

Senate Study Bill 3106 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY CHAIRPERSON
BOUSSELOT)

A BILL FOR

1 An Act relating to the sale and distribution of beer, including
2 by providing for the direct shipment of beer, levying a
3 barrel tax, providing fees, making penalties applicable, and
4 including effective date provisions.

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

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1 Section 1. Section 123.32, subsection 1, paragraph b, Code
2 2026, is amended by adding the following new subparagraph:

3 NEW SUBPARAGRAPH. (07) A beer direct shipper permit as
4 provided in section 123.147.

5 Sec. 2. Section 123.32, subsection 1, paragraph b,
6 subparagraph (10), Code 2026, is amended to read as follows:

7 (10) ~~A wine~~ An alcoholic beverage carrier permit as provided
8 in section 123.188.

9 Sec. 3. Section 123.35, subsection 4, unnumbered paragraph 1,
10 Code 2026, is amended to read as follows:

11 Notwithstanding ~~section~~ sections 123.147 and 123.187, and any
12 other provision of this chapter to the contrary, a beer or wine
13 direct shipper's shipper permit shall automatically renew without
14 approval by the director upon collection of the annual fee by
15 the department, provided all of the following conditions are met
16 since the preceding permit was issued:

17 Sec. 4. Section 123.35, subsection 4, paragraph e, Code 2026,
18 is amended to read as follows:

19 e. The permittee has filed all required reports and remitted
20 all beer barrel tax owed pursuant to section 123.136 or wine
21 gallage tax owed pursuant to section 123.183, as applicable.

22 Sec. 5. Section 123.39, subsection 1, paragraph a,
23 subparagraph (2), Code 2026, is amended to read as follows:

24 (2) The director may suspend a certificate of compliance, a
25 class "D" retail alcohol license, a manufacturer's license, a
26 broker's permit, a class "A" native distilled spirits license, a
27 class "A" or special class "A" beer permit, a beer direct shipper
28 permit, a class "A" wine permit, a wine direct
29 ~~shipper's shipper~~ permit, or ~~a wine~~ an alcoholic beverage carrier
30 permit for a period not to exceed one year, revoke the license,
31 permit, or certificate, or impose a civil penalty not to exceed
32 one thousand dollars per violation.

33 Sec. 6. Section 123.46A, subsection 5, Code 2026, is amended
34 to read as follows:

35 5. Nothing in this section shall impact the direct shipment

1 of beer as regulated by section 123.147 or the direct shipment of
2 wine as regulated by section 123.187.

3 Sec. 7. Section 123.130, subsection 1, paragraph a, Code
4 2026, is amended to read as follows:

5 a. Any person holding a class "A" beer permit issued by
6 the department shall be authorized to manufacture and sell, or
7 sell at wholesale, beer for consumption off the premises, such
8 sales within the state to be made only to persons holding a
9 subsisting class "A" beer permit, or retail alcohol licenses,
10 excluding a special class "B" retail native wine license, issued
11 in accordance with the provisions of this chapter. However, a
12 person holding a class "A" beer permit issued by the department
13 who also holds a brewer's notice issued by the alcohol and
14 tobacco tax and trade bureau of the United States department
15 of the treasury shall be authorized to sell, ~~at wholesale, no~~
16 ~~more than thirty thousand barrels of beer on an annual basis for~~
17 ~~consumption off the premises to a licensee~~ licensees authorized
18 under this chapter to sell beer at retail for consumption off the
19 premises or to sell at retail to individuals in accordance with a
20 beer direct shipper permit issued pursuant to section 123.147, no
21 more than thirty thousand barrels of beer on an annual basis.

22 Sec. 8. Section 123.130, subsection 4, paragraph b, Code
23 2026, is amended to read as follows:

24 b. Except as provided in paragraph "c", a person who holds
25 a special class "A" beer permit for the same location at which
26 the person holds a class "C" or special class "C" retail alcohol
27 license for the purpose of operating as a brewpub may manufacture
28 and sell beer to be consumed on the premises, may sell beer
29 at retail at the manufacturing premises for consumption off the
30 premises and to individuals in accordance with a beer direct
31 shipper permit issued pursuant to section 123.147 in an amount
32 not to exceed thirty thousand barrels of beer on an annual basis,
33 may sell beer to a class "A" beer permittee for resale purposes,
34 and may sell beer to distributors outside of the state that
35 are authorized by the laws of that jurisdiction to sell beer at

1 wholesale.

2 Sec. 9. Section 123.136, subsection 1, Code 2026, is amended
3 to read as follows:

4 1. In addition to the annual permit fee to be paid by all
5 class "A" beer permittees under this chapter there shall be
6 levied and collected from the permittees on all beer manufactured
7 for sale or sold in this state at wholesale and on all beer
8 imported into this state for sale at wholesale and sold in this
9 state at wholesale, and from special class "A" beer permittees on
10 all beer manufactured for consumption on the premises and on all
11 beer sold at retail at the manufacturing premises for consumption
12 off the premises pursuant to section 123.130, subsection 4, a
13 tax of five and eighty-nine hundredths dollars for every barrel
14 containing thirty-one gallons, and at a like rate for any other
15 quantity or for the fractional part of a barrel. A barrel tax
16 shall also be levied and collected on the direct shipment of beer
17 pursuant to section 123.147. However, no tax shall be levied or
18 collected on beer shipped outside this state by a class "A" beer
19 permittee or special class "A" beer permittee to an out-of-state
20 wholesaler of beer or on beer sold to a class "A" beer permittee
21 by a special class "A" beer permittee or another class "A" beer
22 permittee.

23 Sec. 10. Section 123.137, Code 2026, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 1A. Each beer direct shipper permit holder
26 shall make a report under oath to the department electronically,
27 or in a manner prescribed by the director, on or before the tenth
28 day of the calendar months of June and December, showing the
29 exact number of barrels of beer and fractional parts of barrels
30 sold and shipped pursuant to section 123.147 during the preceding
31 six-month calendar period. The report must also state whatever
32 reasonable additional information the director requires. The
33 permit holder at the time of filing this report shall pay to the
34 department the amount of tax due at the rate fixed in section
35 123.136.

1 Sec. 11. NEW SECTION. **123.147 Direct shipment of beer —**
2 **permit and requirements.**

3 1. A beer manufacturer licensed or permitted pursuant to laws
4 regulating alcoholic beverages in this state or another state
5 may apply for a beer direct shipper permit, as provided in this
6 section.

7 2. a. Only a beer manufacturer that holds a beer direct
8 shipper permit issued pursuant to this section may sell beer
9 at retail for direct shipment to any person within this state,
10 or from this state to any person outside the state if also
11 authorized pursuant to the laws of that jurisdiction. This
12 section does not prohibit an authorized retail licensee from
13 delivering beer pursuant to section 123.46A.

14 b. A beer manufacturer applying for a beer direct shipper
15 permit shall submit an application for the permit electronically,
16 or in a manner prescribed by the director, accompanied by a true
17 copy of the manufacturer's current alcoholic beverage license or
18 permit issued by the state where the manufacturer is primarily
19 located and a copy of the manufacturer's brewer's notice issued
20 by the alcohol and tobacco tax and trade bureau of the United
21 States department of the treasury.

22 c. An application submitted pursuant to paragraph "b" shall
23 be accompanied by a permit fee in the amount of twenty-five
24 dollars.

25 d. A permit issued pursuant to this section may be renewed
26 annually by submitting a renewal application with the director
27 in a manner prescribed by the director, accompanied by the
28 twenty-five dollar permit fee.

29 3. The direct shipment of beer pursuant to this section is
30 subject to the following requirements and restrictions:

31 a. Beer shall only be shipped to a resident of this state,
32 or from this state to a person outside the state if also
33 authorized pursuant to the laws of that jurisdiction, who is at
34 least twenty-one years of age, for the person's personal use and
35 consumption and not for resale.

1 b. Beer subject to direct shipping shall be properly
2 registered with the federal alcohol and tobacco tax and trade
3 bureau, and manufactured on the licensed premises of the beer
4 direct shipper permittee.

5 c. All containers of beer shipped under this section shall be
6 conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE
7 OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY" or shall be
8 conspicuously labeled with alternative wording preapproved by the
9 director.

10 d. All containers of beer shipped under this section shall be
11 shipped by a holder of an alcoholic beverage carrier permit as
12 provided in section 123.188.

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

16 4. A beer direct shipper permittee shall remit to the
17 department an amount equivalent to the barrel tax on beer subject
18 to direct shipment, whether shipped within the state or out of
19 state, at the rate specified in section 123.136 for deposit as
20 provided in section 123.136, subsection 2. The amount shall
21 be remitted at the time and in the manner provided in section
22 123.137, subsection 1A, and the ten percent penalty specified in
23 section 123.137, subsection 2, shall be applicable.

24 5. A beer direct shipper permittee shall be deemed to have
25 consented to the jurisdiction of the department or any other
26 agency or court in this state concerning enforcement of this
27 section and any related laws, rules, or regulations. A permit
28 holder shall allow the department to perform an audit of shipping
29 records upon request.

30 6. A violation of this section shall subject the permittee
31 to the general penalties provided in this chapter and shall
32 constitute grounds for imposition of a civil penalty or
33 suspension or revocation of the permit pursuant to section
34 123.39.

35 Sec. 12. Section 123.173C, subsection 4, paragraphs b and d,

1 Code 2026, are amended to read as follows:

2 b. A person, within or outside of the state, who desires to
3 ship wine from a private collection to a wine auction permittee
4 to be sold at auction shall do so through a holder of
5 ~~a wine~~ an alcoholic beverage carrier permit. The wine auction
6 permittee shall ensure that each bottle of wine so acquired
7 is permanently affixed with a label stating that the wine was
8 acquired from a private collection.

9 d. A permittee is responsible for the storage of all wines
10 that are to be offered at auction at the licensed premises,
11 and for the subsequent shipment and delivery of all wines sold
12 at auction to the purchasers of the wines. Shipment of wine
13 pursuant to this paragraph shall only be done by a holder of a
14 ~~wine~~ an alcoholic beverage carrier permit.

15 Sec. 13. Section 123.187, subsection 3, paragraph d, Code
16 2026, is amended to read as follows:

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

20 Sec. 14. Section 123.188, subsections 1, 2, and 4, Code 2026,
21 are amended to read as follows:

22 1. A person desiring to deliver beer subject to direct
23 shipment pursuant to section 123.147, to deliver wine subject to
24 direct shipment within this state pursuant to section 123.187,
25 or to deliver wine shipped to or by a wine auction permittee
26 pursuant to section 123.173C, shall submit an application for a
27 ~~wine~~ an alcoholic beverage carrier permit electronically, or in a
28 manner prescribed by the director, which shall be accompanied by
29 a fee in the amount of one hundred dollars.

30 2. The director may in accordance with this chapter issue a
31 ~~wine~~ an alcoholic beverage carrier permit which shall be valid
32 for one year from the date of issuance unless it is sooner
33 suspended or revoked for a violation of this chapter.

34 4. The delivery of beer or wine pursuant to this section
35 shall be subject to the following requirements and restrictions:

1 state. Code section 123.135, concerning the barrel tax, and Code
2 section 123.136, concerning reporting of barrel sales, are made
3 applicable to beer subject to direct shipment.

4 The bill includes beer sold pursuant to a beer direct shipper
5 permit by a native brewery in the limit under current law placed
6 on wholesale sales of beer to licensees authorized to sell beer
7 at retail for off-premises consumption to no more than 30,000
8 barrels on an annual basis. The bill adds a similar limit for
9 a brewpub by limiting the beer the brewpub sells at retail to
10 individuals at the manufacturing premises for consumption off
11 the premises and to individuals in accordance with a beer direct
12 shipper permit to no more than 30,000 barrels on an annual basis.

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

16 The bill takes effect January 1, 2027.

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