

House File 260 - Introduced

HOUSE FILE 260

BY JONES

A BILL FOR

1 An Act providing for the direct shipment of beer and including
2 effective date provisions.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.32, subsection 1, paragraph b, Code
2 2023, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (06) A beer direct shipper license as
4 provided in section 123.147.

5 Sec. 2. Section 123.46A, subsection 5, Code 2023, is amended
6 to read as follows:

7 5. Nothing in this section shall impact the direct shipment
8 of beer as regulated by section 123.147 or the direct shipment
9 of wine as regulated by section 123.187.

10 Sec. 3. Section 123.136, subsection 1, Code 2023, is amended
11 to read as follows:

12 1. In addition to the annual permit fee to be paid by
13 all class "A" beer permittees under this chapter there shall
14 be levied and collected from the permittees on all beer
15 manufactured for sale or sold in this state at wholesale and
16 on all beer imported into this state for sale at wholesale and
17 sold in this state at wholesale, and from special class "A"
18 beer permittees on all beer manufactured for consumption on the
19 premises and on all beer sold at retail at the manufacturing
20 premises for consumption off the premises pursuant to section
21 123.130, subsection 4, a tax of five and eighty-nine hundredths
22 dollars for every barrel containing thirty-one gallons, and at
23 a like rate for any other quantity or for the fractional part
24 of a barrel. A barrel tax shall also be levied and collected
25 on the direct shipment of beer pursuant to section 123.147.

26 However, no tax shall be levied or collected on beer shipped
27 outside this state by a class "A" beer permittee or special
28 class "A" beer permittee or on beer sold to a class "A" beer
29 permittee by a special class "A" beer permittee or another
30 class "A" beer permittee.

31 Sec. 4. Section 123.137, Code 2023, is amended by adding the
32 following new subsection:

33 NEW SUBSECTION. 1A. Each beer direct shipper license holder
34 shall make a report under oath to the division electronically,
35 or in a manner prescribed by the administrator, on or before

1 the tenth day of the calendar months of June and December,
2 showing the exact number of barrels of beer and fractional
3 parts of barrels sold and shipped pursuant to section 123.147
4 during the preceding six-month calendar period. The report
5 shall also state whatever reasonable additional information
6 the administrator requires. The license holder at the time of
7 filing this report shall pay to the division the amount of tax
8 due at the rate fixed in section 123.136.

9 **Sec. 5. NEW SECTION. 123.147 Direct shipment of beer —**
10 **license and requirements.**

11 1. A beer manufacturer licensed or permitted pursuant to
12 laws regulating alcoholic beverages in this state or another
13 state may apply for a beer direct shipper permit, as provided
14 in this section.

15 2. *a.* Only a beer manufacturer that holds a beer direct
16 shipper license issued pursuant to this section shall sell beer
17 at retail for direct shipment to any person within this state.
18 This section shall not prohibit an authorized retail licensee
19 from delivering beer pursuant to section 123.46A.

20 *b.* A beer manufacturer applying for a beer direct
21 shipper license shall submit an application for the license
22 electronically, or in a manner prescribed by the administrator,
23 accompanied by a true copy of the manufacturer's current
24 alcoholic beverage license or permit issued by the state
25 where the manufacturer is primarily located and a copy of the
26 manufacturer's basic permit issued by the alcohol and tobacco
27 tax and trade bureau of the United States department of the
28 treasury.

29 *c.* An application submitted pursuant to paragraph "b" shall
30 be accompanied by a license fee in the amount of twenty-five
31 dollars.

32 *d.* A license issued pursuant to this section may be
33 renewed annually by submitting a renewal application with the
34 administrator in a manner prescribed by the administrator,
35 accompanied by the twenty-five-dollar license fee.

1 3. The direct shipment of beer pursuant to this
2 section shall be subject to the following requirements and
3 restrictions:

4 a. Beer shall only be shipped to a resident of this state
5 who is at least twenty-one years of age, for the resident's
6 personal use and consumption and not for resale.

7 b. Beer subject to direct shipping shall be properly
8 registered with the federal alcohol and tobacco tax and trade
9 bureau, and manufactured on the licensed premises of the beer
10 direct shipper licensee.

11 c. All containers of beer shipped directly to a resident
12 of this state shall be conspicuously labeled with the words
13 "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER
14 REQUIRED FOR DELIVERY" or shall be conspicuously labeled with
15 alternative wording preapproved by the administrator.

16 d. All containers of beer shipped directly to a resident
17 of this state shall be shipped by a holder of an alcoholic
18 beverage carrier permit as provided in section 123.188.

19 e. Shipment of beer pursuant to this subsection does not
20 require a refund value for beverage container control purposes
21 under chapter 455C.

22 4. A beer direct shipper licensee shall remit to the
23 division an amount equivalent to the barrel tax on beer subject
24 to direct shipment at the rate specified in section 123.136
25 for deposit as provided in section 123.136, subsection 2.
26 The amount shall be remitted at the time and in the manner
27 provided in section 123.137, subsection 1A, and the ten percent
28 penalty specified in section 123.137, subsection 2, shall be
29 applicable.

30 5. A beer direct shipper licensee shall be deemed to have
31 consented to the jurisdiction of the division or any other
32 agency or court in this state concerning enforcement of this
33 section and any related laws, rules, or regulations. A license
34 holder shall allow the division to perform an audit of shipping
35 records upon request.

1 6. A violation of this section shall subject the licensee
2 to the general penalties provided in this chapter and shall
3 constitute grounds for imposition of a civil penalty or
4 suspension or revocation of the license pursuant to section
5 123.39.

6 Sec. 6. Section 123.188, subsections 1, 2, and 4, Code 2023,
7 are amended to read as follows:

8 1. A person desiring to deliver beer subject to direct
9 shipment within this state pursuant to section 123.147 and
10 wine subject to direct shipment within this state pursuant
11 to section 123.187 shall submit an application for a ~~wine~~
12 an alcoholic beverage carrier permit electronically, or in
13 a manner prescribed by the administrator, which shall be
14 accompanied by a fee in the amount of one hundred dollars.

15 2. The administrator may in accordance with this chapter
16 issue a ~~wine~~ an alcoholic beverage carrier permit which shall
17 be valid for one year from the date of issuance unless it is
18 sooner suspended or revoked for a violation of this chapter.

19 4. The delivery of beer and wine pursuant to this
20 section shall be subject to the following requirements and
21 restrictions:

22 a. ~~A wine~~ An alcoholic beverage carrier permittee shall
23 not deliver beer or wine to any person under twenty-one years
24 of age, or to any person who either is or appears to be in an
25 intoxicated state or condition.

26 b. ~~A wine~~ An alcoholic beverage carrier permittee shall
27 obtain valid proof of identity and age prior to delivery,
28 and shall obtain the signature of an adult as a condition of
29 delivery.

30 c. ~~A wine~~ An alcoholic beverage carrier permittee shall
31 maintain records of beer and wine shipped which include the
32 permit number and name of the beer and wine manufacturer,
33 quantity of beer and wine shipped, recipient's name and
34 address, and an electronic or paper form of signature from the
35 recipient of the beer and wine. Records shall be submitted

1 to the division on a monthly basis in a form and manner to be
2 determined by the division.

3 Sec. 7. EFFECTIVE DATE. This Act takes effect January 1,
4 2024.

5 EXPLANATION

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

8 This bill allows for the direct shipment of beer within the
9 state.

10 New Code section 123.147 provides for the direct shipment
11 of beer and provides for a beer direct shipper license.
12 Provisions governing the direct shipment of wine and the wine
13 direct shipper permit are generally made applicable to the new
14 Code section providing for the direct shipment of beer. The
15 bill provides for application requirements and establishes the
16 annual fee for the license as \$25. The bill also provides that
17 a licensee under the new Code section shall pay the barrel tax
18 on beer subject to direct shipment at the rate specified for
19 beer sold in the state. Code section 123.135, concerning the
20 barrel tax, and Code section 123.136, concerning report of
21 barrel sales, are made applicable to beer subject to direct
22 shipment.

23 Code section 123.188, providing for a wine carrier permit,
24 is amended to provide for the direct shipment of beer as
25 provided by the bill.

26 The bill takes effect January 1, 2024.