**DATE:** November 30, 2020

**TO:**

**FR:** Alcoholic Beverages Division

**RE:** Alcoholic Beverages Division Departmental Bill – HF2540 Clean up

The Alcoholic Beverages Division Departmental Bill is an act relating to matters under the purview of the alcoholic beverages division of the department of commerce.The bill makes technical to Iowa’s alcohol laws.

2020 Iowa Acts, House File 2540, Division III, codified some of the temporary suspension of regulatory provisions related to the sale of alcoholic beverages that were authorized by the Proclamations of Disaster Emergency issued March 19, 2020 and March 31, 2020 in response to the COVID-19 pandemic. The Alcoholic Beverages Division has identified two instances where the language in the new law should be clarified to create word usage that is consistent with other areas of the chapter.

This memo describes the change made to the law by House File 2540, follows with an explanation of the change being made in this bill, and identifies for the reader how the new language conforms with wording used in other areas of the chapter.

This memo describes the change being made in this bill, follows with review of the change made by House File 2540, and identifies for the reader how the new language conforms with wording used in other areas of the chapter.

**SECTION-BY-SECTION REVIEW OF THE BILL**

**SECTION 1:** Amend Iowa Code section 123.30, subsection 3, paragraph c, subparagraph (1), to clarify the condition of the container of alcoholic liquor and wine that bars and restaurants are now allowed to sell for off-premises consumption by adding the phrase “original unopened” to the sentence.

HF2540, Division III, section 10 expanded the authority of a class "C” liquor control license by allowing the holder (bars, restaurants) to sell containers of alcoholic liquor and wine for consumption off the licensed premises in the same manner as class “E” liquor control license holders (liquor stores, grocery stores, convenience stores), without having to obtain an additional license or permit. However, the bill did not adequately describe for the reader the condition of the containers being sold.

The change in this bill creates language that is consistent with the wording found in 123.30, subsection 3, paragraph e, subparagraph (1) describing the condition of the containers of alcoholic liquor that is being sold for off-premises consumption.

**SECTION 2:** Amend Iowa Code section 123.49, subsection 2, paragraph d, to clarify that mixed drinks or cocktails must also be sealed in compliance with the rules of the division in order to be deemed not opened containers.

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HF2540, Divison III, section 13 authorized class “C” liquor control license holders (bars, restaurants) and class “C” native distilled spirits license holders (native distillery taprooms) to sell mixed drinks or cocktails for off-premises consumption. Containers of mixed drinks or cocktails would not be considered an open container pursuant to Iowa Code sections 321.284 and 321.284A, provided the container had been sealed in compliance with However, the bill lacked language made containers of mixed drinks or cocktails also subject to the rules of the division, which treated them differently than beer and wine sold in containers deemed not to be open.

The change in this bill creates language that is consistent with the wording found in 123.131, subsection 3 and 123.132, subsection 3, establishing that beer growlers sealed in compliance with the law and the rules of the division shall not be deemed open containers.

Identical language was used in HF2540, Division II, sections 4-9, to establish in 123.178, subsection 5, 123.178A, subsection 5, and 123.178B, subsection 6, that wine growlers sealed in compliance with the law and the rules of the division shall not be deemed open containers.