

House File 2200 - Introduced

HOUSE FILE 2200
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO HSB 587)

A BILL FOR

1 An Act relating to prohibited activities in the administration
2 of alcoholic beverage control by the department of revenue,
3 and including effective date provisions.

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

1 Section 1. Section 123.5, subsection 3, Code 2026, is
2 amended to read as follows:

3 3. Members of the commission shall be chosen on the basis
4 of managerial ability and experience as business executives.
5 Not more than two members of the commission may ~~be the holder~~
6 ~~of or have an interest in a permit or license to manufacture~~
7 ~~alcoholic liquor, wine, or beer or to sell alcoholic liquor,~~
8 ~~wine, or beer at wholesale or retail~~ directly or indirectly;
9 individually; as a member of a partnership or an association;
10 as a member, owner, or stockholder, except as an institutional
11 investor, of a corporation or other entity; or as a relative to
12 an individual by blood or marriage within the second degree,
13 do any of the following:

14 a. Hold a permit or license to manufacture alcoholic
15 beverages or sell alcoholic beverages at wholesale or retail.

16 b. Have an interest in the manufacture of or dealing in
17 alcoholic beverages or in an enterprise or industry in which
18 alcoholic beverages are required.

19 c. Receive a commission or profit on the purchase or sale of
20 alcoholic beverages by any person.

21 d. Have an interest in or mortgage or deed of trust on any
22 land or building where alcoholic beverages are manufactured for
23 sale, offered for sale, or sold, or in any personal property
24 used in the manufacture or sale of alcoholic beverages.

25 Sec. 2. Section 123.5, Code 2026, is amended by adding the
26 following new subsections:

27 NEW SUBSECTION. 3A. In addition to the requirements of
28 chapter 68B, members of the commission shall not directly or
29 indirectly use the office of the member to influence, persuade,
30 or induce any person to adopt their political views or to favor
31 any particular candidate for an elective or appointive public
32 office.

33 NEW SUBSECTION. 6. This section does not prohibit a
34 commission member from lawfully purchasing and keeping
35 alcoholic beverages in the possession of the commission member.

1 Sec. 3. Section 123.13, Code 2026, is amended by striking
2 the section and inserting in lieu thereof the following:

3 **123.13 Prohibitions — director and employees.**

4 1. For purposes of this section, "*director*" means the
5 director of revenue but does not include the director's
6 designee.

7 2. The requirements of this section are in addition to the
8 requirements of chapter 68B.

9 3. The director shall not directly or indirectly;
10 individually; as a member of a partnership or an association;
11 as a member, owner, or stockholder, except as an institutional
12 investor, of a corporation or other entity; or as a relative to
13 an individual by blood or marriage within the second degree,
14 do any of the following:

15 *a.* Have an interest in the manufacture of or dealing in
16 alcoholic beverages or in an enterprise or industry in which
17 alcoholic beverages are required.

18 *b.* Receive a commission or profit from the purchase or sale
19 of alcoholic beverages by any person.

20 *c.* Have an interest in or mortgage or deed of trust on any
21 land or building where alcoholic beverages are manufactured for
22 sale, offered for sale, or sold, or in any personal property
23 used in the manufacture or sale of alcoholic beverages.

24 4. An employee of the department shall not license,
25 permit, or participate in the licensing or permitting of a
26 person, business, or organization that requires a license or
27 permit under the laws and rules governing alcoholic beverages,
28 if the employee has an ownership interest related to that
29 person, business, or organization, or is in a position to
30 exercise any control over the purchasing of alcoholic beverages
31 through a position of employment with the person, business, or
32 organization.

33 5. An employee of the department shall not enforce any
34 law or rule governing alcoholic beverages against a person,
35 business, or organization that requires a license or permit

1 under the laws and rules governing alcoholic beverages,
2 if the employee has an ownership interest related to that
3 person, business, or organization, or is in a position to
4 exercise any control over the purchase of alcoholic beverages
5 through a position of employment with the person, business, or
6 organization.

7 6. The director or an employee of the department violating
8 this section or any other provision of this chapter shall, in
9 addition to any other penalties provided by law, be subject
10 to disciplinary action up to and including discharge from
11 employment.

12 7. This section does not prohibit the director or an
13 employee of the department from lawfully purchasing and keeping
14 alcoholic beverages in the possession of the director or the
15 employee.

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

18 EXPLANATION

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

21 This bill relates to prohibited activities in the
22 administration of alcoholic beverage control by the department
23 of revenue (IDR).

24 The bill specifies that not more than two members of the
25 alcoholic beverages commission (member) shall directly or
26 indirectly have an interest in alcohol-related enterprises,
27 except as institutional investors. The bill prohibits a member
28 from influencing, persuading, or inducing others to adopt
29 political views of the member or favor any particular elective
30 or appointive candidates.

31 The bill prohibits the director of revenue from having
32 any interest in alcohol-related enterprises, except as an
33 institutional investor.

34 The bill prohibits an IDR employee from licensing,
35 permitting, or participating in the licensing or permitting of

1 a person, business, or organization under the laws governing
2 alcoholic beverages, if the employee has an ownership interest
3 related to that person, business, or organization, or is in
4 a position to exercise any control over the purchasing of
5 alcoholic beverages through a position of employment with the
6 person, business, or organization. The bill also prohibits an
7 IDR employee from enforcing any law or rule governing alcoholic
8 beverages against a person, business, or organization, if the
9 employee has an ownership interest related to that person,
10 business, or organization, or is in a position to exercise
11 any control over the purchasing of alcoholic beverages
12 through a position of employment with the person, business, or
13 organization.

14 The bill provides the director of revenue or an IDR employee
15 who violates the bill shall, in addition to any other penalties
16 provided by law, be subject to disciplinary action up to and
17 including discharge from employment.

18 The bill does not prohibit a member, the director of revenue,
19 or an IDR employee from lawfully purchasing and keeping an
20 alcoholic beverage in the person's possession.

21 The bill takes effect upon enactment.