House File 470 - Introduced

HOUSE FILE 470
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO HSB 79)

A BILL FOR

An Act relating to alcoholic beverages, including license authorizations and fee determinations, and including effective date and applicability provisions.

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

DIVISION I

DEFINITIONS AND LICENSE AUTHORIZATIONS

Section 1. Section 123.3, subsections 10 and 32, Code 2025, are amended to read as follows:

10. *"Canned cocktail"* means a mixed drink or cocktail, the alcohol component of which is primarily composed of alcoholic liquor, that is premixed and packaged in a metal can and contains more than one-half of one percent of alcohol by volume but not more than fifteen percent of alcohol by volume. A mixed drink or cocktail mixed and packaged in a metal can pursuant to section 123.49, subsection 2, paragraph "*d*", subparagraph (3), shall not be considered a canned cocktail.

32. *"Mixed drink or cocktail"* means an alcoholic beverage, composed in whole or in part of alcoholic liquor, wine, or beer, that is combined with other alcoholic beverages or nonalcoholic beverages or ingredients including but not limited to ice, water, soft drinks, or flavorings.

Sec. 2. Section 123.30, subsection 1, paragraph a, Code 2025, is amended to read as follows:

a. A retail alcohol license may be issued to any person who is of good moral character as defined by this chapter, the state of Iowa, or any state agency as defined in section 669.2.

Sec. 3. Section 123.30, subsection 3, paragraph b, subparagraph (2), subparagraph division (c), Code 2025, is amended to read as follows:

(c) The holder of a special class "C" retail alcohol license shall be authorized to sell wine and beer to patrons by the individual drink for consumption on the premises only. However, wine and beer in original unopened containers may also be sold for consumption off the premises. In addition, a mixed drink or cocktail that does not contain alcoholic liquor may be sold for consumption off the premises subject to the requirements of section 123.49, subsection 2, paragraph "*d*".

Sec. 4. Section 123.31, subsection 2, paragraphs b and c, Code 2025, are amended to read as follows:

b. That the applicant is a person of good moral character as provided in section 123.3, subsection 40. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in section 669.2.

c. That the applicant is a citizen of the state of Iowa or, if a corporation, that the applicant is authorized to do business in the state. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in section 669.2.

Sec. 5. Section 123.31C, subsection 1, Code 2025, is amended to read as follows:

1. A person holding a special class "C" retail native wine license may sell beer and native wine only at retail for consumption on or off the premises. Sales of beer and native wine for consumption off the premises made pursuant to this section shall be made in original containers except as provided in subsection 5. A sale of a mixed drink or cocktail that does not contain alcoholic liquor may be sold for consumption off the premises subject to the requirements of section 123.49, subsection 2, paragraph "*d*".

Sec. 6. Section 123.43, subsection 2, paragraphs b and c, Code 2025, are amended to read as follows:

b. That the applicant is a person of good moral character as provided in section 123.3, subsection 40. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in section 669.2.

c. That the applicant is a citizen of the state of Iowa or, if a corporation, that the applicant is authorized to do business in the state. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in section 669.2.

Sec. 7. Section 123.49, subsection 2, paragraph d, subparagraph (3), Code 2025, is amended to read as follows:

(3) Mixed drinks or cocktails mixed on premises covered by a class "C" or special class "C" retail alcohol license, or a special class "C" retail native wine license, for consumption off the licensed premises may be sold if the mixed drink or cocktail

is immediately filled in a sealed container and is promptly taken from the licensed premises prior to consumption of the mixed drink or cocktail. A mixed drink or cocktail that is sold in a sealed container in compliance with the requirements of this subparagraph and rules adopted by the department shall not be deemed an open container subject to the requirements of sections 321.284 and 321.284A if the sealed container is unopened and the seal has not been tampered with, and the contents of the container have not been partially removed.

Sec. 8. Section 123.127, subsection 2, paragraphs b and c, Code 2025, are amended to read as follows:

b. That the applicant is a person of good moral character as provided in section 123.3, subsection 40. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in section 669.2.

c. That the applicant is a citizen of the state of Iowa or, if a corporation, that the applicant is authorized to do business in the state. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in section 669.2.

Sec. 9. Section 123.175, subsection 2, paragraphs b and c, Code 2025, are amended to read as follows:

b. That the applicant is a person of good moral character as provided in section 123.3, subsection 40. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in section 669.2.

c. That the applicant is a citizen of the state of Iowa or, if a corporation, that the applicant is authorized to do business in the state. This paragraph does not apply if the applicant is the state of Iowa or a state agency as defined in section 669.2.

Sec. 10. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION II

LICENSE FEE DETERMINATION

Sec. 11. Section 123.36, subsection 1, paragraph a, subparagraph (4), Code 2025, is amended to read as follows:

(4) For premises located outside the corporate limits of any city, a fee equal to that charged ~~to~~ for a premises ~~with~~ of the same square footage in the nearest incorporated city ~~located nearest the premises to be licensed~~, as determined by the address assigned by the United States postal service. ~~If there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail. However, if the premises is located in an unincorporated town, for purposes of this paragraph, the unincorporated town shall be treated as if it is a city.~~

Sec. 12. Section 123.36, subsection 1, paragraph c, subparagraph (4), Code 2025, is amended to read as follows:

(4) Commercial establishments located outside the corporate limits of any city, a fee equal to that charged in the incorporated city located nearest the premises to be licensed, ~~and in case there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail~~ as determined by the address assigned by the United States postal service. ~~However, if a commercial establishment is located in an unincorporated town, for purposes of this paragraph, the unincorporated town shall be treated as if it is a city.~~

Sec. 13. Section 123.36, subsection 1, paragraph d, subparagraph (4), Code 2025, is amended to read as follows:

(4) Commercial establishments located outside the corporate limits of any city, a fee equal to that charged in the incorporated city located nearest the premises to be licensed, ~~and in case there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail~~ as determined by the address assigned by the United States postal service. ~~However, if a commercial establishment is located in an unincorporated town, for purposes of this paragraph, the unincorporated town shall be treated as if it is a city.~~

Sec. 14. Section 123.36, subsection 1, paragraph g, subparagraph (4), Code 2025, is amended to read as follows:

(4) For premises located outside the corporate limits of any city, a fee equal to that charged ~~to~~ for a premises ~~with~~ of the same square footage in the nearest incorporated city ~~located nearest the premises to be licensed~~, as determined by the address assigned by the United States postal service. ~~If there is doubt as to which of two or more differing corporate limits is the nearest, the license fee which is the largest shall prevail. However, if the premises is located in an unincorporated town, for purposes of this paragraph, the unincorporated town shall be treated as if it is a city.~~

Sec. 15. APPLICABILITY. This division of this Act applies to licenses issued or renewed on or after November 10, 2025. A license issued prior to that date and in effect on that date shall continue in full force and effect with the authority originally granted by the license until expiration or renewal.

EXPLANATION

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

This bill relates to alcoholic beverages.

DEFINITIONS AND LICENSE AUTHORIZATIONS. The bill modifies the definition of "canned cocktail" by specifying that the alcohol component is primarily alcoholic liquor, and expands the definition of "mixed drink or cocktail" to include alcoholic beverages composed of wine or beer. The bill authorizes a special class "C" retail alcohol licensee or a special class "C" retail native wine licensee to sell mixed drinks or cocktails for consumption off the premises pursuant to Code section 123.49(2)(d)(3), if the beverage does not contain alcoholic liquor.

The bill specifically authorizes the state of Iowa or a state agency to be issued a retail alcohol license and excludes them from the requirements that the applicant for a retail alcohol license, class "A" native distilled spirits license, class "A" or special class "A" beer permit, or class "A" wine permit be a person of good moral character and authorized to do business in the state of Iowa. The bill does not enact such an exclusion for a wine auction permit (Code section 123.173C).

This division takes effect upon enactment.

LICENSING FEE DETERMINATION. Under current law, when determining the applicable fee for a class "B", class "C", special class "C", or class "E" retail alcohol license, where the premises or commercial establishment is located outside the corporate limits of any city, the population of the nearest incorporated city is used, unless the licensed premises is located in an unincorporated town, then the unincorporated town is treated as a city. The bill instead determines such fees based on the population of the nearest incorporated city as determined by the address assigned by United State postal service.

This division applies to licenses issued or renewed on or after November 10, 2025. A license issued prior to that date and in effect on that date shall continue in full force and effect until expiration or renewal.