

House File 677 - Introduced

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BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 458)

(SUCCESSOR TO HSB 127)

A BILL FOR

1 An Act relating to native winery retail alcohol licenses.

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

1 Section 1. Section 123.3, subsection 45, Code 2023, is
2 amended to read as follows:

3 45. "Retail alcohol license" means a class "B", class "C",
4 special class "C", class "D", class "E", or class "F" retail
5 alcohol license, or a special class "B" or special class "C"
6 retail native wine license issued under [this chapter](#).

7 Sec. 2. Section 123.30, subsection 3, paragraph a,
8 subparagraph (1), subparagraph division (c), Code 2023, is
9 amended to read as follows:

10 (c) The holder of a class "B" retail alcohol license may
11 sell beer to class "C", special class "C", special class "C"
12 retail native license, class "D", and class "F" retail alcohol
13 licensees for resale for consumption on the premises. Such
14 beer sales shall be in quantities of not more than five cases
15 of beer, high alcoholic content beer, and canned cocktails,
16 but not more than one such sale shall be made to the same
17 retail alcohol licensee in a twenty-four-hour period. A class
18 "A" beer permittee shall be held harmless concerning any beer
19 resold as authorized by this subparagraph division.

20 Sec. 3. Section 123.30, subsection 3, paragraph b, Code
21 2023, is amended by adding the following new subparagraph:

22 NEW SUBPARAGRAPH. (3) A special class "C" retail native
23 wine license shall authorize the holder to sell beer and native
24 wine as provided in section 123.31C.

25 Sec. 4. Section 123.30, subsection 3, paragraph d,
26 subparagraph (4), Code 2023, is amended to read as follows:

27 (4) The holder of a class "E" retail alcohol license may
28 sell beer to class "C", special class "C", special class "C"
29 retail native license, class "D", and class "F" retail alcohol
30 licensees for resale for consumption on the premises. Such
31 beer sales shall be in quantities of not more than five cases
32 of beer, high alcoholic content beer, and canned cocktails,
33 but not more than one such sale shall be made to the same
34 retail alcohol licensee in a twenty-four-hour period. A class
35 "A" beer permittee shall be held harmless concerning any beer

1 resold as authorized by this subparagraph.

2 Sec. 5. NEW SECTION. 123.31C Authority under special class
3 "C" retail native wine license.

4 1. A person holding a special class "C" retail native
5 wine license may sell beer and native wine only at retail for
6 consumption on or off the premises. Sales of beer and native
7 wine for consumption off the premises made pursuant to this
8 section shall be made in original containers except as provided
9 in subsection 5.

10 2. A special class "C" retail native wine licensee having
11 more than one place of business where wine is sold and served
12 shall obtain a separate permit for each place of business.

13 3. A person holding a special class "C" retail native wine
14 license may purchase wine for resale only from a native winery
15 holding a class "A" wine permit.

16 4. A person holding a special class "C" retail native wine
17 license may purchase beer as follows:

18 a. From class "A" beer permittees.

19 b. From class "B" retail alcohol licensees or class "E"
20 retail alcohol licensees in quantities of not more than
21 five cases of beer, high alcoholic content beer, and canned
22 cocktails, but not more than one such purchase shall be made by
23 the licensee in a twenty-four-hour period. A class "A" beer
24 permittee shall be held harmless concerning any beer resold as
25 authorized by this subsection.

26 5. Subject to the rules of the division, sales made pursuant
27 to this section may be made in a container other than the
28 original container only if all of the following requirements
29 are met:

30 a. The beer or native wine is transferred from the original
31 container to the container to be sold on the licensed premises
32 at the time of sale or when sold by telephonic or other
33 electronic means.

34 b. The person transferring the beer or native wine from
35 the original container to the container to be sold shall be

1 eighteen years of age or more.

2 *c.* The container to be sold shall be no larger than
3 seventy-two ounces.

4 *d.* The container to be sold shall be securely sealed by a
5 method authorized by the division that is designed so that if
6 the sealed container is reopened or the seal tampered with, it
7 is visibly apparent that the seal on the container of beer or
8 native wine has been tampered with or the sealed container has
9 otherwise been reopened.

10 6. A container of beer or native wine other than the
11 original container that is sold and sealed in compliance
12 with the requirements of subsection 5 and the rules of the
13 division shall not be deemed an open container subject to the
14 requirements of sections 321.284 and 321.284A if the sealed
15 container is unopened and the seal has not been tampered with,
16 and the contents of the container have not been partially
17 removed.

18 Sec. 6. Section 123.36, subsection 1, Code 2023, is amended
19 by adding the following new paragraph:

20 NEW PARAGRAPH. *0e.* Special class "C" retail native wine
21 license fees shall be one hundred twenty-five dollars.

22 Sec. 7. Section 123.176, subsection 5, Code 2023, is amended
23 to read as follows:

24 5. Notwithstanding any other provision of [this chapter](#), a
25 person engaged in the business of manufacturing native wine
26 may be granted a class "C" retail alcohol license or special
27 class "C" retail native wine license as defined in section
28 123.30. A manufacturer of native wine may be granted not more
29 than two class "C" retail alcohol licenses or special class "C"
30 retail native wine licenses. A manufacturer of native wine
31 may be issued a class "C" retail alcohol license or special
32 class "C" retail native wine license regardless of whether the
33 manufacturer is also a manufacturer of beer pursuant to a class
34 "A" beer permit or a manufacturer of native distilled spirits
35 pursuant to a class "A" native distilled spirits license.

1

EXPLANATION

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

3

4 This bill creates a new special class "C" retail native
5 wine license which can be obtained by a person engaged in the
6 business of manufacturing native wine. The license authorizes
7 the holder to sell native wine purchased from a native winery
8 holding a class "A" wine permit and beer from class "A" beer
9 permittees and class "B" and class "E" retail alcohol licensees
10 only at retail for consumption on or off the premises. A
11 person holding the new special class "C" retail native wine
12 license is also allowed to make sales of native wine in a
13 container other than the original container only if certain
14 requirements related to transferring the wine and sealing the
15 container are met. A container of beer or native wine that is
16 sold and sealed in compliance with the requirements of the bill
17 shall not be deemed an open container. The fee for the new
18 license is \$125.

19 The bill authorizes a person engaged in the business of
20 manufacturing wine to be granted not more than two special
21 class "C" retail native wine licenses. Current law provides
22 that a person engaged in the business of manufacturing wine may
23 only be granted up to two class "C" retail alcohol licenses.
24 A class "C" retail alcohol license authorizes the holder to
25 purchase and sell alcoholic liquor, wine, and beer.