HOUSE FILE 2379
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 649)

(As Amended and Passed by the House March 14, 2022)

[= New Language by the House

* = Language Stricken by the House

A BILL FOR

An Act relating to alcoholic beverage control concerning the sale of beer and liquor for resale.

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

Section 1. Section 123.22, subsection 1, Code 2022, is amended to read as follows:

1. The division has the exclusive right of importation into the state of all forms of alcoholic liquor, except as otherwise provided in this chapter, and a person shall not import alcoholic liquor, except that an individual of legal age may import and have in the individual's possession an amount of alcoholic liquor not exceeding nine liters per calendar month that the individual personally obtained outside the state. Alcoholic liquor imported by an individual pursuant to this subsection shall be for personal consumption only in a private home or other private accommodation. A distillery shall not sell alcoholic liquor within the state to any person but only to the division, except as otherwise provided in this chapter. This section vests in the division exclusive control within the state as purchaser of all alcoholic liquor sold by distilleries within the state or imported, except beer and wine, and except as otherwise provided in this chapter. The division shall receive alcoholic liquor on a bailment system for resale by the division in the manner set forth in this chapter. The division shall act as the sole wholesaler of alcoholic liquor to ~~class "E"~~ liquor control licensees.

Sec. 2. Section 123.30, subsection 3, paragraphs a and b, Code 2022, are amended to read as follows:

a. Class "A". A class "A" liquor control license may be issued to a club and shall authorize the holder to purchase alcoholic liquors in original unopened containers from class "E" liquor control licensees or the division only, wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only as provided in sections 123.173 and 123.177, and to sell alcoholic beverages to bona fide members and their guests by the individual drink for consumption on the premises only.

b. Class "B". A class "B" liquor control license may be issued to a hotel or motel and shall authorize the holder to

purchase alcoholic liquors in original unopened containers from class "E" liquor control licensees or the division only, wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only as provided in sections 123.173 and 123.177, and to sell alcoholic beverages to patrons by the individual drink for consumption on the premises only. However, beer may also be sold for consumption off the premises. Each license shall be effective throughout the premises described in the application.

Sec. 3. Section 123.30, subsection 3, paragraph c, subparagraphs (1) and (2), Code 2022, are amended to read as follows:

(1) A class "C" liquor control license may be issued to a commercial establishment but must be issued in the name of the individuals who actually own the entire business and shall authorize the holder to purchase alcoholic liquors in original unopened containers from class "E" liquor control licensees or the division only, wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only as provided in sections 123.173 and 123.177, beer from a class "A" beer permittee or a class "C" beer permittee who also holds a class "E" liquor control license as provided in section 123.132, and to sell alcoholic beverages to patrons by the individual drink for consumption on the premises only. However, alcoholic liquor, wine, and beer in original unopened containers may also be sold for consumption off the premises. In addition, mixed drinks or cocktails may also be sold for consumption off the premises subject to the requirements of section 123.49, subsection 2, paragraph "*d*". The holder of a class "C" liquor control license may also hold a special class "A" beer permit for the premises licensed under a class "C" liquor control license for the purpose of operating a brewpub pursuant to this chapter.

(2) A special class "C" liquor control license may be issued to a commercial establishment and shall authorize the holder

to purchase wine from class "A" wine permittees or class "B" wine permittees who also hold class "E" liquor control licenses only as provided in sections 123.173 and 123.177, beer from a class "A" beer permittee or a class "C" beer permittee who also holds a class "E" liquor control license as provided in section 123.132, and to sell wine and beer to patrons by the individual drink for consumption on the premises only. However, beer may also be sold for consumption off the premises. The license issued to holders of a special class "C" liquor control license shall clearly state on its face that the license is limited.

Sec. 4. Section 123.131, subsection 1, Code 2022, is amended to read as follows:

1. Subject to the provisions of this chapter, any person holding a class "B" beer permit shall be authorized to sell beer for consumption on or off the premises. A holder of a class "B" beer permit shall be authorized to purchase beer from a class "A" beer permittee or a class "C" beer permittee who also holds a class "E" liquor control license as provided in section 123.132. Sales of beer for consumption off the premises made pursuant to this section shall be made in original containers except as provided in subsection 2. However, unless otherwise provided in this chapter, no sale of beer shall be made for consumption on the premises unless the place where such service is made is equipped with tables and seats sufficient to accommodate not less than twenty-five persons at one time.

Sec. 5. Section 123.132, subsection 4, Code 2022, is amended to read as follows:

4. The holder of a class "C" beer permit or the permittee's agents or employees shall not sell beer to other retail license or permit holders knowing or having reasonable cause to believe that the beer will be resold in another licensed establishment. However, a holder of a class "C" beer permit who also holds a class "E" liquor control license may sell beer to class "B" permittees, and class "C" and special class "C" liquor

control licensees, for resale for consumption on the premises. Beer [sales shall be made in conformity with the requirements of this chapter, including section 123.59, and shall be in quantities of not more than five cases of beer, high alcoholic content beer, and canned cocktails, but not more than one such sale shall be made to the same liquor control licensee or beer permittee in a twenty-four-hour period. The holder of a class "C" beer permit shall hold any class "A" beer permittee harmless arising out of any beer resold as authorized by this subsection.]