

House File 478 - Introduced

HOUSE FILE 478
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 182)

A BILL FOR

1 An Act concerning alcoholic beverage control relating to
2 brewpubs and alternating proprietorship arrangements for
3 beer manufacturers.

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

1 Section 1. Section 123.30, subsection 3, paragraph b,
2 subparagraph (2), Code 2023, is amended by adding the following
3 new subparagraph division:

4 NEW SUBPARAGRAPH DIVISION. (0d) The holder of a special
5 class "C" retail alcohol license may also hold a special class
6 "A" beer permit for the premises licensed under a special class
7 "C" retail alcohol license for the purpose of operating a
8 brewpub pursuant to this chapter.

9 Sec. 2. Section 123.130, subsection 4, Code 2023, is amended
10 to read as follows:

11 4. a. All special class "A" premises shall be located
12 within the state. A

13 b. Except as provided in paragraph "c", a person who
14 holds a special class "A" beer permit for the same location
15 at which the person holds a class "C" or special class "C"
16 retail alcohol license for the purpose of operating as a
17 brewpub may manufacture and sell beer to be consumed on the
18 premises, may sell beer at retail at the manufacturing premises
19 for consumption off the premises, may sell beer to a class
20 "A" beer permittee for resale purposes, and may sell beer to
21 distributors outside of the state that are authorized by the
22 laws of that jurisdiction to sell beer at wholesale.

23 c. A person who holds a special class "A" beer permit
24 for the same location at which the person holds a class
25 "C" or special class "C" retail alcohol license for the
26 purpose of operating as a brewpub may manufacture beer under
27 an alternating proprietorship arrangement as provided in
28 subsection 4A. However, the person may not sell beer to be
29 consumed on the premises where manufactured or sell beer at
30 retail for consumption off the premises where manufactured
31 unless the person is also the holder of a class "C" or special
32 class "C" retail alcohol license issued for the premises of the
33 alternating proprietorship whose space and equipment is being
34 used for the purpose of manufacturing beer.

35 d. The permit issued to holders of a special class "A"

1 beer permit shall clearly state on its face that the permit is
2 limited.

3 Sec. 3. Section 123.130, Code 2023, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 4A. a. For purposes of this subsection,
6 "manufacturer" includes only those persons who hold a class "A"
7 or special class "A" beer permit and manufacture beer in Iowa.
8 b. Notwithstanding any provision of law to the contrary,
9 a manufacturer may use the space and equipment of another
10 manufacturer for the purpose of manufacturing beer, provided
11 that such an alternating proprietorship arrangement has been
12 approved by the alcohol and tobacco tax and trade bureau of the
13 United States department of the treasury. A separate class
14 "A" or special class "A" beer permit shall be issued to each
15 manufacturer, and each manufacturer shall be subject to the
16 provisions of this chapter and the rules of the division.
17 c. Notwithstanding any provision of law to the contrary,
18 not more than one class "C" retail alcohol license or special
19 class "C" retail license shall be issued to a premises with
20 alternating proprietorships as authorized by this subsection.

21

EXPLANATION

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

24 This bill concerns alcoholic beverage control relating to
25 brewpubs and alternating proprietorship arrangements for beer
26 manufacturers.

27 Code section 123.30, concerning retail alcohol license
28 classifications, is amended to provide that a holder of a
29 special class "C" retail alcohol license may also hold a
30 special class "A" beer permit for purposes of operating a
31 brewpub.

32 The bill allows a manufacturer of beer in Iowa to use the
33 space and equipment of another manufacturer of beer in Iowa for
34 the purpose of manufacturing beer pursuant to an alternating
35 proprietorship arrangement that is approved by the alcohol and

1 tobacco tax and trade bureau of the United States department
2 of the treasury. The bill provides that no more than one
3 class "C" or special class "C" retail alcohol license shall
4 be issued to a premises with alternating proprietorships for
5 beer. In addition, the bill provides that a person who holds
6 a special class "A" beer permit and manufactures beer under
7 an alternative proprietorship arrangement under the bill may
8 only sell beer for consumption on or off the premises where
9 manufactured if that person is also a holder of a class "C"
10 or special class "C" retail alcohol license issued for the
11 premises where manufactured.