

**Senate Study Bill 3142 - Introduced**

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

**A BILL FOR**

1 An Act relating to cigar bars by modifying the smokefree air Act  
2 and allowing for certain delivery sales, providing for a fee,  
3 and including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 142D.1, subsection 3, Code 2026, is  
2 amended to read as follows:

3 3. The purpose of this chapter is to reduce the level of  
4 exposure by the general public and employees to environmental  
5 tobacco smoke in order to improve the public health of Iowans,  
6 while allowing for limited exceptions.

7 Sec. 2. Section 142D.2, Code 2026, is amended by adding the  
8 following new subsection:

9 NEW SUBSECTION. 2A. "Cigar bar" means the same as defined in  
10 section 453F.1.

11 Sec. 3. Section 142D.4, Code 2026, is amended by adding the  
12 following new subsection:

13 NEW SUBSECTION. 12. Cigar bars.

14 Sec. 4. NEW SECTION. **453F.1 Definitions.**

15 As used in this chapter, unless the context otherwise  
16 requires:

17 1. "Alcoholic beverage" means the same as defined in section  
18 123.3.

19 2. "Cigar bar" means a retail establishment that meets all of  
20 the following criteria:

21 a. Generates at least fifty percent of annual gross revenues  
22 from the retail sale of premium cigars and cigar-related products  
23 at the place of business, excluding delivery sales, alcoholic  
24 beverages, and food.

25 b. Holds a class "C" or special class "C" retail alcohol  
26 license pursuant to chapter 123.

27 c. Holds a retailer permit pursuant to section 453A.47A.

28 d. Prohibits the entry of persons under the age of twenty-one  
29 years.

30 e. Maintains a walk-in humidor or a humidor with a capacity  
31 of storing at least one hundred fifty cigars at the place of  
32 business for the retail sale of cigars.

33 f. Clearly and conspicuously posts at every entrance a  
34 declaration that smoking is permitted on the premises of the  
35 place of business and persons under the age of twenty-one years

1 are prohibited from entry.

2 g. Does not allow the smoking of any other product other than  
3 premium cigars.

4 h. Sells only premium cigars and no other types of cigars.

5 3. "Cigar retailer" means a cigar bar that holds a delivery  
6 sale permit issued pursuant to this chapter.

7 4. "Delivery sale" means any sale of a premium cigar to a  
8 purchaser in this state where the purchaser submits the order  
9 for such sale by means of a telephonic or other method of voice  
10 transmission, mail or any other delivery service, or the internet  
11 or other online service and the premium cigar is delivered by use  
12 of mail or a delivery service. "Delivery sale" does not include  
13 a sale to a distributor or business.

14 5. "Department" means the department of revenue.

15 6. "Director" means the director of revenue.

16 7. "Place of business" means any place where premium cigars  
17 or cigar-related products are sold, stored, or kept for the  
18 purpose of sale or consumption; or for a business within the  
19 state that conducts delivery sales, any place where premium  
20 cigars and cigar-related products are sold or are kept for the  
21 purpose of sale, including delivery sales within the state.

22 8. "Premium cigar" means a cigar that is all of the  
23 following:

24 a. Wrapped in whole tobacco leaf.

25 b. One hundred percent leaf tobacco binder.

26 c. One hundred percent tobacco filler.

27 d. Handmade or hand rolled.

28 e. Contains only a tobacco tip, with no filter or nontobacco  
29 tip or mouthpiece.

30 f. Contains only tobacco, water, and vegetable gum.

31 g. Weighs more than six pounds per one thousand units.

32 9. "Retail establishment" means a place of business where  
33 premium cigars and other cigar-related products are sold directly  
34 or through delivery sales to consumers.

35 Sec. 5. NEW SECTION. **453F.2 Application — permit —**

1 **fees.**

2 1. A person shall not engage in the business of a cigar  
3 retailer at any place of business or through delivery sales,  
4 unless the person has received and holds a delivery sale permit  
5 pursuant to this section that has not been suspended or revoked  
6 and is not expired, and complies with the provisions of this  
7 chapter.

8 2. A cigar retailer shall not sell premium cigars through  
9 delivery sales until an application has been filed with the  
10 department and the fee prescribed paid for a delivery sale permit  
11 and until such permit is obtained and only while such permit is  
12 not suspended, revoked, or expired.

13 3. An application shall be filed and a delivery sale permit  
14 obtained for each place of business owned or operated by a cigar  
15 retailer located in the state.

16 4. Upon approval of a delivery sale permit application by  
17 the department, the department shall issue the permit to the  
18 applicant in a manner determined by the department.

19 5. All delivery sale permits provided for in this section  
20 shall expire on June 30 of each year. A delivery sale permit  
21 shall not be granted or issued until the applicant has paid the  
22 fees provided for in this section for the period ending June 30  
23 next, to the department. The fee for a delivery sale permit is  
24 twenty-five dollars.

25 6. Delivery sale permits shall be issued only upon  
26 application, accompanied by the twenty-five dollar fee, made  
27 upon forms furnished by the department. The application, any  
28 supporting documentation, and the associated fees required by  
29 this section shall be submitted to the department electronically.  
30 The application shall specify all of the following:

31 a. The manner under which the cigar retailer transacts or  
32 intends to transact business as a cigar retailer.

33 b. The principal office, residence, and place of business, to  
34 which the delivery sale permit is to apply.

35 c. If the applicant is not an individual, the names of the

1 partners if the applicant is a partnership or the names of the  
2 principal officers or members if the applicant is a legal entity,  
3 and their addresses.

4 d. Such other information as the director shall by rule  
5 prescribe.

6 Sec. 6. NEW SECTION. **453F.3 Delivery sale requirements and**  
7 **restrictions.**

8 1. The delivery sale of premium cigars pursuant to this  
9 chapter shall be subject to the following requirements and  
10 restrictions:

11 a. All premium cigars delivered by delivery sale directly to  
12 a resident of this state shall be sold only by a delivery sale  
13 permit holder.

14 b. A delivery sale permit holder shall only deliver premium  
15 cigars by delivery sale to a resident of this state who is at  
16 least twenty-one years of age for the resident's personal use and  
17 not for resale.

18 c. All premium cigars delivered by delivery sale directly to  
19 a resident of this state shall be conspicuously labeled with  
20 the words "CONTAINS CIGARS: SIGNATURE OF PERSON AGE 21 OR OLDER  
21 REQUIRED FOR DELIVERY" or shall be conspicuously labeled with  
22 alternative wording preapproved by the director.

23 d. A delivery sale permit holder shall obtain valid proof  
24 of identity and age prior to delivery, and shall obtain the  
25 signature of a person age twenty-one or older as a condition of  
26 delivery.

27 e. A delivery sale permit holder shall maintain records of  
28 premium cigars delivered which include the quantity of premium  
29 cigars delivered, recipient's name and address and verification  
30 of age on an electronic or paper form of signature from the  
31 recipient of the premium cigars. Records shall be submitted  
32 electronically to the department in a form and manner to be  
33 determined by the director. Records shall be maintained for at  
34 least five years.

35 2. A delivery sale permit holder shall be deemed to have

1 consented to the jurisdiction of the director or any other agency  
2 or court in this state concerning enforcement of this section and  
3 any related laws, rules, or regulations. A delivery sale permit  
4 holder shall allow the director to perform an audit of records of  
5 devices upon request.

6 Sec. 7. NEW SECTION. **453F.4 Cigar bars — verification of**  
7 **income — exemption under smokefree air Act.**

8 1. A cigar bar shall annually submit a certified financial  
9 statement to the department verifying that at least fifty percent  
10 of the annual gross revenues are generated from the retail sale  
11 of premium cigars and cigar-related products at the place of  
12 business.

13 2. When the qualification as a cigar bar under this chapter  
14 is not met, the department shall mail a notice stating the  
15 qualification as an exempt area under chapter 142D ceases seven  
16 days after the date of the notice.

17 Sec. 8. NEW SECTION. **453F.5 Administration — rules —**  
18 **intent.**

19 1. The director shall administer this chapter. The director  
20 shall collect, supervise, and enforce the collection of all fees,  
21 taxes, and civil penalties imposed under this chapter.

22 2. The director may adopt rules pursuant to chapter 17A that  
23 are necessary to enforce this chapter.

24 3. The director may designate employees to administer and  
25 enforce the provisions of this chapter, including the collection  
26 of all taxes provided for in this chapter. In the enforcement,  
27 the director may request aid from the attorney general, the  
28 special agents of the state, any county attorney, or any peace  
29 officer. The director may appoint clerks and additional help as  
30 may be needed to administer this chapter.

31 4. This chapter or the holding of a delivery sale permit  
32 under this chapter shall not be construed to limit the  
33 application of other state laws and regulations governing cigars.

34 5. The director shall prescribe the forms necessary for the  
35 efficient administration of this chapter and may require uniform

1 books and records to be used and kept by each cigar bar and cigar  
2 retailer or other person as deemed necessary.

3 Sec. 9. NEW SECTION. **453F.6 Permits — suspension —**  
4 **revocation — penalties.**

5 1. The provisions of chapter 453A, including the permit  
6 suspension and revocation provisions and the civil penalties  
7 established in section 453A.22, shall apply to tobacco retailers  
8 who are also delivery sale permit holders under this chapter.  
9 The provisions of chapter 453A applicable to persons other than  
10 cigar retailers who violate chapter 453A shall also apply to  
11 persons who violate this chapter.

12 2. If a person holding a delivery sale permit under this  
13 chapter has willfully violated this chapter, the department shall  
14 revoke the permit upon notice and hearing. The hearing before  
15 the department may be held at a site in the state as the  
16 department may direct. The notice shall be given by mailing a  
17 copy to the permit holder's place of business as it appears on  
18 the application for a permit. If, upon hearing, the department  
19 finds that the violation has occurred, the department may revoke  
20 the permit.

21 3. If a delivery sale permit is suspended or revoked under  
22 this section, the suspension or revocation shall only apply to  
23 the place of business at which the violation occurred and shall  
24 not apply to any other place of business to which the permit  
25 applies but at which the violation did not occur.

26 4. In addition to any other applicable penalties, a cigar bar  
27 or cigar retailer who violates this chapter shall be subject to  
28 the following penalties if incurred within a twelve-month rolling  
29 period:

30 a. For a first violation, a civil penalty not to exceed one  
31 thousand dollars.

32 b. For a second violation, a civil penalty not to exceed two  
33 thousand dollars.

34 c. For a third violation, a civil penalty not to exceed  
35 five thousand dollars and the violation constitutes grounds for

1 suspension or revocation of any permit issued under this chapter  
2 for a period of one year.

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

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 relates to cigar bars by modifying the smokefree air  
9 Act and allowing for certain delivery sales.

10 SMOKEFREE AIR ACT. The bill modifies Code chapter 142D  
11 (smokefree air Act) by exempting cigar bars from the smokefree  
12 air Act if the cigar bar meets the definition of a cigar bar  
13 created in the bill.

14 The bill defines "cigar bar" to mean a retail establishment  
15 that meets all of the following criteria: (1) generates at  
16 least 50 percent of annual gross revenues from the retail sale  
17 of premium cigars and cigar-related products, excluding delivery  
18 sales, alcohol, and food, (2) prohibits the entry of persons  
19 under 21 years of age, (3) holds a class "C" or special class  
20 "C" retail alcohol license, (4) holds a tobacco retailer permit  
21 under Code section 453A.47A, (5) maintains a walk-in humidor or  
22 a humidor with a capacity of storing at least 150 cigars, (6)  
23 posts at every entrance a declaration that smoking is permitted  
24 on the premises and persons under the age of 21 years of age  
25 are prohibited from entry, (7) does not allow the smoking of  
26 any other product other than premium cigars, and (8) sells only  
27 premium cigars.

28 The bill defines "premium cigar" to mean a cigar that is  
29 (1) wrapped in whole tobacco leaf, (2) 100 percent leaf tobacco  
30 binder, (3) 100 percent tobacco filler, (4) handmade, (5)  
31 contains only a tobacco tip, (6) weighs more than six pounds per  
32 1,000 units.

33 The bill specifies a cigar bar shall annually submit a  
34 certified financial statement to the department verifying that at  
35 least 50 percent of the annual gross revenues are generated from

1 the retail sale of premium cigars and cigar-related products.

2 DELIVERY SALES. The bill permits a cigar bar retailer to  
3 sell premium cigars through delivery sales if the person holds a  
4 delivery sale permit issued pursuant to the processes established  
5 in the bill.

6 A "cigar retailer" is defined to mean a cigar bar as defined  
7 in the bill that holds a delivery sale permit.

8 The bill defines "delivery sale" to mean any sale of a premium  
9 cigar to a purchaser in this state where the purchaser submits  
10 the order for such sale by means of a telephonic or other method  
11 of voice transmission, mail or any other delivery service, or  
12 the internet or other online service and the premium cigar is  
13 delivered by use of mail or a delivery service.

14 A cigar retailer shall not sell premium cigars through  
15 delivery sales until an application for the permit has been filed  
16 with the department of revenue (department), the \$25 permit fee  
17 has been paid, and the department approves the application.

18 The bill requires the application shall be filed and a  
19 delivery sale permit obtained for each place of business owned  
20 or operated by a cigar retailer located in the state.

21 The application shall include information about the manner  
22 under which the cigar retailer transacts or intends to transact  
23 business as a cigar retailer, the principal office of the  
24 applicant, the names of the owners and their addresses, and any  
25 other information the director of revenue (director) prescribes  
26 by rule.

27 The bill requires a delivery sale of premium cigars be only  
28 delivered to a resident of this state who is at least 21 years of  
29 age and be for the resident's personal use and not for resale.

30 The bill requires all premium cigars delivered by delivery  
31 sale directly to a resident of this state to be conspicuously  
32 labeled with the words "CONTAINS CIGARS: SIGNATURE OF PERSON AGE  
33 21 OR OLDER REQUIRED FOR DELIVERY" or shall be conspicuously  
34 labeled with alternative wording preapproved by the director.

35 The bill requires a delivery sale permit holder to obtain

1 valid proof of identity and age prior to delivery, and shall  
2 obtain the signature of a person age 21 years of age or older  
3 as a condition of delivery.

4 The department is required to administer the bill and may  
5 adopt rules necessary to enforce the bill.

6 The bill requires a delivery sale permit holder to maintain  
7 records of premium cigars delivered for at least five years.

8 The bill establishes procedures for the suspension of the  
9 delivery sale permit that are similar to procedures for the  
10 suspension of tobacco retailer permits under Code chapter 453A.

11 The bill provides for increasing civil penalties for  
12 violations of the bill.

13 The bill takes effect upon enactment.

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