



Important changes to retail alcohol licensing

Legislation in 2022 and 2023 made significant changes to Iowa's alcohol retail licensing structure by reducing the number of retail license classifications, renaming certain license classifications, modifying licensing fees, and changing privileges granted by licenses. Additionally, the legislation allowed for the automatic renewal of class "E" retail alcohol licenses, subject to oversight by local authorities and the Iowa Alcoholic Beverages Division (ABD).

Below is more information on the changes made.

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- Licensing options for eliminated license classifications:
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Retail alcohol license classification changes

- The term "liquor control license" has been changed to "retail alcohol license."
- The number of retail license classifications was reduced from 14 to 9.
- There is now only one charity permit – it covers off-premises auctions and on-premises special events to take place.

The privileges of each retail alcohol license are as follows:

Retail Alcohol License	Conditions/Privilege(s)
Class "B" Retail Alcohol License (LG)	Sell wine and beer in original unopened containers for off-premises consumption. Sell sealed wine and beer growlers for off-premises consumption. Limited wine and beer sales privileges to class "C", special class "C", class "D", and class "F" retail alcohol licensees.
Special Class "B" Retail Native Wine License (WBN)	Sell native wine for off-premises consumption.
Special Class "C" Retail Native Wine License (WBN)	Sell native wine and beer for on- or off-premises consumption.

Retail Alcohol License	Conditions/Privilege(s)
Class “C” Retail Alcohol License (LC)	Sell alcoholic liquor, wine, and beer to patrons for on-premises consumption. Sell alcoholic liquor, wine, and beer in original unopened containers for off-premises consumption. Sell sealed wine and beer growlers and sealed mixed drinks or cocktails for off-premises consumption.
Special Class “C” Retail Alcohol License (BW)	Sell wine and beer to patrons for on-premises consumption. Sell wine and beer in original unopened containers for off-premises consumption. Sell sealed wine and beer growlers for off-premises consumption.
Class “D” Retail Alcohol License (LD)	Issued only to trains, planes, and passenger-carrying boats. Sell alcoholic liquor, wine, and beer to passengers for consumption on the vessel.
Class “E” Retail Alcohol License (LE)	Sell alcoholic liquor, wine, and beer in original unopened containers for off-premises consumption. Sell sealed wine and beer growlers for off-premises consumption. Sell alcoholic liquor and high alcoholic content beer at wholesale to other retail alcohol licensees. Limited wine and beer sales privileges to class “C”, special class “C”, class “D”, and class “F” retail alcohol licensees.
Class “F” Retail Alcohol License (LF)	Issued only to a club. Sell alcoholic liquor, wine, and beer to bona fide club members and their guests for on-premises consumption.
Charity Beer, Spirits, and Wine Special Event License (CE)	Issued only to non-profits. Allows for alcoholic liquor, wine, and beer obtained from Iowa retailers to be sold for off-premises consumption via auction. Also allows a non-profit to serve a retail alcohol licensee’s alcoholic beverages during an event conducted on the retail alcohol licensee’s licensed premises.

Licensing options for eliminated license classifications

Those licensees holding a license or permit classification that has been eliminated will have the following options:

Holders of a class “B” beer permit (BB) or a class “C” native wine permit (WCN):

- If the expiration date of the permit is after January 1, 2023:
 - Apply for one of the following licenses:
 - Special class “C” retail alcohol license (BW): Allows for the sale of wine and beer for on- and off-premises consumption.
 - Class “C” retail alcohol license (LC): Allows for the sale of alcoholic liquor, wine, and beer for on- and off-premises consumption.

Holders of a class “C” beer permit (BC) or class “B” wine permit (WB):

- If the expiration date of the permit is after January 1, 2023:
 - Apply for one of the following licenses:
 - Class “B” retail alcohol license (LG): Allows for the sale of wine and beer for off-premises consumption.
 - Class “E” retail alcohol license (LE): Allows for the sale of alcoholic liquor, wine, and beer for off-premises consumption.

Continuation of business requirements

Transitioning from Eliminated License Classifications

Legislation enacted in 2022 eliminated several retail alcohol license classifications on January 1, 2023. This means businesses holding an eliminated license classification with an expiration date after January 1, 2023 are required to apply for a new retail alcohol license classification. Please note, that this requirement must occur before the current license expiration date in order to continue the retail privilege of selling alcoholic beverages.

To avoid disruption, the application for the NEW retail alcohol license must be in a particular status **before the expiration date of the current license** that is being eliminated.

For special class “C” (BW) and class “C” (LC) retail alcohol license classifications

- The application must be in at least “Pending Dramshop Review” status prior to the expiration of the current license that’s being eliminated.
- The licensee must maintain current, active dramshop insurance coverage after the expiration date of the eliminated license.

For class “B” (LG) and class “E” (LE) retail alcohol license classifications

- The application must be in at least “Submitted to Local Authority” status prior to the expiration of the current license that’s being eliminated.

If the new application meets these status requirements and the expiration date of the existing license passes, the existing license will be considered timely filed and will have the status updated to “Timely Filed by ABD”. In the status as “Timely Filed by ABD” the business can continue selling the types of alcoholic beverages, in the manner allowed, under the existing license.

If a business applies for a new classification that allows a new type of alcohol to be sold, **the business cannot sell the new type of alcohol until the new license is approved, issued, and effective.**

The following are a few examples:

Example 1:

A business holds a class “B” beer permit (BB) with an expiration date of February 28, 2023. The business must apply for either a special class “C” retail alcohol license (BW) or a class “C” retail

alcohol license (LC) in order to continue selling beer for on and off-premises consumption after February 28, 2023.

The business applies for a class “C” retail alcohol license and the application is in “Pending Dramshop Review” status on the expiration date of the class “B” beer permit. The business has current, active dramshop insurance coverage that remains in effect after the expiration date of the class “B” beer permit. The status of the class “B” beer permit will be updated to “Timely Filed by ABD.”

- The business can continue selling beer for on and off-premises consumption.
- The business **cannot sell wine or alcoholic liquor** for on or off-premises consumption until the application for the class “C” retail alcohol license is approved, the license is issued, and today’s date is on or after the effective date of the license.

Example 2:

A business holds a class “C” beer permit (BC) with a class “B” wine sub-permit and has an expiration date of March 31, 2023. The business must apply for either a class “B” retail alcohol license (LG) or a class “E” retail alcohol license (LE) in order to continue selling beer and wine to-go after March 31, 2023.

The business applies for a class “E” retail alcohol license and the application is in “Submitted to Local Authority” status on the expiration date of the class “C” beer permit with a class “B” wine sub-permit. The status of the class “C” beer permit with a class “B” wine sub-permit will be updated to “Timely Filed by ABD.”

- The business can continue selling beer and wine to-go.
- The business cannot sell alcoholic liquor to-go until the application for the class “E” retail alcohol license is approved, the license is issued, and today’s date is on or after the effective date of the license.

Native manufacturers

Native distilleries, native wineries, native breweries, and brewpubs received changes to the retail license(s) they are eligible to hold.

The class “C” native distilled spirits license (LCN), class “C” native wine permit (WCN), and class “B” beer permit (BB) were eliminated effective January 1, 2023. Native distilleries, native wineries, and native breweries holding these licenses/permits have the following options:

Native Distilleries:

- Apply for a class “C” retail alcohol license (LC).

Native Breweries:

- Apply for either a class “C” retail alcohol license (LC) or a special class “C” retail alcohol license (BW).

Native Wineries:

- Apply for either a class "C" retail alcohol license (LC) or a special class "C" retail alcohol license (BW).

Fee and license duration changes

- Base fees for multiple retail alcohol licenses changed.
- Sunday sales are now automatically included in the base license fee for all retail alcohol licenses.
- License fee population tiers changed.
 - New lowest tier cap = 2,500 (previously 1,500)
 - New highest tier floor = 15,000 (previously 10,000)
- Gasoline sales are no longer a fee criteria for the class "E" retail alcohol license.
 - All class "E" license fees based on population and square footage only.
- 6-month license duration eliminated. Available durations now 12-month, 8-month, 14-day, and 5-day.
 - Fee for an 8-month duration license is now 50% of the 12-month fee.

Local authorities continue to receive a percentage of the license fees collected for certain retail alcohol license classifications issued within the local authority's jurisdiction. Those percentages are as follows:

- 75% of the fee collected for each special class "C" retail alcohol license.
- 65% of the fee collected for each class "B", class "C", or class "F" retail alcohol license.

Updated fee tables for retail alcohol licenses**Automatic renewal**

SF2374 provides an opportunity for the class "E" retail alcohol license to be automatically renewed each year without approval by local authorities or ABD upon collection of the annual renewal fee.

The applicant for a class "E" retail alcohol license will have the option to choose to enroll in automatic renewal under certain terms and conditions while manually filing a new or renewal application. Enrollment in the program begins with the next licensing period, not the current licensing period.

As part of your review process of the new or renewal application, you will be able to determine whether the applicant is eligible to be enrolled in automatic renewal. If an applicant is deemed eligible and enrolled, you will have the option to unenroll the applicant up to 51 days before the expiration date of their license. Unenrollment is done through ABD's eLAPS licensing system.

The following events automatically unenroll an applicant from automatic renewal if they have occurred since the preceding license was issued:

- The applicant has withdrawn consent to have their license automatically renewed.
- The applicant's license has been suspended or revoked.
- A civil penalty has been imposed against the applicant.
- An administrative proceeding is pending against the applicant to suspend or revoke the license, certificate, or permit or to impose a civil penalty.
- The applicant has submitted a payment to ABD for alcoholic liquor purchases that was subsequently dishonored.
- The applicant or any persons associated with the applicant pursuant to Iowa Code section 123.3(40)(e) have been convicted of a violation of Iowa Code chapter 123.
- The applicant's licensed premises no longer constitutes a safe and proper place or building, or does not conform with all applicable federal, state, and local laws, orders, ordinances, rules, resolutions, and health and fire regulations.

It is important to remember that unenrollment does not mean denial of the renewal. If the applicant is unenrolled from automatic renewal, they will be required to manually file a renewal application that will require local authority review and approval or denial.

A step-by-step guide is available showing [how to review eligibility for enrollment in the automatic renewal program](#), as well as how to unenroll a licensee.

Questions?

- For questions related to the legislative changes, please contact Tyler Ackerson; [\(515\) 985-9338; ackerson@iowaabd.com](#)
- For questions regarding retail licensing for native manufacturers, please contact our native manufacturing team:
 - Chuck Crabtree; [\(515\) 371-4120; ccrabtree@iowaabd.com](#)
 - Sheila Warrick; [\(515\) 330-8288; warrick@iowaabd.com](#)
- For general licensing questions, please contact our licensing team at [licensing@iowaabd.com](#) or [\(515\) 281-7400, Option 1](#).