bill establishes fees for the new class "E" retail alcohol  
28 license based on the population of the city where the premises  
29 is located as well as the square footage of the licensed  
30 premises. Current fees for the class "E" liquor control  
31 license are based only on the population of the city where  
32 the premises is located. Current provisions in Code section  
33 123.36 governing crediting of liquor control license fees to  
34 the beer and liquor control fund are made applicable to the new  
35 retail alcohol license fees, excluding the new special class

1 "B" retail alcohol licenses. Current provisions imposing fee  
2 surcharges are also made applicable to the new retail alcohol  
3 license fees, excluding the new class "B" and special class "B"  
4 retail alcohol licenses.

5 Code section 123.41, concerning the manufacturer's license,  
6 is amended to decrease the annual fee for the license from \$350  
7 to \$300.

8 Code section 123.43(3), concerning a class "A" native  
9 distilled spirits license, is amended to decrease the annual  
10 fee for the license from \$500 to \$300.

11 Code section 123.134, concerning beer permit fees, is  
12 stricken and rewritten. The bill keeps the annual permit fee  
13 for a class "A" beer permit at \$750, reduces the annual permit  
14 fee for a special class "A" beer permit from \$750 to \$300, and  
15 provides that the annual fee for a class "A" beer permit for a  
16 native brewery is \$300. Fees for class "B" and class "C" beer  
17 permits are repealed as those permits are repealed by the bill.

18 Code section 123.135, concerning the brewer's certificate  
19 of compliance, is amended to reduce the annual fee for the  
20 certificate from \$500 to \$200.

21 Code section 123.179, concerning wine permit fees, is  
22 stricken and rewritten by the bill. The bill keeps the annual  
23 permit fee for a class "A" wine permit that is not issued  
24 to a native wine manufacturer at \$750, increases the annual  
25 permit fee for a class "A" wine permit issued to a native wine  
26 manufacturer from \$25 to \$100, and provides that the annual fee  
27 for a charity beer, spirits, and wine special event license  
28 created in the bill is \$100. Fees for class "B" wine permits  
29 and class "B" and class "C" native wine permits are stricken  
30 as those permits are repealed by the bill. The current fees  
31 for charity wine auctions and charity wine event permits are  
32 stricken as those permits are repealed by the bill and combined  
33 in the new charity beer, spirits, and wine special event  
34 license created by the bill.

35 Code section 123.180, concerning the vintner's certificate

1 of compliance, is amended to increase the annual fee for the  
2 certificate from \$150 to \$200.

3 DIVISION III — ALCOHOLIC BEVERAGE CONTROL. This division  
4 makes changes to Code chapter 123 relative to alcoholic  
5 beverage control, to include making conforming changes relative  
6 to the creation of the new retail alcohol licenses and the  
7 elimination of certain native distilled spirits, beer, and wine  
8 permits in the bill. The bill also eliminates the requirement  
9 to obtain a special privilege to sell alcoholic beverages on  
10 Sunday and provides that sales or other activities relating  
11 to alcoholic beverages on Sunday will be allowed to the same  
12 extent as they are allowed on any other day.

13 Code section 123.3, definitions, is amended to reflect the  
14 new retail alcohol licenses. The bill strikes definitions for  
15 "retail beer permit" and "retail wine permit" as those permits  
16 are repealed by the bill and creates a new "retail alcohol  
17 license" definition reflecting the classes of licenses included  
18 within this new license. The definition of "high alcoholic  
19 content beer" is also amended to provide that high alcoholic  
20 content beer may contain up to 19 percent of alcohol by volume  
21 instead of the current 15 percent.

22 Code section 123.34, concerning seasonal licenses and  
23 permits, is amended. The bill amends the Code section to  
24 reflect the new retail alcohol licenses and allows seasonal  
25 and shortened licenses for new class "C", special class  
26 "C", class "D", and class "F" retail alcohol licensees. The  
27 bill eliminates the six-month seasonal license or permit and  
28 provides that the fee for an eight-month seasonal license shall  
29 be 50 percent of the license fee for that class of license  
30 instead of a proportional share of that fee.

31 New Code section 123.35 includes the provision from  
32 current Code section 123.34 providing for the expiration of  
33 licenses, permits, and certificates of compliance without  
34 the notification requirement. The new Code section further  
35 provides, notwithstanding any provision of Code chapter 123

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

25 Code section 123.43A, concerning native distilleries, is  
26 amended to reflect the new retail alcohol licenses in the bill.  
27 The bill also provides that a distillery that produces no more  
28 than 100,000 proof gallons of native distilled spirits annually  
29 may be granted not more than two class "C" retail alcohol  
30 licenses instead of two class "C" native distilled spirits  
31 liquor control licenses as those licenses are repealed by the  
32 bill. A holder of a class "C" retail alcohol license under  
33 the bill is granted the authority to sell alcoholic liquor,  
34 wine, and beer while a holder of the current class "C" native  
35 distilled spirits liquor control licenses has the authority

1 to only sell native distilled spirits and mixed drinks or  
2 cocktails.

3 Code section 123.46A, concerning delivery of alcoholic  
4 beverages by retailers, is amended to reflect that the new  
5 retail alcohol licenses in the bill are licenses, not permits.  
6 The bill also provides that deliveries shall occur on the same  
7 day the order for delivery of alcoholic beverages is removed  
8 from the licensed premises of the retailer.

9 Code sections 123.49 and 123.50, concerning prohibitions  
10 and criminal and civil penalties, are amended to reflect the  
11 new retail alcohol licenses created in the bill and the fact  
12 that the authority to sell at retail is granted only to retail  
13 alcohol licensees and not permittees.

14 Code section 123.92, the dramshop Act, is amended to  
15 provide that every retail alcohol licensee, except a class  
16 "B", special class "B", or class "E" retail alcohol licensee,  
17 shall furnish proof of financial responsibility by the  
18 existence of a liability insurance policy. Under current law,  
19 every liquor control licensee, class "B" beer permittee, and  
20 class "C" native wine permittee, except a class "E" liquor  
21 control licensee, is required to furnish proof of financial  
22 responsibility.

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

27 Code section 123.123, concerning the applicability of  
28 provisions relating to class "B" beer permits to liquor control  
29 licensees, is repealed as class "B" beer permits are repealed  
30 in the bill.

31 Code section 123.130, concerning authority under class "A"  
32 beer permits, is amended to reflect the new retail alcohol  
33 licenses in the bill. The bill also provides that a native  
34 brewery may be granted not more than two class "C" or special  
35 class "C" retail alcohol licenses instead of two class "B"

1 permits which permits are repealed by the bill.

2 Code section 123.138, concerning keg identification  
3 stickers, is amended to reflect the new retail alcohol licenses  
4 and provides for a keg identification label instead of a  
5 sticker. In addition, the bill strikes provisions concerning  
6 the forfeiture and remittance of deposits relating to defacing  
7 the keg identification label.

8 Code section 123.143, concerning distribution of funds, is  
9 amended to strike the provision directing where retail beer  
10 permit fees shall be distributed. The bill repeals all retail  
11 beer permit fees and the distribution of funds from retail  
12 alcohol licenses is governed by Code section 123.36 as amended  
13 by the bill.

14 Code section 123.172, concerning the applicability of  
15 provisions relating to class "B" wine permits to liquor control  
16 licensees, is repealed as class "B" wine permits are repealed  
17 in the bill.

18 Code section 123.173, concerning classes of wine permits, is  
19 amended by striking provisions relating to class "B", class "B"  
20 native wine, and class "C" native wine permits as those permits  
21 are repealed by the bill.

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

34 Code section 123.176, concerning native wines, is amended  
35 to reflect the new retail alcohol licenses in the bill. The

1 bill also provides that a manufacturer of native wines may be  
2 granted not more than two class "C" retail alcohol licenses  
3 instead of two class "C" native wine permits which permits are  
4 repealed by the bill. A holder of a class "C" retail alcohol  
5 license under the bill is granted the authority to sell wine  
6 and beer.

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

11 Code section 125.59 is amended to reflect that current  
12 provisions providing for transfer of certain revenues to the  
13 department of public health are stricken by the bill.

14 DIVISION IV — CONFORMING CHANGES. This division makes  
15 conforming changes to Code chapters 7D, 12, and 99B, relative  
16 to the creation of the new retail alcohol licenses and the  
17 elimination of certain native distilled spirits, beer, and wine  
18 permits in the bill.

19 Code section 137F.1, defining food establishments for  
20 purposes of licensure, is amended to provide that a food  
21 establishment does not include only a premises covered by a  
22 class "A" wine permit. Under current law, a food establishment  
23 also does not include a premises covered by a class "B" wine  
24 permit which is stricken by the bill.

25 DIVISION V — TRANSITION PROVISIONS — EFFECTIVE DATE.  
26 This division provides that any license or permit issued by  
27 the alcoholic beverages division that is repealed, merged, or  
28 altered in the bill and in effect on the effective date of the  
29 bill shall continue in full force and effect with the authority  
30 granted by that license or permit until expiration or renewal.  
31 The division also provides that the bill takes effect January  
32 1, 2023.