SENATE FILE 2374
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2350)
(SUCCESSOR TO SSB 3140)

(As Amended and Passed by the Senate March 29, 2022)

_____ = New Language by the Senate

See page 20

A BILL FOR

An Act relating to alcoholic beverage control and licensing, providing for fees, and including effective date provisions.

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

DIVISION I

RETAIL ALCOHOL LICENSES

Section 1. Section 123.30, Code 2022, is amended by striking the section and inserting in lieu thereof the following:

123.30 Retail alcohol licenses — classes.

1. *a.* A retail alcohol license may be issued to any person who is of good moral character as defined by this chapter.

b. As a condition for issuance of a retail alcohol license or wine or beer permit, the applicant must give consent to members of the fire, police, and health departments and the building inspector of cities; the county sheriff or deputy sheriff; members of the department of public safety; representatives of the division and of the department of inspections and appeals; certified police officers; and any official county health officer to enter upon areas of the premises where alcoholic beverages are stored, served, or sold, without a warrant during business hours of the licensee or permittee to inspect for violations of this chapter or ordinances and regulations that cities and boards of supervisors may adopt. However, a subpoena issued under section 421.17 or a warrant is required for inspection of private records, a private business office, or attached living quarters. Persons who are not certified peace officers shall limit the scope of their inspections of licensed premises to the regulatory authority under which the inspection is conducted. All persons who enter upon a licensed premises to conduct an inspection shall present appropriate identification to the owner of the establishment or the person who appears to be in charge of the establishment prior to commencing an inspection; however, this provision does not apply to undercover criminal investigations conducted by peace officers.

c. As a further condition for the issuance of a class "E" retail alcohol license, the applicant shall post a bond in a sum of not less than five thousand nor more than fifteen thousand dollars as determined on a sliding scale established

by the division; however, a bond shall not be required if all purchases of alcoholic liquor from the division by the licensee are made by means that ensure that the division will receive full payment in advance of delivery of the alcoholic liquor.

d. A class "E" retail alcohol license may be issued to a city council for premises located within the limits of the city if there are no class "E" retail alcohol licensees operating within the limits of the city and no other applications for a class "E" license for premises located within the limits of the city at the time the city council's application is filed. If a class "E" retail alcohol license is subsequently issued to a private person for premises located within the limits of the city, the city council shall surrender its license to the division within one year of the date that the class "E" retail alcohol licensee begins operating, liquidate any remaining assets connected with the liquor store, and cease operating the liquor store.

2. A retail alcohol license shall not be issued for premises which do not constitute a safe and proper place or building and which do not conform to all applicable laws, ordinances, resolutions, and health and fire regulations. A licensee shall not have or maintain any interior access to residential or sleeping quarters unless permission is granted by the administrator in the form of a living quarters permit.

3. Retail alcohol licenses issued under this chapter shall be of the following classes:

a. Class "B".

(1) (a) A class "B" retail alcohol license may be issued and shall authorize the holder to purchase wine from a class "A" wine permittee only and beer from a class "A" beer permittee only, and to sell wine and beer in original unopened containers at retail to patrons for consumption off the licensed premises.

(b) The holder of a class "B" retail alcohol license may sell wine to class "C", special class "C", class "D", and class

"F" retail alcohol licensees for resale for consumption on the premises. Such wine sales shall be in quantities of less than one case of any wine brand but not more than one such sale shall be made to the same retail alcohol licensee in a twenty-four-hour period.

(c) The holder of a class "B" retail alcohol license may sell beer to class "C", special class "C", class "D", and class "F" retail alcohol licensees for resale for consumption on the premises. Such beer sales 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 retail alcohol licensee in a twenty-four-hour period. A class "A" beer permittee shall be held harmless concerning any beer resold as authorized by this subparagraph division.

(2) A special class "B" retail native wine license shall authorize the holder to purchase wine from a native winery holding a class "A" wine permit and to sell native wine only at retail for consumption off the licensed premises.

b. Class "C".

(1) (a) A class "C" retail alcohol license may be issued to a commercial establishment but must be issued in the name of the individuals who actually own the entire business.

(b) The holder of a class "C" retail alcohol license shall be authorized to purchase alcoholic beverages as follows:

(i) Alcoholic liquors in original unopened containers from class "E" retail alcohol licensees only.

(ii) Wine from class "A" wine permittees.

(iii) Wine from class "B" retail alcohol licensees or class "E" retail alcohol licensees in quantities of less than one case of any wine brand in a twenty-four-hour period, but not more than one such purchase shall be made by the licensee in a twenty-four-hour period.

(iv) Beer from class "A" beer permittees.

(v) Beer from class "B" retail alcohol licensees or class

"E" retail alcohol licensees in quantities of not more than five cases of beer, high alcoholic content beer, and canned cocktails, but not more than one such purchase shall be made by the licensee in a twenty-four-hour period. A class "A" beer permittee shall be held harmless concerning any beer resold as authorized by this subparagraph subdivision.

(c) The holder of a class "C" retail alcohol license shall be authorized 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*".

(d) The holder of a class "C" retail alcohol license may also hold a special class "A" beer permit for the premises licensed under a class "C" retail alcohol license for the purpose of operating a brewpub pursuant to this chapter.

(2) (a) A special class "C" retail alcohol license may be issued to a commercial establishment.

(b) The holder of a special class "C" retail alcohol license shall be authorized to purchase alcoholic beverages as follows:

(i) Wine from class "A" wine permittees.

(ii) Wine from class "B" retail alcohol licensees or class "E" retail alcohol licensees in quantities of less than one case of any wine brand in a twenty-four-hour period, but not more than one such purchase shall be made by the licensee in a twenty-four-hour period.

(iii) Beer from class "A" beer permittees.

(iv) Beer from class "B" retail alcohol licensees or class "E" retail alcohol licensees in quantities of not more than five cases of beer, high alcoholic content beer, and canned cocktails, but not more than one such purchase shall be made by the licensee in a twenty-four-hour period. A class "A" beer permittee shall be held harmless concerning any beer resold as

authorized by this subparagraph subdivision.

(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.

(d) The license issued to holders of a special class "C" retail alcohol license shall clearly state on its face that the license is limited.

c. Class "D".

(1) A class "D" retail alcohol license may be issued to a railway corporation, to an air common carrier, and to passenger-carrying boats or ships for hire with a capacity of twenty-five persons or more operating in inland or boundary waters, and shall authorize the holder to sell or furnish alcoholic beverages to passengers for consumption only on trains, watercraft as described in this section, or aircraft, respectively. Each license is valid throughout the state. Only one license is required for all trains, watercraft, or aircraft operated in the state by the licensee. However, if a watercraft is an excursion gambling boat licensed under chapter 99F, the owner shall obtain a separate class "D" retail alcohol license for each excursion gambling boat operating in the waters of this state.

(2) A class "D" retail alcohol licensee who operates a train or a watercraft intrastate only, or an excursion gambling boat licensed under chapter 99F, shall be authorized to purchase alcoholic beverages as follows:

(a) Alcoholic liquors in original unopened containers from class "E" retail alcohol licensees only.

(b) Wine from class "A" wine permittees.

(c) Wine from class "B" retail alcohol licensees or class "E" retail alcohol licensees in quantities of less than one case of any wine brand in a twenty-four-hour period, but not more than one such purchase shall be made by the licensee in a

twenty-four-hour period.

(d) Beer from class "A" beer permittees.

(e) Beer from class "B" retail alcohol licensees or class "E" retail alcohol licensees in quantities of not more than five cases of beer, high alcoholic content beer, and canned cocktails, but not more than one such purchase shall be made by the licensee in a twenty-four-hour period. A class "A" beer permittee shall be held harmless concerning any beer resold as authorized by this subparagraph division.

d. Class "E".

(1) A class "E" retail alcohol license may be issued and shall authorize the holder to purchase alcoholic liquor in original unopened containers from the division only, wine from a class "A" wine permittee only, and beer from a class "A" beer permittee only; to sell alcoholic liquor, wine, and beer in original unopened containers at retail to patrons for consumption off the licensed premises; and to sell alcoholic liquor and high alcoholic content beer at wholesale to other retail alcohol licensees, provided the holder has filed with the division a basic permit issued by the alcohol and tobacco tax and trade bureau of the United States department of the treasury.

(2) A holder of a class "E" retail alcohol license may hold other retail alcohol licenses, but the premises licensed under a class "E" retail alcohol license shall be separate from other licensed premises, though the separate premises may have a common entrance.

(3) The holder of a class "E" retail alcohol license may sell wine to class "C", special class "C", class "D", and class "F" retail alcohol licensees for resale for consumption on the premises. Such wine sales shall be in quantities of less than one case of any wine brand but not more than one such sale shall be made to the same retail alcohol licensee in a twenty-four-hour period.

(4) The holder of a class "E" retail alcohol license may

sell beer to class "C", special class "C", class "D", and class "F" retail alcohol licensees for resale for consumption on the premises. Such beer sales 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 retail alcohol licensee in a twenty-four-hour period. A class "A" beer permittee shall be held harmless concerning any beer resold as authorized by this subparagraph.

(5) The division may issue a class "E" retail alcohol license for premises covered by a retail alcohol license for on-premises consumption under any of the following circumstances:

(a) If the premises are in a county having a population under nine thousand five hundred in which no other class "E" retail alcohol license has been issued by the division, and no other application for a class "E" retail alcohol license has been made within the previous twelve consecutive months.

(b) If, notwithstanding any provision of this chapter to the contrary, the premises covered by a retail alcohol license is a grocery store that is at least five thousand square feet.

e. Class "F".

(1) A class "F" retail alcohol license may be issued to a club and shall authorize the holder to sell alcoholic beverages to bona fide members and their guests by the individual drink for consumption on the premises only.

(2) The holder of a class "F" retail alcohol license shall be authorized to purchase alcoholic beverages as follows:

(a) Alcoholic liquors in original unopened containers from class "E" retail alcohol licensees only.

(b) Wine from class "A" wine permittees.

(c) Wine from class "B" retail alcohol licensees or class "E" retail alcohol licensees in quantities of less than one case of any wine brand in a twenty-four-hour period, but not more than one such purchase shall be made by the licensee in a twenty-four-hour period.

(d) Beer from class "A" beer permittees.

(e) Beer from class "B" retail alcohol licensees or class "E" retail alcohol licensees in quantities of not more than five cases of beer, high alcoholic content beer, and canned cocktails, but not more than one such purchase shall be made by the licensee in a twenty-four-hour period. A class "A" beer permittee shall be held harmless concerning any beer resold as authorized by this subparagraph division.

4. Notwithstanding any provision of this chapter to the contrary, a person holding a retail alcohol license to sell alcoholic beverages for consumption on the licensed premises may permit a customer to remove one unsealed bottle of wine for consumption off the premises if the customer has purchased and consumed a portion of the bottle of wine on the licensed premises. The licensee or the licensee's agent shall securely reseal such bottle in a bag designed so that it is visibly apparent that the resealed bottle of wine has not been tampered with and provide a dated receipt for the resealed bottle of wine to the customer. A wine bottle resealed pursuant to the requirements of this subsection is subject to the requirements of sections 321.284 and 321.284A. A person holding a retail alcohol license to sell alcoholic beverages for consumption on the licensed premises may permit a customer to carry an open container of wine from the person's licensed premises into another immediately adjacent licensed premises that is covered by a license or permit that authorizes the consumption of wine, a temporarily closed public right-of-way, or a private place.

Sec. 2. Section 123.31, Code 2022, is amended by striking the section and inserting in lieu thereof the following:

123.31 Retail alcohol licenses — application.

1. A person applying for a retail alcohol license shall submit a completed application electronically, or in a manner prescribed by the administrator, which shall set forth under oath the following:

a. The name and place of residence of the applicant.

b. The names and addresses of all persons or, in the case of a corporation, limited liability company, or any other similar legal entity, the officers, directors, and persons owning or controlling ten percent or more of the capital stock thereof, having a financial interest, by way of loan, ownership, or otherwise, in the business.

c. The location of the premises where the applicant intends to operate.

d. The name of the owner of the premises and if the owner of the premises is not the applicant, whether the applicant is the actual lessee of the premises.

e. When required by the administrator, and in such form and containing such information as the administrator may require, a description of the premises where the applicant intends to use the license, to include a sketch or drawing of the premises and, if applicable, the number of square feet of interior floor space which comprises the retail sales area of the premises.

f. Whether any person specified in paragraph "*b*" has ever been convicted of any offense against the laws of the United States, or any state or territory thereof, or any political subdivision of any such state or territory.

g. Any other information as required by the administrator.

2. The retail alcohol license shall only be issued to an applicant who establishes all of the following:

a. That the applicant has submitted a completed application as required by subsection 1.

b. That the applicant is a person of good moral character as provided in section 123.3, subsection 40.

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.

d. That the premises where the applicant intends to use the license conforms to all applicable laws, health regulations, and fire regulations, and constitutes a safe and proper place or building and that the applicant shall not have or maintain

any interior access to residential or sleeping quarters unless permission is granted by the administrator in the form of a living quarters permit.

e. That the applicant gives consent to a person, pursuant to section 123.30, subsection 1, to enter upon the premises without a warrant during the business hours of the applicant to inspect for violations of the provisions of this chapter or ordinances and regulations that local authorities may adopt.

Sec. 3. NEW SECTION. **123.31A Authority under class "B", class "C", special class "C", and class "E" retail alcohol license.**

1. The holder of a class "B", class "C", special class "C", or class "E" retail alcohol license shall be allowed to sell beer and wine to consumers at retail for consumption off the premises. The sales made pursuant to this section shall be made in original containers except as provided in subsection 3.

2. Every person holding a class "B", class "C", special class "C", or class "E" retail alcohol license having more than one place of business where beer and wine is sold which places do not constitute a single premises within the meaning of section 123.3, subsection 29, shall be required to have a separate license for each separate place of business, except as otherwise provided by this chapter.

3. Subject to the rules of the division, sales made pursuant to this section may be made in a container other than the original container only if all of the following requirements are met:

a. The beer or wine is transferred from the original container to the container to be sold on the licensed premises at the time of sale.

b. The person transferring the beer or wine from the original container to the container to be sold shall be eighteen years of age or older.

c. The container to be sold shall be no larger than seventy-two ounces.

d. The container to be sold shall be securely sealed by a method authorized by the division that is designed so that if the sealed container is reopened or the seal tampered with, it is visibly apparent that the seal on the container of beer or wine has been tampered with or the sealed container has otherwise been reopened.

4. A container of beer or wine other than the original container that is sold and sealed in compliance with the requirements of subsection 3 and the division's rules 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.

5. *a.* The holder of a class "C" or special class "C" retail alcohol license, or the licensee's agents or employees, shall not sell beer or wine to other retail alcohol license holders knowing or having reasonable cause to believe that the beer will be resold in another licensed establishment.

b. A holder of any retail alcohol permit shall not sell wine except wine which is purchased from a person holding a class "A" wine permit and on which the tax imposed by section 123.183 has been paid.

Sec. 4. NEW SECTION. **123.31B Authority under special class "B" retail native wine license.**

1. A person holding a special class "B" retail native wine license may sell native wine only at retail for consumption off the premises. Native wine shall be sold for consumption off the premises in original containers.

2. A special class "B" retail native wine licensee having more than one place of business where wine is sold shall obtain a separate license for each place of business.

Sec. 5. REPEAL. Sections 123.128, 123.129, 123.131, 123.132, 123.140, 123.178, 123.178A, and 123.178B, Code 2022, are repealed.

Sec. 6. EFFECTIVE DATE. This division of this Act takes

effect January 1, 2023.

DIVISION II

ALCOHOLIC BEVERAGE CONTROL FEES

Sec. 7. Section 123.23, subsection 1, Code 2022, is amended to read as follows:

1. Any manufacturer, distiller, or importer of alcoholic liquors shipping, selling, or having alcoholic liquors brought into this state for resale by the state shall, as a condition precedent to the privilege of so trafficking in alcoholic liquors in this state, annually make application for and hold a distiller's certificate of compliance which shall be issued by the administrator for that purpose. No brand of alcoholic liquor shall be sold by the division in this state unless the manufacturer, distiller, importer, and all other persons participating in the distribution of that brand in this state have obtained a certificate. The certificate of compliance shall expire at the end of one year from the date of issuance and shall be renewed for a like period upon application to the administrator unless otherwise suspended or revoked for cause. Each completed application for a certificate of compliance or renewal shall be submitted electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of ~~fifty~~ two hundred dollars payable to the division. However, this subsection need not apply to a manufacturer, distiller, or importer who ships or sells in this state no more than eleven gallons or its case equivalent during any fiscal year as a result of "special orders" which might be placed, as defined and allowed by divisional rules adopted under this chapter.

Sec. 8. Section 123.36, Code 2022, is amended by striking the section and inserting in lieu thereof the following:

123.36 Retail alcohol license fees.

1. The following fees shall be paid to the division annually for retail alcohol licenses issued under section 123.30:

a. Class "B" retail alcohol license fees shall be determined

as follows:

(1) For premises located within the corporate limits of a city with a population of two thousand five hundred or less, a fee determined as follows:

(a) For a premises with a square footage of one thousand five hundred or less, seventy-five dollars.

(b) For a premises with a square footage of more than one thousand five hundred but not more than two thousand, one hundred fifty dollars.

(c) For a premises with a square footage of more than two thousand but not more than five thousand, two hundred fifty dollars.

(d) For a premises with a square footage over five thousand, three hundred fifty dollars.

(2) For premises located within the corporate limits of a city with a population of more than two thousand five hundred but less than fifteen thousand, a fee determined as follows:

(a) For a premises with a square footage of one thousand five hundred or less, one hundred fifty dollars.

(b) For a premises with a square footage of more than one thousand five hundred but not more than two thousand, two hundred fifty dollars.

(c) For a premises with a square footage of more than two thousand but not more than five thousand, three hundred fifty dollars.

(d) For a premises with a square footage over five thousand, five hundred dollars.

(3) For premises located within the corporate limits of a city with a population of fifteen thousand or more, a fee determined as follows:

(a) For a premises with a square footage of one thousand five hundred or less, two hundred fifty dollars.

(b) For a premises with a square footage of more than one thousand five hundred but not more than two thousand, three hundred fifty dollars.

(c) For a premises with a square footage of more than two thousand but not more than five thousand, five hundred dollars.

(d) For a premises with a square footage over five thousand, seven hundred fifty dollars.

(4) For premises located outside the corporate limits of any city, a fee equal to that charged to a premises with the same square footage in the incorporated city located nearest the premises to be licensed. 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.

b. Special class "B" retail native wine license fees shall be one hundred twenty-five dollars.

c. Class "C" retail alcohol license fees shall be determined as follows:

(1) Commercial establishments located within the corporate limits of cities of two thousand five hundred population or less, five hundred fifty dollars.

(2) Commercial establishments located within the corporate limits of cities of over two thousand five hundred and less than fifteen thousand population, nine hundred dollars.

(3) Commercial establishments located within the corporate limits of cities of fifteen thousand population and over, one thousand two hundred fifty dollars.

(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. 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.

d. Special class "C" retail alcohol license fees shall be determined as follows:

(1) Commercial establishments located within the corporate limits of cities of two thousand five hundred population or less, one hundred fifty dollars.

(2) Commercial establishments located within the corporate limits of cities of over two thousand five hundred and less than fifteen thousand population, three hundred dollars.

(3) Commercial establishments located within the corporate limits of cities of fifteen thousand population and over, four hundred fifty dollars.

(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. 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.

e. Class "D" retail alcohol license fees shall be determined as follows:

(1) For watercraft, one hundred fifty dollars.

(2) For trains, five hundred dollars.

(3) For air common carriers, each company shall pay five hundred dollars.

f. Class "E" retail alcohol license fees shall be determined as follows:

(1) For premises located within the corporate limits of a city with a population of two thousand five hundred or less, a fee determined as follows:

(a) For a premises with a square footage of one thousand five hundred or less, seven hundred fifty dollars.

(b) For a premises with a square footage of more than one thousand five hundred but not more than two thousand, one

thousand five hundred dollars.

(c) For a premises with a square footage of more than two thousand but not more than five thousand, two thousand five hundred dollars.

(d) For a premises with a square footage over five thousand, three thousand five hundred dollars.

(2) For premises located within the corporate limits of a city with a population of more than two thousand five hundred but less than fifteen thousand, a fee determined as follows:

(a) For a premises with a square footage of one thousand five hundred or less, one thousand five hundred dollars.

(b) For a premises with a square footage of more than one thousand five hundred but not more than two thousand, two thousand five hundred dollars.

(c) For a premises with a square footage of more than two thousand but not more than five thousand, three thousand five hundred dollars.

(d) For a premises with a square footage over five thousand, five thousand dollars.

(3) For premises located within the corporate limits of a city with a population of fifteen thousand or more, a fee determined as follows:

(a) For a premises with a square footage of one thousand five hundred or less, two thousand five hundred dollars.

(b) For a premises with a square footage of more than one thousand five hundred but not more than two thousand, three thousand five hundred dollars.

(c) For a premises with a square footage of more than two thousand but not more than five thousand, five thousand dollars.

(d) For a premises with a square footage over five thousand, seven thousand five hundred dollars.

(4) For premises located outside the corporate limits of any city, a fee equal to that charged to a premises with the same square footage in the incorporated city located nearest

the premises to be licensed. 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.

g. Class "F" retail alcohol license fees shall be six hundred dollars, except that for class "F" licenses in cities of less than two thousand population, and for clubs of less than two hundred fifty members, the license fee shall be four hundred dollars; however, the fee shall be two hundred dollars for any club which is a post, branch, or chapter of a veterans organization chartered by the Congress of the United States, if the club does not sell or permit the consumption of alcoholic beverages on the premises more than one day in any week or more than a total of fifty-two days in a year, and if the application for a license states that the club does not and will not sell or permit the consumption of alcoholic beverages on the premises more than one day in any week or more than a total of fifty-two days in a year.

2. The division shall credit all fees to the beer and liquor control fund. The division shall remit to the appropriate local authority a sum equal to sixty-five percent of the fees collected for each class "B", class "C", or class "F" license except special class "C" licenses or class "E" licenses, covering premises located within the local authority's jurisdiction. The division shall remit to the appropriate local authority a sum equal to seventy-five percent of the fees collected for each special class "C" license covering premises located within the local authority's jurisdiction. Those fees collected for each class "E" retail alcohol license shall be credited to the beer and liquor control fund.

3. There is imposed a surcharge on the fee for each class "C", special class "C", or class "F" retail alcohol license equal to thirty percent of the scheduled license fee. The

surcharges collected under this subsection shall be deposited in the beer and liquor control fund, and notwithstanding subsection 2, no portion of the surcharges collected under this subsection shall be remitted to the local authority.

Sec. 9. Section 123.41, subsection 1, Code 2022, is amended to read as follows:

1. Each completed application to obtain or renew a manufacturer's license shall be submitted to the division electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of three hundred ~~fifty~~ dollars payable to the division. The administrator may in accordance with this chapter grant and issue to a manufacturer a manufacturer's license, valid for a one-year period after date of issuance, which shall allow the manufacture, storage, and wholesale disposition and sale of alcoholic liquors to the division and to customers outside of the state.

Sec. 10. Section 123.43, subsection 3, Code 2022, is amended to read as follows:

3. A class "A" native distilled spirits license for a native distillery shall be issued and renewed annually upon payment of a fee of ~~five~~ three hundred dollars.

Sec. 11. Section 123.134, Code 2022, is amended by striking the section and inserting in lieu thereof the following:

123.134 Beer permit fees.

1. The annual permit fee for a class "A" beer permit is seven hundred fifty dollars.

2. The annual permit fee for a class "A" beer permit for a native brewery is three hundred dollars.

3. The annual permit fee for a special class "A" beer permit is three hundred dollars.

Sec. 12. Section 123.135, subsection 1, Code 2022, is amended to read as follows:

1. A manufacturer, brewer, bottler, importer, or vendor of beer, or any agent thereof, desiring to ship or sell beer, or have beer brought into this state for resale by a class "A"

beer permittee, shall first make application for and be issued a brewer's certificate of compliance by the administrator for that purpose. The certificate of compliance expires at the end of one year from the date of issuance and shall be renewed for a like period upon application to the administrator unless otherwise revoked for cause. Each completed application for a certificate of compliance or renewal of a certificate shall be submitted electronically, or in a manner prescribed by the administrator, and shall be accompanied by a fee of ~~five~~ two hundred dollars payable to the division. Each holder of a certificate of compliance shall furnish the information in a manner the administrator requires.

Sec. 13. Section 123.179, Code 2022, is amended by striking the section and inserting in lieu thereof the following:

123.179 Wine permit and license fees.

1. The annual permit fee for a class "A" wine permit that is not issued to a native wine manufacturer is seven hundred fifty dollars.

2. The annual permit fee for a class "A" wine permit issued to a native wine manufacturer is one hundred dollars.

3. The fee for a charity beer, spirits, and wine special event license is one hundred dollars.

Sec. 14. Section 123.180, subsection 1, Code 2022, is amended to read as follows:

1. A manufacturer, vintner, bottler, importer, or vendor of wine, or an agent thereof, desiring to ship, sell, or have wine brought into this state for sale at wholesale by a class "A" permittee shall first make application for and shall be issued a vintner's certificate of compliance by the administrator for that purpose. The vintner's certificate of compliance shall expire at the end of one year from the date of issuance and shall be renewed for a like period upon application to the administrator unless otherwise revoked for cause. Each completed application for a vintner's certificate of compliance or renewal of a certificate shall be submitted electronically,

or in a manner prescribed by the administrator, and shall be accompanied by a fee of ~~one~~ two hundred dollars payable to the division. Each holder of a vintner's certificate of compliance shall furnish the information required by the administrator in the form the administrator requires. A vintner or wine bottler whose plant is located in Iowa and who otherwise holds a class "A" wine permit to sell wine at wholesale is exempt from the fee, but not the other terms and conditions. The holder of a vintner's certificate of compliance may also hold a class "A" wine permit.

Sec. 15. EFFECTIVE DATE. This division of this Act takes effect January 1, 2023.

DIVISION III

ALCOHOLIC BEVERAGE CONTROL

Sec. 16. Section 123.3, subsections 9, 11, 22, 29, and 30, Code 2022, are amended to read as follows:

9. "*Brewpub*" means a commercial establishment authorized to sell beer at retail for consumption on or off the premises that is operated by a person who holds a class "C" ~~liquor control~~ or special class "C" retail alcohol license ~~or a class "B" beer permit~~ and who also holds a special class "A" beer permit that authorizes the holder to manufacture and sell beer pursuant to this chapter.

11. "*Canned cocktail*" means a mixed drink or cocktail that is premixed and packaged in a metal can and contains more than ~~six and twenty-five hundredths~~ 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.

22. "*High alcoholic content beer*" means beer which contains more than six and twenty-five hundredths percent of alcohol by volume, but not more than ~~fifteen~~ nineteen percent of alcohol by volume, that is made by the fermentation of an infusion

in potable water of barley, malt, and hops, with or without unmalted grains or decorticated and degerminated grains. Not more than one and five-tenths percent of the volume of a *"high alcoholic content beer"* may consist of alcohol derived from added flavors and other nonbeverage ingredients containing alcohol. The added flavors and other nonbeverage ingredients may not include added caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine.

29. *"Licensed premises"* or *"premises"* means all rooms, enclosures, contiguous areas, or places susceptible of precise description satisfactory to the administrator where alcoholic beverages, wine, or beer is sold or consumed under authority of a ~~liquor control~~ retail alcohol license, wine permit, or beer permit. A single licensed premises may consist of multiple rooms, enclosures, areas, or places if they are wholly within the confines of a single building or contiguous grounds.

30. *"Local authority"* means the city council of any incorporated city in this state, or the county board of supervisors of any county in this state, which is empowered by this chapter to approve or deny applications for retail ~~beer or wine permits and liquor control~~ alcohol licenses; empowered to recommend that such ~~permits or~~ licenses be granted and issued by the division; and empowered to take other actions reserved to them by this chapter.

Sec. 17. Section 123.3, subsection 40, paragraph b, Code 2022, is amended to read as follows:

b. The person is not prohibited by section 123.40 from obtaining a ~~liquor control~~ retail alcohol license or a wine or beer permit.

Sec. 18. Section 123.3, subsection 45, Code 2022, is amended by striking the subsection and inserting in lieu thereof the following:

45. *"Retail alcohol license"* means a class "B", class "C", special class "C", class "D", class "E", or class "F" retail alcohol license, or a special class "B" retail native wine

license issued under this chapter.

Sec. 19. Section 123.3, subsection 46, Code 2022, is amended by striking the subsection.

Sec. 20. Section 123.9, subsections 5 and 7, Code 2022, are amended to read as follows:

5. To grant and issue beer permits, wine permits, ~~liquor control~~ retail alcohol licenses, and other licenses; and to suspend or revoke all such permits and licenses for cause under this chapter.

7. To accept alcoholic liquors ordered delivered to the alcoholic beverages division pursuant to chapter 809A, and offer for sale and deliver the alcoholic liquors to class "E" ~~liquor control~~ retail alcohol licensees, unless the administrator determines that the alcoholic liquors may be adulterated or contaminated. If the administrator determines that the alcoholic liquors may be adulterated or contaminated, the administrator shall order their destruction.

Sec. 21. Section 123.10, subsections 3, 6, and 14, Code 2022, are amended to read as follows:

3. Regulating the purchase of alcoholic liquor generally and the furnishing of the liquor to class "E" ~~liquor control~~ retail alcohol licensees under this chapter, and determining the classes, varieties, and brands of alcoholic liquors to be kept in state warehouses.

6. Providing for the issuance and electronic distribution of price lists which show the price to be paid by class "E" ~~liquor control~~ retail alcohol licensees for each brand, class, or variety of liquor kept for sale by the division, providing for the filing or posting of prices charged in sales between class "A" beer and class "A" wine permit holders and retailers, as provided in this chapter, and establishing or controlling the prices based on minimum standards of fill, quantity, or alcoholic content for each individual sale of alcoholic beverages as deemed necessary for retail or consumer protection. However, the division shall not regulate markups,

prices, discounts, allowances, or other terms of sale at which alcoholic liquor may be purchased by the retail public or ~~liquor control~~ retail alcohol licensees from class "E" ~~liquor control~~ retail alcohol licensees or at which wine may be purchased and sold by class "A" and retail wine permittees, or change, nullify, or vary the terms of an agreement between a holder of a vintner certificate of compliance and a class "A" wine permittee.

14. Prescribing the uniform fee to be assessed against a ~~class "B" beer permittee, class "C" native wine permittee, or liquor control~~ retail alcohol licensee, except a class "B", special class "B", or class "E" ~~liquor control~~ retail alcohol licensee, to cover the administrative costs incurred by the division resulting from the failure of the licensee ~~or permittee~~ to maintain dramshop liability insurance coverage pursuant to section 123.92, subsection 2, paragraph *"a"*.

Sec. 22. Section 123.15, Code 2022, is amended to read as follows:

123.15 Favors from licensee or permittee.

A person responsible for the administration or enforcement of this chapter shall not accept or solicit donations, gratuities, political advertising, gifts, or other favors, directly or indirectly, from any ~~liquor control~~ retail alcohol licensee, wine permittee, or beer permittee.

Sec. 23. Section 123.16, subsections 6 and 7, Code 2022, are amended to read as follows:

6. The number of ~~liquor control~~ retail alcohol licenses, wine permits, and beer permits issued, by class, the number in effect on the last day included in the report, and the number which have been suspended or revoked during the period covered by the report.

7. Amount of fees paid to the division from ~~liquor control~~ retail alcohol licenses, wine permits, and beer permits, in gross, and the amount of ~~liquor control~~ retail alcohol license fees returned to local subdivisions of government as provided

under this chapter.

Sec. 24. 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~~ retail alcohol licensees.

Sec. 25. Section 123.24, Code 2022, is amended to read as follows:

123.24 Alcoholic liquor sales by the division — dishonored payments — liquor prices.

1. The division shall sell alcoholic liquor at wholesale only. The division shall sell alcoholic liquor to class "E" ~~liquor control~~ retail alcohol licensees only. The division shall offer the same price on alcoholic liquor to all class "E" ~~liquor control~~ retail alcohol licensees without regard for the quantity of purchase or the distance for delivery.

2. The price of alcoholic liquor sold by the division shall consist of the following:

a. The manufacturer's price.

b. A markup of up to fifty percent of the wholesale price paid by the division for the alcoholic liquor. The division may increase the markup on selected kinds of alcoholic liquor sold by the division if the average return to the division on all sales of alcoholic liquor does not exceed the wholesale price paid by the division and the fifty percent markup.

c. A split case charge in an amount determined by the division when alcoholic liquor is sold in quantities which require a case to be split.

d. A bottle surcharge in an amount sufficient, when added to the amount not refunded to class "E" ~~liquor control~~ retail alcohol licensees pursuant to section 455C.2, to pay the costs incurred by the division for collecting and properly disposing of the liquor containers. The amount collected pursuant to this paragraph, in addition to any amounts not refunded to class "E" ~~liquor control~~ retail alcohol licensees pursuant to section 455C.2, shall be deposited in the beer and liquor control fund established under section 123.17.

3. *a.* The division may accept from a class "E" ~~liquor control~~ retail alcohol licensee electronic funds transferred by automated clearing house, wire transfer, or another method deemed acceptable by the administrator, in payment of alcoholic liquor. If a payment is subsequently dishonored, the division shall cause a notice of nonpayment and penalty to be served upon the class "E" ~~liquor control~~ retail alcohol licensee or upon any person in charge of the licensed premises. The notice shall state that if payment or satisfaction for the dishonored payment is not made within ten days of the service of notice, the licensee's ~~liquor control~~ retail alcohol license may be suspended under section 123.39. The notice of nonpayment and penalty shall be in a form prescribed by the administrator, and shall be sent by certified mail.

b. If upon notice and hearing under section 123.39 and pursuant to the provisions of chapter 17A concerning a

contested case hearing, the administrator determines that the class "E" ~~liquor control~~ retail alcohol licensee failed to satisfy the obligation for which the payment was issued within ten days after the notice of nonpayment and penalty was served on the licensee as provided in paragraph "*a*" of this subsection, the administrator may suspend the licensee's class "E" ~~liquor control~~ retail alcohol license for a period not to exceed ten days.

4. The administrator may refuse to sell alcoholic liquor to a class "E" ~~liquor control~~ retail alcohol licensee who tenders a payment which is subsequently dishonored until the outstanding obligation is satisfied.

Sec. 26. Section 123.26, Code 2022, is amended to read as follows:

123.26 Restrictions on sales — seals — labeling.

Alcoholic liquor shall not be sold by a class "E" ~~liquor control~~ retail alcohol licensee except in a sealed container with identifying markers as prescribed by the administrator and affixed in the manner prescribed by the administrator, and no such container shall be opened upon the premises of a state warehouse. The division shall cooperate with the department of natural resources so that only one identifying marker or mark is needed to satisfy the requirements of this section and section 455C.5, subsection 1. Possession of alcoholic liquors which do not carry the prescribed identifying markers is a violation of this chapter except as provided in section 123.22.

Sec. 27. Section 123.28, subsections 2 and 5, Code 2022, are amended to read as follows:

2. The division shall deliver alcoholic liquor purchased by class "E" ~~liquor control~~ retail alcohol licensees. Class "E" ~~liquor control~~ retail alcohol licensees may deliver alcoholic liquor purchased by ~~class "A", class "B",~~ class "C", ~~class "C" native distilled spirits, or~~ class "D" ~~liquor control~~, or class "F" retail alcohol licensees, and ~~class "A", class "B",~~ class "C", ~~class "C" native distilled spirits, or~~ class "D" ~~liquor~~

~~control~~, or class "F" retail alcohol licensees may transport alcoholic liquor purchased from class "E" ~~liquor control~~ retail alcohol licensees.

5. This section does not affect the right of a ~~liquor control~~ retail alcohol license holder to purchase, possess, or transport alcoholic liquors subject to this chapter.

Sec. 28. Section 123.32, Code 2022, is amended to read as follows:

123.32 Action by local authorities and division on applications for ~~liquor control~~ retail alcohol licenses, native distilled spirits licenses, and wine and beer permits.

1. *Filing of application.*

a. A completed application for a ~~class "A", class "B", class "C", special class "C", class "C" native distilled spirits, or class "E" liquor control~~ retail alcohol license as provided in section 123.31, ~~for a retail beer permit as provided in sections 123.128 and 123.129, or for a class "B", class "B" native, or class "C" native retail wine permit as provided in section 123.175~~ except a class "D" retail alcohol license, shall be filed with the appropriate city council if the premises for which the license ~~or permit~~ is sought are located within the corporate limits of a city, or with the board of supervisors if the premises for which the license ~~or permit~~ is sought are located outside the corporate limits of a city.

b. A completed application for a class "D" ~~liquor control~~ retail alcohol license and for any of the following certificates, licenses, or permits shall be submitted to the division electronically, or in a manner prescribed by the administrator, which shall proceed in the same manner as in the case of an application approved by local authorities:

(1) A certificate of compliance as provided in sections 123.23, 123.135, and 123.180.

(2) A class "D" ~~liquor control~~ retail alcohol license as provided in section 123.31.

(3) A manufacturer's license as provided in section 123.41.

(4) A broker's permit as provided in section 123.42.

(5) A class "A" native distilled spirits license as provided in section 123.43.

(6) A class "A" or special class "A" beer permit as provided in section 123.127.

(7) A charity beer, spirits, and wine ~~auction permit~~ special event license as provided in section 123.173A.

~~(8) A charity beer, spirits, and wine event permit as provided in section 123.173B.~~

~~(9)~~ (8) A class "A" wine permit as provided in section 123.175.

~~(10)~~ (9) A wine direct shipper's permit as provided in section 123.187.

~~(11)~~ (10) A wine carrier permit as provided in section 123.188.

2. *Action by local authorities.* The local authority shall either approve or disapprove the issuance of a ~~liquor control~~ retail alcohol license, ~~a retail wine permit, or a retail beer permit,~~ shall endorse its approval or disapproval on the application, and shall forward the application with the necessary fee and bond, if required, to the division. There is no limit upon the number of ~~liquor control~~ retail alcohol licenses~~, retail wine permits, or retail beer permits~~ which may be approved for issuance by local authorities.

3. *Licensed premises for local events.* A local authority may define, by motion of the local authority, licensed premises which shall be used by holders of ~~liquor control~~ retail alcohol licenses~~, beer permits, and wine permits~~ at festivals, fairs, or celebrations which are sponsored or authorized by the local authority. The licensed premises defined by motion of the local authority shall be used by the holders of five-day or fourteen-day ~~class "A", class "B",~~ class "C", special class "C", ~~or~~ class "D" ~~liquor control~~, or class "F" retail alcohol licenses~~, or five-day or fourteen-day class "B" or class "C" native wine permits, or class "B" beer permits only~~.

4. *Security employee training.* A local authority, as a condition of obtaining and holding a license ~~or permit~~ for on-premises consumption, may require a designated security employee as defined in section 123.3 to be trained and certified in security methods. The training shall include but is not limited to de-escalation techniques, anger management techniques, civil rights or unfair practices awareness as provided in section 216.7, recognition of fake or altered identification, information on laws applicable to the serving of alcohol at a licensed premises, use of force and techniques for safely removing patrons, and instruction on the proper physical restraint methods used against a person who has become combative.

5. *Occupancy rates.* A local authority located in a county with a population that exceeds three hundred thousand persons, as a condition of obtaining and holding a license ~~or permit~~ for on-premises consumption, shall require the applicant~~,~~ or licensee~~, or permittee~~ to provide, and update if necessary, the occupancy rate of the licensed premises.

6. *Action by administrator.*

a. Upon receipt of an application having been disapproved by the local authority, the administrator shall notify the applicant that the applicant may appeal the disapproval of the application to the administrator. The applicant shall be notified by certified mail or personal service, and the application, the fee, and any bond shall be returned to the applicant.

b. Upon receipt of an application having been approved by the local authority, the division shall make an investigation as the administrator deems necessary to determine that the applicant complies with all requirements for holding a license ~~or permit~~, and may require the applicant to appear to be examined under oath to demonstrate that the applicant complies with all of the requirements to hold a license ~~or permit~~. If the administrator requires the applicant to

appear and to testify under oath, a record shall be made of all testimony or evidence and the record shall become a part of the application. The administrator may appoint a member of the division or may request an administrative law judge of the department of inspections and appeals to receive the testimony under oath and evidence, and to issue a proposed decision to approve or disapprove the application for a license ~~or permit~~. The administrator may affirm, reverse, or modify the proposed decision to approve or disapprove the application for the license ~~or permit~~. If the application is approved by the administrator, the license ~~or permit~~ shall be issued. If the application is disapproved by the administrator, the applicant shall be so notified by certified mail or personal service and the appropriate local authority shall be notified electronically, or in a manner prescribed by the administrator.

7. *Appeal to administrator.* An applicant for a ~~liquor control~~ retail alcohol license~~, wine permit, or beer permit~~ may appeal from the local authority's disapproval of an application for a license or permit to the administrator. In the appeal the applicant shall be allowed the opportunity to demonstrate in an evidentiary hearing conducted pursuant to chapter 17A that the applicant complies with all of the requirements for holding the license or permit. The administrator may appoint a member of the division or may request an administrative law judge from the department of inspections and appeals to conduct the evidentiary hearing and to render a proposed decision to approve or disapprove the issuance of the license or permit. The administrator may affirm, reverse, or modify the proposed decision. If the administrator determines that the applicant complies with all of the requirements for holding a license or permit, the administrator shall order the issuance of the license or permit. If the administrator determines that the applicant does not comply with the requirements for holding a license or permit, the administrator shall disapprove the issuance of the license or permit.

8. *Judicial review.* The applicant or the local authority may seek judicial review of the action of the administrator in accordance with the terms of the Iowa administrative procedure Act, chapter 17A. Notwithstanding the terms of the Iowa administrative procedure Act, chapter 17A, petitions for judicial review may be filed in the district court of the county where the premises covered by the application are situated.

9. *Suspension by local authority.* A ~~liquor control~~ retail alcohol licensee ~~or a wine or beer permittee~~ whose license ~~or permit~~ has been suspended or revoked or a civil penalty imposed by a local authority for a violation of this chapter or suspended by a local authority for violation of a local ordinance may appeal the suspension, revocation, or civil penalty to the administrator. The administrator may appoint a member of the division or may request an administrative law judge from the department of inspections and appeals to hear the appeal which shall be conducted in accordance with chapter 17A and to issue a proposed decision. The administrator may review the proposed decision upon the motion of a party to the appeal or upon the administrator's own motion in accordance with chapter 17A. Upon review of the proposed decision, the administrator may affirm, reverse, or modify the proposed decision. A ~~liquor control~~ retail alcohol licensee~~, wine or beer permittee,~~ or a local authority aggrieved by a decision of the administrator may seek judicial review of the decision pursuant to chapter 17A.

Sec. 29. Section 123.34, Code 2022, is amended to read as follows:

123.34 ~~Expiration of licenses, permits, and certificates of compliance — seasonal~~ Seasonal, fourteen-day, and five-day licenses ~~and permits~~ — fees.

~~1. All licenses, permits, and certificates of compliance, unless sooner suspended or revoked, expire one year from date of issuance. The administrator shall notify a license, permit,~~

~~or certificate holder electronically, or in a manner prescribed by the administrator, sixty days prior to the expiration of each license, permit, or certificate.~~

~~2.~~ 1. *a.* The administrator may issue ~~six-month or~~ eight-month seasonal ~~class "A", class "B",~~ class "C", special class "C", ~~and~~ class "D" ~~liquor control~~ and class "F" retail alcohol licenses~~, class "B" wine permits, class "B" or class "C" native wine permits, or class "B" beer permits~~.

b. The fee for ~~a six-month or~~ an eight-month seasonal license ~~or permit~~ issued pursuant to this subsection shall be ~~for a proportionate part~~ fifty percent of the license ~~or permit~~ fee for that class of license ~~or permit~~. ~~However, the fee for a seasonal class "B" native wine permit shall be the permit fee provided in section 123.179, subsection 4, and the fee for a seasonal class "C" native wine permit shall be the permit fee provided in section 123.179, subsection 5.~~

~~3.~~ 2. *a.* The administrator may issue fourteen-day ~~class "A", class "B",~~ class "C", special class "C", ~~and~~ class "D" ~~liquor control~~ and class "F" retail alcohol licenses~~, and fourteen-day class "B" beer permits, class "B" native wine permits, and class "C" native wine permits~~.

b. A fourteen-day retail alcohol license ~~or permit~~, if granted, is valid for fourteen consecutive days~~, but the holder shall not sell on the two Sundays in the fourteen-day period unless the holder qualifies for and obtains the privilege to sell on Sundays contained in section 123.36, subsection 6, and section 123.134, subsection 4~~.

c. ~~(1)~~ The fee for a fourteen-day ~~liquor control~~ retail alcohol license ~~or beer permit~~ is one quarter of the annual fee for that class of ~~liquor control~~ retail alcohol license ~~or beer permit~~. ~~The fee for the privilege to sell on the two Sundays in the fourteen-day period is twenty percent of the price of the fourteen-day liquor control license or beer permit.~~

~~(2) The fee for a fourteen-day class "B" native wine permit shall be the permit fee provided in section 123.179, subsection~~

~~4, and the fee for a fourteen-day class "C" native wine permit is the permit fee provided in section 123.179, subsection 5.~~

~~4.~~ 3. *a.* The administrator may issue five-day ~~class "A", class "B",~~ class "C", special class "C", ~~and~~ class "D" ~~liquor control~~, and class "F" retail alcohol licenses~~, and five-day class "B" beer permits, class "B" native wine permits, and class "C" native wine permits~~.

b. A five-day retail alcohol license ~~or permit~~ is valid for five consecutive days~~, but the holder shall not sell alcoholic beverages on Sunday in the five-day period unless the holder qualifies for and obtains the privilege to sell on Sunday pursuant to section 123.36, subsection 6, and section 123.134, subsection 4~~.

c. ~~(1)~~ The fee for the five-day ~~liquor control~~ retail alcohol license ~~or beer permit~~ is one-eighth of the annual fee for that class of license or permit. ~~The fee for the privilege to sell on a Sunday in the five-day period is ten percent of the price of the five-day liquor control license or beer permit.~~

~~(2) The fee for a five-day class "B" native wine permit shall be the permit fee provided in section 123.179, subsection 4, and the fee for a five-day class "C" native wine permit is the permit fee provided in section 123.179, subsection 5.~~

~~5.~~ 4. A refund of fees paid shall not be made for seasonal licenses ~~or permits~~, or for fourteen-day or five-day ~~liquor control~~ retail alcohol licenses~~, native wine permits, or beer permits~~. In addition, a seasonal, fourteen-day, or five-day license ~~or permit~~ shall not be renewed.

Sec. 30. NEW SECTION. **123.35 Expiration of licenses, permits, and certificates of compliance — automatic renewals.**

1. Except as otherwise provided by this chapter, all licenses, permits, and certificates of compliance, unless sooner suspended or revoked, expire one year from date of issuance.

2. Notwithstanding section 123.31 and any other provision of this chapter to the contrary, a class "E" retail alcohol

license shall automatically renew without the endorsement of a local authority or approval by the administrator upon collection of the annual fee by the division, provided all of the following conditions are met since the preceding license was issued:

a. The licensee has given written consent to the division to have the license automatically renewed as provided in this section.

b. The license has not been suspended or revoked.

c. A civil penalty has not been imposed against the licensee.

d. An administrative proceeding is not pending against the licensee to suspend or revoke the license or to impose a civil penalty under this chapter.

e. The licensee has not submitted payment for alcoholic liquor to the division that was subsequently dishonored.

f. The licensee and all persons associated with the licensee as described in section 123.3, subsection 40, paragraph *"e"*, have not been convicted of a violation of this chapter.

g. The licensed premises constitutes a safe and proper place or building and conforms with all applicable federal, state, and local laws, orders, ordinances, rules, resolutions, and health and fire regulations.

h. A local authority has not notified the division, in a manner established by the division and made available to local authorities, that automatic renewal should not occur and that further review of the licensee by the division and the applicable local authority is warranted.

3. Notwithstanding sections 123.23, 123.135, 123.180, and any other provision of this chapter to the contrary, a distiller's, brewer's, or vintner's certificate of compliance shall automatically renew without approval by the administrator upon collection of the annual fee by the division, provided all of the following conditions are met since the preceding certificate was issued:

a. The certificate holder has given written consent to the division to have the certificate automatically renewed as provided in this section.

b. The certificate has not been suspended or revoked.

c. A civil penalty has not been imposed against the certificate holder.

d. An administrative proceeding is not pending against the certificate holder to suspend or revoke the certificate or to impose a civil penalty under this chapter.

e. The certificate holder and all persons associated with the certificate holder as described in section 123.3, subsection 40, paragraph *"e"*, have not been convicted of a violation of this chapter.

4. Notwithstanding section 123.187 and any other provision of this chapter to the contrary, a wine direct shipper's permit shall automatically renew without approval by the administrator upon collection of the annual fee by the division, provided all of the following conditions are met since the preceding permit was issued:

a. The permittee has given written consent to the division to have the permit automatically renewed as provided in this section.

b. The permit has not been suspended or revoked.

c. A civil penalty has not been imposed against the permittee.

d. An administrative proceeding is not pending against the permittee to suspend or revoke the permit or to impose a civil penalty under this chapter.

e. The permittee has filed all required reports and remitted all wine gallonage tax owed pursuant to section 123.183.

f. The permittee and all persons associated with the permittee as described in section 123.3, subsection 40, paragraph *"e"*, have not been convicted of a violation of this chapter.

Sec. 31. Section 123.38, subsection 1, Code 2022, is amended

to read as follows:

1. A ~~liquor control~~ retail alcohol license, wine permit, or beer permit is a personal privilege and is revocable for cause. It is not property nor is it subject to attachment and execution nor alienable nor assignable, and it shall cease upon the death of the permittee or licensee. However, the administrator of the division may in the administrator's discretion allow the executor or administrator of the estate of a permittee or licensee to operate the business of the decedent for a reasonable time not to exceed the expiration date of the permit or license. Every permit or license shall be issued in the name of the applicant and no person holding a permit or license shall allow any other person to use it.

Sec. 32. Section 123.38, subsection 2, paragraph a, subparagraph (4), Code 2022, is amended to read as follows:

(4) No refund shall be made for any ~~liquor control~~ retail alcohol license, wine permit, or beer permit surrendered more than nine months after issuance.

Sec. 33. Section 123.39, subsection 1, paragraph a, Code 2022, is amended to read as follows:

a. (1) The administrator or the local authority may suspend a ~~class "A",~~ class "B", special class "B" native wine, class "C", special class "C", ~~class "C" native distilled spirits, or~~ class "E" ~~liquor control~~, or class "F" retail alcohol license, or ~~retail wine or beer permit~~ charity beer, spirits, and wine special event license for a period not to exceed one year, revoke the license ~~or permit~~, or impose a civil penalty not to exceed one thousand dollars per violation.

(2) The administrator may suspend a certificate of compliance, a class "D" ~~liquor control~~ retail alcohol license, a manufacturer's license, a broker's permit, a class "A" native distilled spirits license, a class "A" or special class "A" beer permit, ~~a charity beer, spirits, and wine auction permit,~~ a class "A" wine permit, a wine direct shipper's permit, or a wine carrier permit for a period not to exceed one year, revoke

the license, permit, or certificate, or impose a civil penalty not to exceed one thousand dollars per violation.

Sec. 34. Section 123.39, subsection 1, paragraph b, subparagraph (3), Code 2022, is amended to read as follows:

(3) Any change in the ownership or interest in the business operated under a ~~liquor control~~ retail alcohol license~~, or any wine or beer permit,~~ which change was not previously reported in a manner prescribed by the administrator within thirty days of the change and subsequently approved by the local authority, when applicable, and the division.

Sec. 35. Section 123.39, subsections 2 and 3, Code 2022, are amended to read as follows:

2. Local authorities may suspend any ~~liquor control~~ retail alcohol license ~~or retail wine or beer permit~~ for a violation of any ordinance or regulation adopted by the local authority. Local authorities may adopt ordinances or regulations for the location of the premises of ~~liquor control~~ retail alcohol licensed ~~and retail wine or beer permitted~~ establishments and local authorities may adopt ordinances, not in conflict with this chapter and that do not diminish the hours during which alcoholic beverages may be sold or consumed at retail, governing any other activities or matters which may affect the retail sale and consumption of alcoholic beverages and the health, welfare and morals of the community involved.

3. When a ~~liquor control~~ retail alcohol license ~~or retail wine or beer permit~~ is suspended after a hearing as a result of violations of this chapter by the licensee~~, permittee~~ or the licensee's ~~or permittee's~~ agents or employees, the premises which were licensed by the license ~~or permit~~ shall not be relicensed for a new applicant until the suspension has terminated or time of suspension has elapsed, or ninety days have elapsed since the commencement of the suspension, whichever occurs first. However, this section does not prohibit the premises from being relicensed to a new applicant before the suspension has terminated or before the time of

suspension has elapsed or before ninety days have elapsed from the commencement of the suspension, if the premises prior to the time of the suspension had been purchased under contract, and the vendor under that contract had exercised the person's rights under chapter 656 and sold the property to a different person who is not related to the previous licensee or permittee by marriage or within the third degree of consanguinity or affinity and if the previous licensee or permittee does not have a financial interest in the business of the new applicant.

Sec. 36. Section 123.40, Code 2022, is amended to read as follows:

123.40 Effect of revocation.

Any ~~liquor control~~ retail alcohol licensee, wine permittee, or beer permittee whose license or permit is revoked under this chapter shall not thereafter be permitted to hold a ~~liquor control~~ retail alcohol license, wine permit, or beer permit in the state of Iowa for a period of two years from the date of revocation. A spouse or business associate holding ten percent or more of the capital stock or ownership interest in the business of a person whose license or permit has been revoked shall not be issued a ~~liquor control~~ retail alcohol license, wine permit, or beer permit, and no ~~liquor control~~ retail alcohol license, wine permit, or beer permit shall be issued which covers any business in which such person has a financial interest for a period of two years from the date of revocation. If a license or permit is revoked, the premises which had been covered by the license or permit shall not be relicensed for one year.

Sec. 37. Section 123.43A, subsection 2, Code 2022, is amended to read as follows:

2. A native distillery shall not sell more than ~~one and one-half~~ nine liters per person per day, of native distilled spirits on the premises of the native distillery. However, ~~a native distillery which, combining all production facilities of the business, produces and manufactures not more than one~~

~~hundred thousand proof gallons of native distilled spirits on an annual basis, may sell not more than nine liters per person per day, of native distilled spirits. In addition,~~ a native distillery shall not directly ship native distilled spirits for sale at retail. The native distillery shall maintain records of individual purchases of native distilled spirits at the native distillery for three years.

Sec. 38. Section 123.43A, subsection 6, Code 2022, is amended to read as follows:

6. Notwithstanding any provision of this chapter to the contrary or the fact that a person is the holder of a class "A" native distilled spirits license, a native distillery ~~which, combining all production facilities of the business, produces and manufactures not more than one hundred thousand proof gallons of native distilled spirits on an annual basis~~ may ~~sell those native distilled spirits manufactured on the premises of the native distillery for consumption on the premises by applying for~~ be granted a class "C" ~~native distilled spirits liquor control~~ retail alcohol license as ~~provided~~ defined in section 123.30. A native distillery may be granted not more than two class "C" ~~native distilled spirits liquor control~~ retail alcohol licenses. ~~All native distilled spirits sold by a native distillery for on-premises consumption and mixed drinks or cocktails sold for consumption off the premises shall be purchased from a class "E" liquor control licensee.~~ A manufacturer of native distilled spirits may be issued a class "C" ~~native distilled spirits liquor control~~ retail alcohol license regardless of whether the manufacturer is also a manufacturer of beer pursuant to a class "A" beer permit or a manufacturer of native wine pursuant to a class "A" wine permit.

Sec. 39. Section 123.45, subsection 1, paragraph d, Code 2022, is amended to read as follows:

d. Hold a retail ~~liquor control~~ alcohol license ~~or retail wine or beer permit,~~ unless the licensee ~~or permittee~~ holding a

retail ~~liquor control~~ alcohol license ~~or retail wine or beer permit~~ does not purchase or sell the alcoholic beverages of the person engaged in the business of manufacturing, bottling, or wholesaling alcoholic beverages. However, a person engaged in the business of manufacturing wine that is not native wine may purchase and sell the person's wine under the authority of a special class "C" ~~liquor control~~ retail alcohol license and a class "B" ~~wine permit~~ retail alcohol license provided the licensed premises is the principal office, as defined in section 490.140, of the person.

Sec. 40. Section 123.45, subsection 3, Code 2022, is amended to read as follows:

3. A person engaged in the wholesaling of beer or wine may sell only disposable glassware, which is constructed of paper, paper laminated, or plastic materials and designed primarily for personal consumption on a one-time usage basis, to retailers for use within the premises of licensed establishments, for an amount which is greater than or equal to an amount which represents the greater of either the amount paid for the disposable glassware by the supplier or the amount paid for the disposable glassware by the wholesaler. Also, ~~a person engaged in the business of manufacturing beer may sell beer at retail for consumption on or off the premises of the manufacturing facility and,~~ notwithstanding any other provision of this chapter or the fact that a person is the holder of a class "A" beer permit, a native brewery may be granted not more than two class ~~"B" beer permits~~ "C" retail alcohol licenses as defined in section ~~123.124 for that purpose~~ 123.30 regardless of whether that person is also a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license or a manufacturer of native wine pursuant to a class "A" wine permit.

Sec. 41. Section 123.46, subsection 2, Code 2022, is amended to read as follows:

2. A person shall not use or consume alcoholic liquor, wine,

or beer upon the public streets or highways. A person shall not use or consume alcoholic liquor in any public place except premises covered by a ~~liquor control~~ retail alcohol license. A person shall not possess or consume alcoholic liquors, wine, or beer on public school property or while attending a public or private school-related function. A person shall not be intoxicated in a public place. A person violating this subsection is guilty of a simple misdemeanor.

Sec. 42. Section 123.46A, Code 2022, is amended to read as follows:

123.46A Delivery of alcoholic beverages by retailers.

1. Licensees ~~and permittees~~ authorized to sell alcoholic liquor, wine, or beer in original unopened containers for consumption off the licensed premises may deliver alcoholic liquor, wine, or beer to a home, another licensed premises if there is identical ownership of the premises by the licensee ~~or permittee~~, or other designated location in this state. Deliveries shall be limited to alcoholic beverages authorized by the licensee's ~~or permittee's~~ license ~~or permit~~. Orders delivered to another licensed premises shall contain only those alcoholic beverages authorized for sale by the ~~liquor control~~ retail alcohol license ~~or retail wine or beer permit~~ covering the premises to which the alcoholic beverages will be delivered. Orders delivered to another licensed premises shall be fulfilled using the alcoholic beverages inventory owned by the licensee ~~or permittee~~ who will receive the order for delivery. If the recipient refuses or fails to pick up the delivery, or is ineligible to receive the delivery, the alcoholic beverages shall be returned to the licensee ~~or permittee~~ who fulfilled the order.

2. Licensees ~~and permittees~~ authorized to sell wine, beer, or mixed drinks or cocktails for consumption off the licensed premises in a container other than the original container may deliver the wine, beer, or mixed drinks or cocktails to a home or other designated location in this state only if the

container other than the original container has been sold and securely sealed in compliance with this chapter or the rules of the division. Deliveries shall be limited to alcoholic beverages authorized by the licensee's ~~or permittee's~~ license or permit.

3. All deliveries of alcoholic liquor, wine, beer, or mixed drinks or cocktails shall be subject to the following requirements and restrictions:

a. Payment for the alcoholic liquor, wine, beer, or mixed drinks or cocktails shall be received by the licensee ~~or permittee~~ at the time of order.

b. Orders for deliveries may be taken by the licensee ~~or permittee~~ between the hours of 2:00 a.m. and 6:00 a.m. ~~on a day other than Sunday, and orders for deliveries may be taken between the hours of 2:00 a.m. and 6:00 a.m. on a Sunday provided the licensee or permittee has been granted the privilege of selling alcoholic liquor, wine, beer, or mixed drinks or cocktails on Sunday~~ on any day of the week, notwithstanding any provision of section 123.49, subsection 2, paragraph "*b*", to the contrary.

c. Alcoholic liquor, wine, beer, or mixed drinks or cocktails delivered to a person shall be for personal use and not for resale.

d. Deliveries shall only be made to persons in this state who are twenty-one years of age or older.

e. Deliveries shall not be made to a person who is intoxicated or is simulating intoxication.

f. Deliveries shall occur between 6:00 a.m. and 10:00 p.m. Monday through Sunday on the same day the order for alcoholic liquor, wine, beer, or mixed drinks or cocktails is removed from the licensed premises.

g. Delivery of alcoholic liquor, wine, beer, or mixed drinks or cocktails shall be made by the licensee ~~or permittee~~, the licensee's ~~or permittee's~~ employee, or a third party, provided the licensee ~~or permittee~~ has entered into a written agreement

with the third party that authorizes the third party to act as an agent of the licensee ~~or permittee~~ for the purpose of delivering alcoholic liquor, wine, beer, or mixed drinks or cocktails. Each licensee ~~or permittee~~ shall submit to the division electronically, or in a manner prescribed by the administrator, a list of names and addresses of all third parties it has authorized to act as its agent for the purpose of delivering alcoholic liquor, wine, beer, or mixed drinks or cocktails. The licensee ~~or permittee~~ shall provide the division with amendments to the list as necessary to ensure the division possesses an accurate, current list.

h. Delivery personnel shall be twenty-one years of age or older.

i. Valid proof of the recipient's identity and age shall be obtained at the time of delivery, and the signature of a person twenty-one years of age or older shall be obtained as a condition of delivery.

j. Licensees ~~and permittees~~ shall maintain records of deliveries which include the quantity delivered, the recipient's name and address, and the signature of the recipient of the alcoholic liquor, wine, beer, or mixed drinks or cocktails. The records shall be maintained on the licensed premises for a period of three years.

4. A violation of this section or any other provision of this chapter shall subject the licensee ~~or permittee~~ to the penalty provisions of section 123.39. If the licensee ~~or permittee~~, an employee of the licensee ~~or permittee~~, or a person delivering alcoholic liquor, wine, beer, or mixed drinks or cocktails for a third party acting on behalf of the licensee ~~or permittee~~ pursuant to a written agreement violates this section, the licensee ~~or permittee~~ shall not be assessed a penalty under section 123.39 if the licensee ~~or permittee~~ establishes all of the following:

a. The violation was committed off of the licensee's ~~or permittee's~~ premises after the liquor, wine, beer, or

mixed drinks or cocktails was removed from the licensee's ~~or permittee's~~ premises in fulfillment of a delivery order.

b. (1) If the person who committed the violation is an employee of the licensee ~~or permittee~~, that no other violation of this section was committed by any employee of the licensee ~~or permittee~~ within the two-year period immediately preceding the date of violation.

(2) If the person who committed the violation is a person delivering for a third party acting on behalf of the licensee ~~or permittee~~, that no other violation of this section was committed by any person delivering for the same third party while the third party was acting on behalf of the licensee ~~or permittee~~ within the two-year period immediately preceding the date of violation.

5. Nothing in this section shall impact the direct shipment of wine as regulated by section 123.187.

Sec. 43. Section 123.47, subsection 3, Code 2022, is amended to read as follows:

3. A person or persons under legal age shall not purchase or attempt to purchase, consume, or individually or jointly have alcoholic beverages in their possession or control; except in the case of any alcoholic beverage given or dispensed to a person under legal age within a private home and with the knowledge, presence, and consent of the parent or guardian, for beverage or medicinal purposes or as administered to the person by either a physician or dentist for medicinal purposes and except to the extent that a person under legal age may handle alcoholic beverages during the regular course of the person's employment by a ~~liquor control~~ retail alcohol licensee, or wine or beer permittee under this chapter.

Sec. 44. Section 123.48, subsections 1 and 3, Code 2022, are amended to read as follows:

1. If a ~~liquor control~~ retail alcohol licensee ~~or wine or beer permittee~~ or an employee of the licensee ~~or permittee~~ has a reasonable belief based on factual evidence that a

driver's license as defined in section 321.1, subsection 20A, or nonoperator's identification card issued pursuant to section 321.190 offered by a person who wishes to purchase an alcoholic beverage at the licensed premises is altered or falsified or belongs to another person, the licensee~~,~~ ~~permittee,~~ or employee may retain the driver's license or nonoperator's identification card. Within twenty-four hours, the license or card shall be delivered to the appropriate city or county law enforcement agency of the jurisdiction in which the licensed premises is located. When the license or card is delivered to the appropriate law enforcement agency, the licensee shall file a written report of the circumstances under which the license or card was retained. The local law enforcement agency may investigate whether a violation of section 321.216, 321.216A, or 321.216B has occurred. If an investigation is not initiated or a probable cause is not established by the local law enforcement agency, the driver's license or nonoperator's identification card shall be delivered to the person to whom it was issued. The local law enforcement agency may forward the license or card with the report to the department of transportation for investigation, in which case, the department may investigate whether a violation of section 321.216, 321.216A, or 321.216B has occurred. The department of transportation shall return the license or card to the person to whom it was issued if an investigation is not initiated or a probable cause is not established.

3. A ~~liquor control~~ retail alcohol licensee ~~or wine or beer permittee~~ or an employee of the licensee ~~or permittee~~ is not subject to criminal prosecution for, or to civil liability for damages alleged to have resulted from, the retention and delivery of a driver's license or a nonoperator's identification card which is taken pursuant to subsections 1 and 2. This section shall not be construed to relieve a licensee~~, permittee,~~ or employee of the licensee ~~or permittee~~ from civil liability for damages resulting from the use of

unreasonable force in obtaining the altered or falsified driver's license or nonoperator's identification card or the driver's license or nonoperator's identification card believed to belong to another person.

Sec. 45. Section 123.49, subsection 2, unnumbered paragraph 1, Code 2022, is amended to read as follows:

A person holding a ~~liquor control~~ retail alcohol license ~~or retail wine or beer permit~~ under this chapter, and the person's agents or employees, shall not do any of the following:

Sec. 46. Section 123.49, subsection 2, paragraph b, Code 2022, is amended to read as follows:

b. Sell or dispense any alcoholic beverage on the premises covered by the license ~~or permit~~, or permit its consumption thereon between the hours of 2:00 a.m. and 6:00 a.m. on ~~a weekday, and between the hours of 2:00 a.m. on Sunday and 6:00 a.m. on the following Monday, however, a holder of a liquor control license or retail wine or beer permit granted the privilege of selling alcoholic liquor, wine, or beer on Sunday may sell or dispense alcoholic liquor, wine, or beer between the hours of 6:00 a.m. on Sunday and 2:00 a.m. on the following Monday~~ any day of the week.

Sec. 47. Section 123.49, subsection 2, paragraph d, subparagraphs (1) and (3), Code 2022, are amended to read as follows:

(1) Keep on premises covered by a ~~liquor control~~ retail alcohol license any alcoholic liquor in any container except the original package purchased from the division, and except mixed drinks or cocktails mixed on the premises for immediate consumption on the licensed premises or as otherwise provided by this paragraph "*d*". This prohibition does not apply to holders of a class "D" ~~liquor control~~ retail alcohol license or to alcoholic liquor delivered in accordance with section 123.46A.

(3) Mixed drinks or cocktails mixed on premises covered by a class "C" ~~liquor control~~ retail alcohol license ~~or a class~~

~~"C" native distilled spirits liquor control~~ retail alcohol 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 division 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. 48. Section 123.49, subsection 2, paragraphs g and j, Code 2022, are amended to read as follows:

g. Allow any person other than the licensee~~, permittee,~~ or employees of the licensee ~~or permittee,~~ to use or keep on the licensed premises any alcoholic liquor in any bottle or other container which is designed for the transporting of such beverages, except as permitted in section 123.95. This paragraph does not apply to the lodging quarters of a ~~class "B" liquor control licensee or wine or beer permittee~~ hotel or motel holding a retail alcohol license, or to holders of a class "D" ~~liquor control~~ retail alcohol license.

j. Knowingly permit or engage in any criminal activity on the premises covered by the license ~~or permit~~. However, the absence of security personnel on the licensed premises is insufficient, without additional evidence, to prove that criminal activity occurring on the licensed premises was knowingly permitted in violation of this paragraph "*j*". For purposes of this paragraph "*j*", "*premises*" includes parking lots and areas adjacent to the premises of a ~~liquor control~~ retail alcohol licensee ~~or wine or beer permittee~~ authorized to sell alcoholic beverages for consumption on the licensed premises and used by patrons of the ~~liquor control~~ retail alcohol licensee ~~or wine or beer permittee~~.

Sec. 49. Section 123.49, subsection 3, Code 2022, is amended to read as follows:

3. A person under legal age shall not misrepresent the person's age for the purpose of purchasing or attempting to purchase any alcoholic beverage from any ~~liquor control~~ retail alcohol licensee ~~or wine or beer permittee~~. If any person under legal age misrepresents the person's age, and the licensee ~~or permittee~~ establishes that the licensee ~~or permittee~~ made reasonable inquiry to determine whether the prospective purchaser was over legal age, the licensee ~~or permittee~~ is not guilty of selling alcoholic beverages to a person under legal age.

Sec. 50. Section 123.49, subsection 4, Code 2022, is amended by striking the subsection.

Sec. 51. Section 123.50, subsections 1, 2, 4, and 5, Code 2022, are amended to read as follows:

1. Any person who violates any of the provisions of section 123.49, except section 123.49, subsection 2, paragraph "*h*", or who fails to affix upon sale, defaces, or fails to record a keg identification ~~sticker~~ label or produce a record of keg identification ~~stickers~~ labels pursuant to section 123.138, shall be guilty of a simple misdemeanor. A person who violates section 123.49, subsection 2, paragraph "*h*", commits a simple misdemeanor punishable as a scheduled violation under section 805.8C, subsection 2.

2. The conviction of any ~~liquor control~~ retail alcohol licensee ~~or wine or beer permittee~~ for a violation of any of the provisions of section 123.49, subject to subsection 3 of this section, is grounds for the suspension or revocation of the license or permit by the division or the local authority. However, if any ~~liquor control~~ retail alcohol licensee is convicted of any violation of section 123.49, subsection 2, paragraph "*a*", ~~"*d*",~~ or "*e*", or any ~~wine or beer permittee~~ retail alcohol licensee, excluding a special class "B" or class "D" retail alcohol licensee, is convicted of a violation of section

123.49, subsection 2, paragraph ~~"a" or "e"~~ "d", the ~~liquor control~~ retail alcohol license ~~or wine or beer permit~~ shall be revoked and shall immediately be surrendered by the holder, and the bond, if any, of the license ~~or permit~~ holder shall be forfeited to the division. However, the division shall retain only that portion of the bond equal to the amount the division determines the license ~~or permit~~ holder owes the division.

4. In addition to any other penalties imposed under this chapter, the division shall assess a civil penalty up to the amount of five thousand dollars upon a class "E" ~~liquor control~~ retail alcohol licensee when the class "E" ~~liquor~~ retail alcohol license is revoked for a violation of section 123.59. Failure to pay the civil penalty as required under this subsection shall result in forfeiture of the bond to the division. However, the division shall retain only that portion of the bond equal to the amount the division determines the license or permit holder owes the division.

5. If an employee of a ~~liquor control~~ retail alcohol licensee ~~or wine or beer permittee~~ violates section 123.49, subsection 2, paragraph "h", the licensee ~~or permittee~~ shall not be assessed a penalty under subsection 3, and the violation shall be deemed not to be a violation of section 123.49, subsection 2, paragraph "h", for the purpose of determining the number of violations for which a penalty may be assessed pursuant to subsection 3, if the employee holds a valid certificate of completion of the alcohol compliance employee training program pursuant to section 123.50A at the time of the violation, and if the violation involves selling, giving, or otherwise supplying any alcoholic beverage to a person between the ages of eighteen and twenty years of age. A violation involving a person under the age of eighteen years of age shall not qualify for the bar against assessment of a penalty pursuant to subsection 3, for a violation of section 123.49, subsection 2, paragraph "h". A licensee ~~or permittee~~ may assert only once in a four-year period the bar under this subsection

against assessment of a penalty pursuant to subsection 3, for a violation of section 123.49, subsection 2, paragraph "*h*", that takes place at the same place of business location.

Sec. 52. Section 123.50, subsection 3, unnumbered paragraph 1, Code 2022, is amended to read as follows:

If any ~~liquor control~~ retail alcohol licensee~~, wine or beer permittee,~~ or employee of a licensee ~~or permittee~~ is convicted or found in violation of section 123.49, subsection 2, paragraph "*h*", the administrator or local authority shall, in addition to criminal penalties fixed for violations by this section, assess a civil penalty as follows:

Sec. 53. Section 123.92, subsection 2, paragraphs a and c, Code 2022, are amended to read as follows:

a. Every ~~liquor control~~ retail alcohol licensee, ~~class "B" beer permittee, and class "C" native wine permittee,~~ except a class "B", special class "B", or class "E" ~~liquor control~~ retail alcohol licensee, shall furnish proof of financial responsibility by the existence of a liability insurance policy in an amount determined by the division. If an insurer provides dramshop liability insurance at a new location to a licensee or permittee who has a positive loss experience at other locations for which such insurance is provided by the insurer, and the insurer bases premium rates at the new location on the negative loss history of the previous licensee ~~or permittee~~ at that location, the insurer shall examine and consider adjusting the premium for the new location not less than thirty months after the insurance is issued, based on the loss experience of the licensee ~~or permittee~~ at that location during that thirty-month period of time.

c. The purpose of dramshop liability insurance is to provide protection for members of the public who experience damages as a result of licensees ~~or permittees~~ serving patrons any alcoholic beverage to a point that reaches or exceeds the standard set forth in law for liability. Minimum coverage requirements for such insurance are not for the purpose of

making the insurance affordable for all licensees ~~or permittees~~ regardless of claims experience. A dramshop liability insurance policy obtained by a licensee ~~or permittee~~ shall meet the minimum insurance coverage requirements as determined by the division and is a mandatory condition for holding a license ~~or permit~~.

Sec. 54. Section 123.92, subsection 3, paragraphs a and b, Code 2022, are amended to read as follows:

a. Notwithstanding section 123.49, subsection 1, any person who is injured in person or property or means of support by an intoxicated person who is under legal age or resulting from the intoxication of a person who is under legal age, has a right of action for all damages actually sustained, severally or jointly, against a person who is not a licensee ~~or permittee~~ and who dispensed or gave any alcoholic beverage to the intoxicated underage person when the nonlicensee ~~or nonpermittee~~ who dispensed or gave the alcoholic beverage to the underage person knew or should have known the underage person was intoxicated, or who dispensed or gave any alcoholic beverage to the underage person to a point where the nonlicensee ~~or nonpermittee~~ knew or should have known that the underage person would become intoxicated.

b. If the injury was caused by an intoxicated person who is under legal age, a person who is not a licensee ~~or permittee~~ and who dispensed or gave the alcoholic beverage to the underage person may establish as an affirmative defense that the intoxication did not contribute to the injurious action of the underage person.

Sec. 55. Section 123.95, subsection 2, paragraphs a and c, Code 2022, are amended to read as follows:

a. The holder of ~~an annual class "B" liquor control license~~ ~~or~~ an annual class "C" ~~liquor control~~ retail alcohol license may act as the agent of a private social host for the purpose of providing and serving alcoholic beverages as part of a food catering service for a private social gathering in a private

place, provided the licensee has applied for and been granted a catering privilege by the division. The holder of an annual special class "C" ~~liquor control~~ retail alcohol license shall not act as the agent of a private social host for the purpose of providing and serving wine and beer as part of a food catering service for a private social gathering in a private place. An applicant for a ~~class "B" or~~ class "C" ~~liquor control~~ retail alcohol license shall state on the application for the license that the licensee intends to engage in catering food and alcoholic beverages for private social gatherings and the catering privilege shall be noted on the license.

c. Section 123.92 does not apply to a ~~liquor control~~ retail alcohol licensee who acts in accordance with this section when the ~~liquor control~~ retail alcohol licensee is providing and serving food and alcoholic beverages as an agent of a private social host at a private social gathering in a private place which is not on the licensed premises.

Sec. 56. Section 123.122, subsection 1, Code 2022, is amended to read as follows:

1. A person shall not cause the manufacture, importation, or sale of beer in this state unless a certificate or permit as provided in this subchapter, or a ~~liquor control~~ retail alcohol license as provided in subchapter I of this chapter, is first obtained which authorizes that manufacture, importation, or sale.

Sec. 57. Section 123.124, Code 2022, is amended to read as follows:

123.124 Beer permits — classes.

Permits for the manufacture and sale, or sale, of beer shall be ~~divided into four classes,~~ known as class "A"~~,~~ and special class "A"~~, class "B", or class "C" beer permits~~. A holder of a class "A" or special class "A" beer permit shall have the authority as provided in section 123.130. ~~A holder of a class "B" beer permit shall have the authority as provided in section 123.131, and a holder of a class "C" beer permit shall have the~~

~~authority as provided in section 123.132.~~

Sec. 58. Section 123.125, Code 2022, is amended to read as follows:

123.125 Issuance of beer permits.

The administrator shall issue class "A"~~,~~ and special class "A"~~, class "B", and class "C"~~ beer permits and may suspend or revoke permits for cause as provided in this chapter.

Sec. 59. Section 123.127, subsection 2, paragraph h, Code 2022, is amended to read as follows:

h. If the person is applying for a special class "A" beer permit, that the applicant holds or has applied for a class "C" ~~liquor control~~ or special class "C" retail alcohol license ~~or class "B" beer permit~~.

Sec. 60. Section 123.130, subsection 1, paragraph a, Code 2022, is amended to read as follows:

a. Any person holding a class "A" beer permit issued by the division shall be authorized to manufacture and sell, or sell at wholesale, beer for consumption off the premises, such sales within the state to be made only to persons holding a subsisting class "A"~~, "B", or "C"~~ beer ~~permits~~ permit, ~~both a class "C" native wine permit and a class "A" wine permit pursuant to section 123.178B, subsection 4,~~ or ~~liquor control~~ retail alcohol licenses, excluding a special class "B" retail native wine license, issued in accordance with the provisions of this chapter. However, a person holding a class "A" beer permit issued by the division who also holds a brewer's notice issued by the alcohol and tobacco tax and trade bureau of the United States department of the treasury shall be authorized to sell, at wholesale, no more than thirty thousand barrels of beer on an annual basis for consumption off the premises to a licensee ~~or permittee~~ authorized under this chapter to sell beer at retail.

Sec. 61. Section 123.130, subsections 2 and 4, Code 2022, are amended to read as follows:

2. Pursuant to section 123.45, subsection 3, a native

brewery may be granted not more than two ~~class "B" beer permits as defined in section 123.124 for the purpose of selling beer at retail for consumption on or off the premises of the manufacturing facility~~ class "C" retail alcohol licenses.

4. All special class "A" premises shall be located within the state. A person who holds a special class "A" beer permit for the same location at which the person holds a class "C" ~~liquor control~~ or special class "C" retail alcohol license ~~or class "B" beer permit~~ for the purpose of operating as a brewpub may manufacture and sell beer to be consumed on the premises, may sell beer at retail at the manufacturing premises for consumption off the premises ~~beer that is transferred at the time of sale to another container subject to the requirements of section 123.131, subsection 2~~, may sell beer to a class "A" beer permittee for resale purposes, and may sell beer to distributors outside of the state that are authorized by the laws of that jurisdiction to sell beer at wholesale. The permit issued to holders of a special class "A" beer permit shall clearly state on its face that the permit is limited.

Sec. 62. Section 123.135, subsection 4, Code 2022, is amended to read as follows:

4. It shall be unlawful for any holder of a certificate of compliance or the holder's agent, or any class "A" beer permit holder or the beer permit holder's agent, to grant to any retail ~~beer permit~~ alcohol license holder, directly or indirectly, any rebates, free goods, or quantity discounts on beer which are not uniformly offered to all retail ~~permittees~~ alcohol licensees.

Sec. 63. Section 123.138, subsection 1, Code 2022, is amended to read as follows:

1. Each class "A" or special class "A" beer permittee shall keep proper records showing the amount of beer sold by the permittee, and these records shall be at all times open to inspection by the administrator and to other persons pursuant to section 123.30, subsection 1. Each ~~class "B"~~

~~beer permittee, class "C" beer permittee, or~~ retail ~~liquor control~~ alcohol licensee as described in section 123.30 shall keep proper records showing each purchase of beer made by the ~~permittee or~~ licensee, and the date and the amount of each purchase and the name of the person from whom each purchase was made, which records shall be open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the ~~permittee or~~ licensee.

Sec. 64. Section 123.138, subsection 2, paragraph a, Code 2022, is amended to read as follows:

a. Each ~~class "B", "C", or special class "C" liquor control~~ retail alcohol licensee ~~and class "B" or "C" beer permittee~~ who sells beer for off-premises consumption shall affix to each keg of beer an identification ~~sticker~~ label provided by the administrator. The ~~sticker~~ label provided shall allow for its full removal when common external keg cleaning procedures are performed. For the purposes of this subsection, *"keg"* means all durable and disposable containers with a liquid capacity of five gallons or more. Each ~~class "B", "C", or special class "C" liquor control~~ retail alcohol licensee ~~and class "B" or "C" beer permittee~~ shall also keep a record of the identification ~~sticker~~ label number of each keg of beer sold by the licensee ~~or permittee~~ with the name and address of the purchaser and the number of the purchaser's driver's license, nonoperator's identification card, or military identification card, if the military identification card contains a picture and signature. This information shall be retained by the licensee ~~or permittee~~ for a minimum of ninety days. The records kept pursuant to this subsection shall be available for inspection by any law enforcement officer during normal business hours.

Sec. 65. Section 123.138, subsection 2, paragraph b, Code 2022, is amended to read as follows:

b. (1) The division shall provide the keg identification ~~stickers~~ labels described in paragraph *"a"* and shall, prior to utilizing a ~~sticker~~ label, notify licensed brewers and licensed

beer importers of the type of ~~sticker~~ label to be utilized. Each ~~sticker~~ label shall contain a number and the following statement:

It is unlawful to sell, give, or otherwise supply any alcoholic beverage, wine, or beer to any person under legal age. Any person who defaces this ~~sticker~~ label shall be guilty of criminal mischief punishable pursuant to section 716.6 ~~and shall cause the forfeiture of any deposit, if applicable~~.

(2) The identification ~~sticker~~ label shall be placed on the keg at the time of retail sale. The licensee ~~or permittee~~ shall ~~purchase~~ obtain the ~~stickers~~ labels referred to in this subsection from the division ~~and shall remit to the division deposits forfeited pursuant to this lettered paragraph due to defacement~~. The cost of the ~~stickers~~ labels to licensees ~~and permittees~~ shall not exceed the division's cost of producing and distributing the ~~stickers~~ labels. The moneys collected by the division relating to the sale of ~~stickers and forfeited deposits~~ labels shall be credited to the beer and liquor control fund.

Sec. 66. Section 123.138, subsection 2, paragraph d, Code 2022, is amended by striking the paragraph.

Sec. 67. Section 123.141, Code 2022, is amended to read as follows:

123.141 Keeping liquor where beer is sold.

No alcoholic liquor for beverage purposes shall be used, or kept for any purpose in the place of business of a special class ~~"B" beer permittees~~ "C" retail alcohol licensee, or on the premises of such special class ~~"B" beer permittees~~ "C" retail alcohol licensee, at any time. A violation of any provision of this section shall be grounds for suspension or revocation of the beer permit pursuant to section 123.50, subsection 3. This section shall not apply in any manner or in any way to the premises of any hotel or motel for which a special class ~~"B" beer permit~~ "C" retail alcohol license has been issued, other than that part of such premises regularly

used by the hotel or motel for the principal purpose of selling beer or food to the general public, ~~to a premises for which both a class "B" beer permit and a class "A" native distilled spirits license have been issued,~~ or to keep a pharmacy from having alcohol in stock for medicinal and compounding purposes.

Sec. 68. Section 123.142, subsection 1, Code 2022, is amended to read as follows:

1. It is unlawful for the holder of a ~~class "B" or class "C" beer permit~~ retail alcohol license issued under this chapter to sell beer, except beer brewed on the premises covered by a special class "A" beer permit or beer purchased from a person holding a class "A" beer permit issued in accordance with this chapter, and on which the tax provided in section 123.136 has been paid. However, this section does not apply to class "D" ~~liquor control~~ retail alcohol licensees as provided in this chapter.

Sec. 69. Section 123.143, subsection 1, Code 2022, is amended by striking the subsection.

Sec. 70. Section 123.143, subsection 2, Code 2022, is amended to read as follows:

2. All permit fees collected by the division under this subchapter shall accrue to the beer and liquor control fund, except as otherwise provided. All ~~permit fees and~~ taxes collected by the division under this subchapter shall accrue to the state general fund, except as otherwise provided.

Sec. 71. Section 123.171, subsection 1, Code 2022, is amended to read as follows:

1. A person shall not cause the manufacture, importation, or sale of wine in this state unless a certificate or permit as provided in this subchapter, or a ~~liquor control~~ retail alcohol license as provided in subchapter I of this chapter, is first obtained which authorizes that manufacture, importation, or sale.

Sec. 72. Section 123.173, Code 2022, is amended to read as follows:

123.173 Wine ~~permits~~ permit — ~~classes~~ class "A" — authority.

1. Except as provided in section 123.187, ~~permits~~ a permit exclusively for the ~~sale or~~ manufacture and sale of wine shall be ~~divided into four classes, and shall be~~ known as a class "A"~~, "B", "B" native, or "C" native~~ wine ~~permits~~ permit.

2. A class "A" wine permit allows the holder to manufacture and sell, or sell at wholesale, in this state, wine. The holder of a class "A" wine permit may manufacture in this state wine having an alcoholic content greater than seventeen percent by weight or twenty-one and twenty-five hundredths percent of alcohol by volume for shipment outside this state. All class "A" premises shall be located within the state. ~~A class "B" or class "B" native wine permit allows the holder to sell wine at retail for consumption off the premises. A class "B" or class "B" native wine permittee who also holds a class "E" liquor control license may sell wine to class "A", class "B", class "C", special class "C", and class "D" liquor control licensees for resale for consumption on the premises. Such wine sales shall be in quantities of less than one case of any wine brand but not more than one such sale shall be made to the same liquor control licensee in a twenty-four-hour period. A class "B" or class "B" native wine permittee shall not sell wine to other class "B" or class "B" native wine permittees. A class "C" native wine permit allows the holder to sell native wine for consumption on or off the premises.~~

3. A class "A" wine permittee shall be required to deliver wine to a retail ~~wine permittee~~ alcohol licensee, and a retail ~~wine permittee~~ alcohol licensee shall be required to accept delivery of wine from a class "A" wine permittee, only at the licensed premises of the retail ~~wine permittee~~ alcohol licensee. Except as specifically permitted by the division upon good cause shown, delivery or transfer of wine from an unlicensed premises to a licensed retail ~~wine permittee's~~ alcohol licensee's premises, or from one licensed retail ~~wine~~

~~permittee's~~ alcohol licensee's premises to another licensed retail ~~wine permittee's~~ alcohol licensee's premises, even if there is common ownership of all of the premises by one retail permittee, is prohibited. ~~A class "B" or class "B" native wine permittee who also holds a class "E" liquor control license shall keep and maintain records for each sale of wine to liquor control licensees showing the name of the establishment to which wine was sold, the date of sale, and the brands and number of bottles sold to the liquor control licensee.~~

~~4. When a class "B" or class "B" native wine permittee who also holds a class "E" liquor control license sells wine to a liquor control licensee, the liquor control licensee shall sign a report attesting to the purchase. The class "B" or class "B" native wine permittee who also holds a class "E" liquor control license shall submit a report to the division electronically, or in a manner prescribed by the administrator, not later than the tenth of each month stating each sale of wine to liquor control licensees during the preceding month, the date of each sale, and the brands and numbers of bottles with each sale. A class "B" permittee who holds a class "E" liquor control license may sell to class "A", class "B", or class "C" liquor control licensees only if the licensed premises of the liquor control licensee is located within the geographic territory of the class "A" wine permittee from which the wine was originally purchased by the class "B" or class "B" native wine permittee.~~

Sec. 73. Section 123.173A, Code 2022, is amended by striking the section and inserting in lieu thereof the following:

123.173A Charity beer, spirits, and wine special event license.

1. For purposes of this section:

a. "Authorized nonprofit entity" includes a nonprofit entity which has a principal office in the state, a nonprofit corporation organized under chapter 504, or a foreign corporation as defined in section 504.141, whose income is exempt from federal taxation under section 501(c) of the

Internal Revenue Code.

b. *"Charity auction"* means an auction conducted by an authorized nonprofit entity which includes beer, spirits, and wine.

c. *"Charity event"* means an event at which an authorized nonprofit entity may serve the event's attendees beer, spirits, and wine for consumption on the premises of the event, regardless of whether the entity charges an admission fee to the event or otherwise collects the cost of the beer, spirits, and wine served from the event's attendees.

d. *"Charity special event"* means a charity auction, charity event, or a combined charity auction and charity event.

2. Upon application to the division and receipt of a charity beer, spirits, and wine special event license, an authorized nonprofit entity may conduct a charity special event subject to the requirements of this section.

3. A charity auction conducted by a charity beer, spirits, and wine special event licensee shall comply with the following requirements:

a. The authorized nonprofit entity conducting the charity auction shall obtain the beer, spirits, and wine to be auctioned at the charity auction from an Iowa retail alcohol licensee, or may receive donations of beer, spirits, or wine to be auctioned at the charity auction from persons who purchased the donated beer, spirits, or wine from an Iowa retail alcohol licensee or an Iowa class "A" native distilled spirits licensee and who present a receipt documenting the purchase at the time the beer, spirits, or wine is donated. The authorized nonprofit entity conducting the charity auction shall retain a copy of the receipt for a period of one year from the date of the charity beer, spirits, and wine auction.

b. The beer, spirits, and wine sold at the charity auction shall be in original containers for consumption off of the premises where the charity auction is conducted. No other alcoholic beverage may be sold by the charity beer, spirits,

and wine special event licensee at the charity auction. A purchaser of beer, spirits, or wine at a charity auction shall not take possession of the beer, spirits, or wine until the person is leaving the event. A purchaser of beer, spirits, or wine at a charity auction shall not open the container or consume or permit the consumption of the beer, spirits, or wine purchased on the premises where the charity auction is conducted. A purchaser of beer, spirits, or wine at a charity auction shall not resell the beer, spirits, or wine.

c. A retail alcohol licensee or class "A" native distilled spirits licensee shall not purchase beer, spirits, or wine at a charity auction. The charity auction may be conducted on a premises for which a class "B" or class "C" retail alcohol license has been issued, provided that the retail alcohol licensee does not participate in the charity auction, supply beer, spirits, or wine to be auctioned at the charity auction, or receive any of the proceeds of the charity auction.

4. A charity event conducted by a charity beer, spirits, and wine special event licensee shall comply with the following requirements:

a. The charity event shall be conducted on a premises covered by a valid retail alcohol license issued by the division.

b. The authorized nonprofit entity conducting a charity event shall have a written agreement with the retail alcohol licensee covering the premises where the charity event is to be conducted specifying that that licensee shall act as the agent of the authorized nonprofit entity for the purpose of providing and serving alcoholic beverages to the attendees of the charity event.

c. The retail alcohol licensee covering the premises where the charity event is to be conducted shall supply all alcoholic beverages served to the attendees of the charity event.

d. Only those types of alcoholic beverages as are authorized to be sold by the retail alcohol license covering the premises

where the charity event is to be conducted are to be served to the attendees of the charity event.

5. An application for a charity beer, spirits, and wine special event license to conduct a charity special event shall include all of the following information:

a. The date and time when the charity special event is to be conducted and the location of the premises in this state where the charity special event is to be physically conducted.

b. The retail alcohol license number issued by the division for the premises where a charity event is to be conducted, if applicable.

c. A certification that the objective of the charity special event is to raise funds solely to be used for educational, religious, or charitable purposes and that the entire proceeds from the charity special event are to be expended for any of the purposes described in section 423.3, subsection 78.

6. An authorized nonprofit entity shall be eligible to receive no more than two charity beer, spirits, and wine special event licenses during a calendar year and each charity beer, spirits, and wine special event license shall be valid for a period not to exceed thirty-six consecutive hours.

7. Any violation of the requirements of this chapter or the rules adopted pursuant to this chapter shall subject the charity beer, spirits, and wine special event license holder to the general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty, suspension of the license, or revocation of the permit after notice and opportunity for a hearing pursuant to section 123.39 and chapter 17A.

Sec. 74. Section 123.175, subsection 1, unnumbered paragraph 1, Code 2022, is amended to read as follows:

A person applying for a class "A" ~~or retail~~ wine permit shall submit a completed application electronically, or in a manner prescribed by the administrator, which shall set forth under oath the following:

Sec. 75. Section 123.175, subsection 1, paragraph e, Code 2022, is amended to read as follows:

e. When required by the administrator, and in such form and containing such information as the administrator may require, a description of the premises where the applicant intends to use the permit, to include a sketch or drawing of the premises ~~and, if applicable, the number of square feet of interior floor space which comprises the retail sales area of the premises~~.

Sec. 76. Section 123.175, subsection 2, unnumbered paragraph 1, Code 2022, is amended to read as follows:

The administrator shall issue a class "A" ~~or retail~~ wine permit to any applicant who establishes all of the following:

Sec. 77. Section 123.175, subsection 2, paragraphs d and g, Code 2022, are amended to read as follows:

d. That~~, in the case of a class "A" wine permit,~~ the applicant has filed with the division a basic permit issued by the alcohol and tobacco tax and trade bureau of the United States department of the treasury, and that the applicant will faithfully observe and comply with all the laws, rules, and regulations governing the manufacture and sale of wine.

g. That the applicant has submitted~~, in the case of a class "A" wine permit,~~ a bond in the amount of five thousand dollars in a manner prescribed by the administrator with good and sufficient sureties to be approved by the division conditioned upon compliance with this chapter.

Sec. 78. Section 123.176, subsections 2, 5, and 7, Code 2022, are amended to read as follows:

2. Native wine may be sold at retail for off-premises consumption when sold on the premises of the manufacturer, or in a retail establishment operated by the manufacturer. Sales may also be made to class "A" or retail ~~wine permittees or liquor control~~ alcohol licensees as authorized by sections ~~123.173~~ 123.30 and 123.177. A manufacturer of native wines shall not sell the wines other than as permitted in this chapter and shall not allow wine sold to be consumed upon the

premises of the manufacturer. However, prior to sale, native wines may be tasted pursuant to the rules of the division on the premises where made, when no charge is made for the tasting.

5. Notwithstanding any other provision of this chapter, a person engaged in the business of manufacturing native wine may ~~sell native wine at retail for consumption on the premises of the manufacturing facility by applying for~~ be granted a class "C" ~~native wine permit~~ retail alcohol license as ~~provided~~ defined in section ~~123.178B~~ 123.30. A manufacturer of native wine may be granted not more than two class "C" ~~native wine permits~~ retail alcohol licenses. A manufacturer of native wine may be issued a class "C" ~~native wine permit~~ retail alcohol license regardless of whether the manufacturer is also a manufacturer of beer pursuant to a class "A" beer permit or a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license.

7. A manufacturer may use the space and equipment of another manufacturer for the purpose of manufacturing native wine, provided that such an alternating proprietorship arrangement is approved by the alcohol and tobacco tax and trade bureau of the United States department of the treasury. A separate class "A" wine permit shall be issued to each manufacturer, and each manufacturer shall be subject to the provisions of this chapter and the rules of the division. Notwithstanding subsection 5, not more than one class "C" ~~native wine permit~~ retail alcohol license shall be issued to a premises with alternating proprietorships.

Sec. 79. Section 123.177, subsection 1, Code 2022, is amended to read as follows:

1. A person holding a class "A" wine permit may manufacture and sell, or sell at wholesale, wine for consumption off the premises. Sales within the state may be made only to persons holding a class "A" ~~or "B"~~ wine permit and to persons holding a retail ~~liquor control~~ alcohol license. However, if the person

holding the class "A" permit is a manufacturer of native wine, the person may sell only native wine to a person holding ~~a retail wine permit or~~ a retail ~~liquor control~~ alcohol license. A person holding a class "A" wine permit may sell wine to distributors outside of the state that are authorized by the laws of that jurisdiction to sell wine at wholesale. A class "A" wine permittee having more than one place of business shall obtain a separate permit for each place of business where wine is to be manufactured, stored, warehoused, or sold.

Sec. 80. Section 123.177, subsection 3, Code 2022, is amended by striking the subsection.

Sec. 81. Section 123.180, subsection 4, Code 2022, is amended to read as follows:

4. It is unlawful for a holder of a vintner's certificate of compliance or the holder's agent, or any class "A" wine permittee or the permittee's agent, to discriminate between ~~class "B" wine permittees~~ class "B", special class "B", and class "E" retail alcohol licensees authorized to sell wine at retail.

Sec. 82. Section 123.181, subsection 1, Code 2022, is amended by striking the subsection.

Sec. 83. Section 123.181, subsection 2, Code 2022, is amended to read as follows:

2. A class "A" wine permittee shall not sell wine on credit to a retail alcohol licensee ~~or permittee~~ for a period exceeding thirty days from date of delivery.

Sec. 84. Section 123.187, subsection 2, paragraph a, Code 2022, is amended to read as follows:

a. Only a wine manufacturer that holds a wine direct shipper permit issued pursuant to this section shall sell wine at retail for direct shipment to any person within this state. This section shall not prohibit an authorized retail licensee ~~or permittee~~ from delivering wine pursuant to section 123.46A.

Sec. 85. Section 123.187, subsection 2, paragraph d, Code 2022, is amended by striking the paragraph.

Sec. 86. Section 125.59, unnumbered paragraph 1, Code 2022, is amended to read as follows:

The treasurer of state, on each July 1 for that fiscal year, shall transfer the estimated amounts to be received ~~from section 123.36, subsection 8 and section 123.143, subsection 1~~ for purposes of this section to the department.

Sec. 87. REPEAL. Sections 123.97, 123.123, 123.150, 123.172, 123.173B, and 123.185, Code 2022, are repealed.

Sec. 88. EFFECTIVE DATE. This division of this Act takes effect January 1, 2023.

DIVISION IV

CONFORMING CHANGES

Sec. 89. Section 7D.16, Code 2022, is amended to read as follows:

7D.16 Alcoholic beverages in state capitol or on complex grounds.

Notwithstanding any contrary provision of law prohibiting the use and consumption of alcoholic beverages in a public place, the executive council may authorize, by resolution, the temporary use and consumption of alcoholic beverages, as defined in section 123.3, in the state capitol or on the state capitol complex grounds, as if the state capitol or state capitol complex grounds were a private place. The authorization by resolution shall be limited to the use and consumption of alcoholic beverages as an accompaniment to food at a single award ceremony, social event, or other occasion deemed appropriate by the executive council. The authorization shall require that the person providing the food and alcoholic beverages possess an appropriate ~~liquor control~~ retail alcohol license in accordance with section 123.95. The secretary of the executive council shall inform the secretary of the legislative council and the director of the department of administrative services of the approval of any such resolution.

Sec. 90. Section 12.43, subsection 5, paragraph e, Code 2022, is amended to read as follows:

e. Liquor, beer, and wine sales must not exceed twenty percent of annual sales for establishments holding a class "C" ~~liquor~~ retail alcohol license issued pursuant to section 123.30.

Sec. 91. Section 99B.3, subsection 2, Code 2022, is amended to read as follows:

2. A person whose license is revoked under this section who is a person for whom a ~~class "A", class "B", class "C", or class "D" liquor control~~ retail alcohol license has been issued pursuant to chapter 123 shall have the person's ~~liquor control~~ retail alcohol license suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph *"a"*.

Sec. 92. Section 99B.3, subsection 3, Code 2022, is amended by striking the subsection.

Sec. 93. Section 99B.43, subsection 1, unnumbered paragraph 1, Code 2022, is amended to read as follows:

Social gambling is lawful on the premises of an establishment for which a class ~~"A", class "B", class~~ "C", ~~special class "C", or~~ class "D" ~~liquor control~~, class "E", or class "F" retail alcohol license~~, or class "B" beer permit~~ has been issued pursuant to chapter 123 when, subject to the provisions of section 99B.42, all of the following requirements are met:

Sec. 94. Section 99B.43, subsection 1, paragraph a, Code 2022, is amended to read as follows:

a. The ~~liquor control~~ retail alcohol licensee ~~or beer permittee~~ has submitted an application for a social gambling license and a license fee of one hundred fifty dollars to the department, and a license has been issued.

Sec. 95. Section 99B.43, subsection 2, unnumbered paragraph 1, Code 2022, is amended to read as follows:

A ~~liquor control~~ retail alcohol licensee ~~or beer permittee~~ with a social gambling license issued pursuant to this section may conduct a sports betting pool if all of the requirements of

this subsection are met.

Sec. 96. Section 99B.43, subsection 3, Code 2022, is amended to read as follows:

3. An establishment issued a social gambling license under this section that is required to obtain a new ~~liquor~~ retail alcohol license ~~or permit~~ under chapter 123 due to a change in ownership shall be required to obtain a new social gambling license under this section to conduct social gambling.

Sec. 97. Section 99B.53, subsections 2, 3, 4, and 13, Code 2022, are amended to read as follows:

2. Except as provided in subsection 3, an electrical or mechanical amusement device requiring registration may be located on premises for which a ~~class "A", class "B",~~ class "C", ~~special class "C", or~~ class "D" ~~liquor control~~, class "E", or class "F" retail alcohol license has been issued pursuant to chapter 123.

3. *a.* An electrical or mechanical amusement device requiring registration may be located on premises for which a class "B" or class ~~"C" beer permit~~ "E" retail alcohol license has been issued pursuant to chapter 123, but the department shall not initially register an electrical or mechanical amusement device to an owner or distributor for a location for which a class "B" or class ~~"C" beer permit~~ "E" retail alcohol license has been issued pursuant to chapter 123 on or after April 28, 2004.

b. A distributor that owns an amusement device at a location for which only a class "B" or class ~~"C" beer permit~~ "E" retail alcohol license has been issued pursuant to chapter 123 shall not relocate an amusement device registered as provided in this section to a location other than a location for which a ~~class "A", class "B",~~ class "C", ~~special class "C", or~~ class "D" ~~liquor~~, class "E", or class "F" retail alcohol license has been issued and shall not transfer, assign, sell, or lease an amusement device registered as provided in this section to another person for which only a class "B" or class ~~"C" beer~~

~~permit~~ "E" retail alcohol license has been issued pursuant to chapter 123 after April 28, 2004.

c. If ownership of the location changes, the class "B" or class ~~"C" beer permit~~ "E" retail alcohol license does not lapse, and the device is not removed from the location, the device may remain at the location.

4. An electrical or mechanical amusement device required to be registered and at a location for which only a class "B" or class ~~"C" beer permit~~ "E" retail alcohol license has been issued pursuant to chapter 123 shall include on the device a security mechanism which prevents the device from being operated by a person until action is taken by the owner or owner's designee to allow the person to operate the device.

13. A person owning or leasing an electrical or mechanical amusement device required to be registered by this section shall not relocate and place into operation an amusement device in any location other than a location which has been issued an appropriate ~~liquor control~~ retail alcohol license in good standing and to which the device has been appropriately registered with the department.

Sec. 98. Section 99B.55, subsection 2, Code 2022, is amended to read as follows:

2. *a.* A person who commits an offense of awarding a cash prize of fifty dollars or less in violation of section 99B.52, subsection 3, pursuant to rules adopted by the department, shall be subject to a civil penalty in the amount of two hundred fifty dollars. Additional sanctions beyond the civil penalty prescribed by this paragraph, including but not limited to the suspension or revocation of any ~~liquor control~~ retail alcohol license issued pursuant to chapter 123 or registration issued pursuant to section 99B.53 or 99B.56, shall not be applicable.

b. A person who commits, within two years, a second offense of awarding a cash prize of fifty dollars or less in violation of section 99B.52, subsection 3, or a person who commits an

offense of awarding a cash prize of more than fifty dollars in violation of section 99B.52, subsection 3, pursuant to rules adopted by the department, shall be subject to revocation of the person's registration and the following:

(1) If the person whose registration is revoked under this paragraph "b" is a person for which a ~~class "A", class "B",~~ class "C", ~~special class "C", or~~ class "D" ~~liquor control~~, class "E", or class "F" retail alcohol license has been issued pursuant to chapter 123, the person's ~~liquor control~~ retail alcohol license shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "a".

(2) If the person whose registration is revoked under this paragraph "b" is a person for which only a class "B" or class ~~"C" beer permit~~ "E" retail alcohol license has been issued pursuant to chapter 123, the person's class "B" or class ~~"C" beer permit~~ "E" retail alcohol license shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "a".

(3) If a person owning or employed by an establishment having a ~~class "A", class "B",~~ class "C", ~~special class "C", or~~ class "D" ~~liquor control~~, class "E", or class "F" retail alcohol license issued pursuant to chapter 123 commits an offense as provided in this paragraph "b", the ~~liquor control~~ retail alcohol license of the establishment shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "a".

(4) If a person owning or employed by an establishment having a class "B" or class ~~"C" beer permit~~ "E" retail alcohol license issued pursuant to chapter 123 commits an offense as provided in this paragraph "b", the ~~beer permit~~ retail alcohol license of the establishment shall be suspended for a period of fourteen days in the same manner as provided in section 123.50, subsection 3, paragraph "a".

Sec. 99. Section 137F.1, subsection 9, paragraph c, Code

2022, is amended to read as follows:

c. A premises covered by a class "A" wine permit ~~or a class "B" wine permit~~ as provided in chapter 123.

Sec. 100. Section 331.303, subsection 4, Code 2022, is amended to read as follows:

4. Act upon applications for ~~liquor control~~ retail alcohol licenses ~~and retail beer permits~~ in accordance with section 123.32.

Sec. 101. Section 455C.4, subsection 4, Code 2022, is amended to read as follows:

4. A class "E" ~~liquor control~~ retail alcohol licensee may refuse to accept and to pay the refund value on an empty alcoholic liquor container from a dealer or a redemption center or from a person acting on behalf of or who has received empty alcoholic liquor containers from a dealer or a redemption center.

Sec. 102. EFFECTIVE DATE. This division of this Act takes effect January 1, 2023.

DIVISION V

TRANSITION PROVISIONS

Sec. 103. TRANSITION PROVISIONS.

1. Any license or permit issued by the alcoholic beverages division of the department of commerce that is repealed, merged, or altered in this Act, and in effect on January 1, 2023, shall continue in full force and effect with the authority granted by that license or permit until expiration or renewal.

2. The alcoholic beverages division of the department of commerce shall be authorized to adopt alternative procedures for the issuance of any license or permit that is repealed, merged, or altered in this Act on January 1, 2023, that are issued on or after the effective date of this division of this Act but before January 1, 2023. The alternative procedures shall not be inconsistent with the provisions of this Act governing the issuance of licenses or permits on or after

January 1, 2023.

Sec. 104. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment.