ENFORCING

IOWA'S ALCOHOLIC BEVERAGES LAWS

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DIVISION
State of Iowa

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ENFORCING IOWA'S ALCOHOLIC BEVERAGES LAWS

A Law Enforcement Officer's Guide to Regulation, Compliance and Enforcement in Iowa's Alcoholic Beverages Industry

2016 Edition

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INTRODUCTION

Iowa's alcoholic beverages industry operates within the confines of a carefully cast partnership between the Iowa Alcoholic Beverages Division (Division), licensees and law enforcement officials. Close cooperation among these three entities is essential for regulation and enforcement of Iowa's alcoholic beverages laws in order to achieve compliance.

This manual was developed to provide law enforcement officials with the information needed to protect the welfare and safety of Iowans through the successful enforcement of laws addressing the manufacture, distribution and sale of alcoholic beverages.

Today, all businesses involved in the state's alcoholic beverages industry are separately licensed by the Division under a three-tier system to provide for legal trafficking of alcoholic beverages. There are many classes of alcoholic beverages licenses that allow businesses to operate in various aspects of the state's alcoholic beverages industry. By obtaining a license, each alcoholic beverages licensee assumes the responsibility of complying with all local, state and federal laws and regulations.

The Division is responsible for enforcing compliance with Iowa's alcoholic beverage laws; however, it has no police powers. As a result, successful regulation of the state's alcoholic beverages industry can only be achieved through a cooperative partnership between law enforcement agencies and the Division.

Law enforcement officials' understanding of the Iowa Alcoholic Beverage Control Act (Iowa Code chapter 123) and other important laws and regulations pertaining to the manufacture, distribution and sale of alcoholic beverages is critical to the enforcement of the Iowa Code. Review of this manual will assist law enforcement officials' efforts to:

- Prevent violations of alcoholic beverages laws and regulations.
- Curb underage drinking and illegal use of alcoholic beverages.
- Support the responsible consumption of alcoholic beverages by people of legal drinking age.

This manual will provide information for a general understanding of the laws and regulations governing alcoholic beverages. This manual is not intended to serve as a precise statement of Iowa Code chapter 123, the Division's administrative rules or other statutes or regulations. For further information, refer to Iowa Code chapter 123 and 185 Iowa Administrative Code, or contact the Division, your city or county attorney, or the Iowa Department of Justice.

The Iowa Alcoholic Beverage Control Act

Iowa Code chapter 123.1

"This chapter shall be cited as the Iowa Alcoholic Beverage Control Act, and shall be deemed an exercise of the police power of the state, for the protection of the welfare, health, peace, and morals and safety of the people of the state, and all its provisions shall be liberally construed for the accomplishment of that purpose. It is declared to be public policy that the traffic in alcoholic liquors is so affected with public interest that it should be regulated to the extent of prohibiting all traffic in them, except as provided in this chapter."

(Originally adopted in 1934 by a special session of the forty-fifth General Assembly.)

LAWS & REGULATIONS

Minors and Alcoholic Beverages

Iowa's legal drinking age

Iowa's 21-year-old legal drinking age applies to everyone, including patrons, agents, employees and the licensee's family members. No exceptions!

Licensees (their employees and agents) must exercise reasonable care to assure that a person is of legal drinking age before selling or serving them an alcoholic beverage.

Iowa Code sections 123.47 and 123.49

Age to be in licensed establishments

Iowa law does not prohibit minors from being in licensed establishments. However, licensees should check with their local authority to determine if there is an ordinance governing minors in licensed establishments. If the local authority has such an ordinance, the ordinance applies.

Iowa Code section 123.39 and 185 Iowa Administrative Code

Criminal penalties for sale-to-minor violations

When licensees (their employees and agents) sell, give or otherwise supply an alcoholic beverage to someone under the legal drinking age, the licensee, seller and server may be charged and convicted in criminal court. The criminal penalty imposed by the courts is a simple misdemeanor, punishable by a fine ranging from $500 to $1,500, depending on whether the violation is committed by the licensee or if the violation is committed by the licensee's employee or agent.

Iowa Code section 123.50

Criminal penalties for minors

When a minor purchases or attempts to purchase an alcoholic beverage, or has an alcoholic beverage in their control or possession, the minor may be charged or convicted in criminal court. Following are the criminal penalties imposed by the courts for minors purchasing, attempting to purchase, controlling or possessing an alcoholic beverage:

- First violation – simple misdemeanor punishable by a $200 fine.

- Second violation – simple misdemeanor punishable by a fine of $500 and completion of a substance abuse evaluation, or the suspension of motor vehicle operating privileges for up to one year.
- Third or subsequent violation – simple misdemeanor punishable by a fine of $500 and suspension of motor vehicle operating privileges for up to one year.

The court has discretion to order community service work of an equivalent value to the fine imposed.

When the violation is committed by a minor under age 18, the matter is handled by the juvenile court.

Iowa Code section 123.47

Criminal penalties for persons other than licensees

When a person of legal age, other than a licensee (their employees and agents), sells, gives, or otherwise supplies an alcoholic beverage to someone under the legal drinking age, the person may be charged and convicted in criminal court as follows:

- Serious misdemeanor punishable by a minimum fine of $500.
- Aggravated misdemeanor when the violation results in serious injury of someone.
- Class "D" felony when the violation results in the death of someone.

Iowa Code section 123.47

Administrative sanctions for sale-to-minor violations

Administrative sanctions are separate from criminal penalties; both may be imposed. When licensees (their employees and agents) sell, give or otherwise supply liquor, wine or beer to someone under the legal drinking age, the following administrative sanctions will be imposed against the alcoholic beverages licensee:

- First violation or first violation within two years – $500 civil penalty or 14-day license suspension.
- Second violation within two years – 30-day license suspension and $1,500 civil penalty.
- Third violation in three years – 60-day license suspension and $1,500 civil penalty.
- Fourth violation in three years – revocation of the license.

Administrative sanctions are automatic when there is a criminal conviction under Iowa Code section 123.49(2)(h). When there is no

criminal conviction, administrative sanctions are imposed through an administrative hearing. Licensees may settle in lieu of an administrative hearing.

Law enforcement officials should forward a copy of the police citation and investigative report to the Division so that the appropriate administrative sanction may be imposed against the licensee.

Iowa Code sections 123.39, 123.49 and 123.50

Iowa Program for Alcohol Compliance Training

The Iowa Program for Alcohol Compliance Training (I-PACT) is an alcohol retailer training course for on- and off-premises licensees. The training is online and free of charge. I-PACT covers the Alcoholic Beverages Control Act (Iowa Code chapter 123), valid forms of identification, and how to spot altered and fake IDs. Participants will learn techniques for preventing underage sales and sales to intoxicated patrons, refusing the sale of alcohol with minimum confrontation, and legally confiscating an altered or fake ID. The training also includes regulations and tips for off-site delivery of alcohol.

The core objective of the program is to prevent illegal sales of alcohol by educating alcohol sellers and increasing awareness of changes in Iowa's alcohol laws.

The program asks that a PACT is made for:

- Iowa kids not to consume alcohol products.
- Iowa retailers not to sell alcohol to minors.
- Iowa licensees not to serve alcohol to patrons under 21.
- Iowa's law enforcement to enforce alcohol laws.

Establishments that choose to participate in the I-PACT training are granted an affirmative defense, which may be used once in a four-year period. A business may avoid civil prosecution if an alcohol sale-to-minor violation occurs in their establishment. In order for the business to take advantage of the affirmative defense, the employee guilty of the violation must have been I-PACT certified prior to the time the offense occurred. However, the affirmative defense cannot be used if the employee sold to a minor under the age of 18. Only the business is eligible to avoid a civil penalty; the guilty employee will still be subject to a criminal fine and their I-PACT certification will be revoked.

Iowa Code section 123.50

Identification Information

Verifying a person's age

Licensees (their employees and agents) are responsible for determining whether or not a person is old enough to lawfully consume alcoholic beverages. When licensees have doubts about a person's age, they should ask for identification before selling or serving the alcoholic beverage. If after checking the ID, the licensee still has doubts, the sale should be refused.

Iowa law does not govern acceptable forms of identification. However, the Division recommends that licensees request valid forms of identification that include a person's photo and date of birth, such as those found on a driver's license or state-issued ID.

Iowa Code sections 123.48 and 321.189

Misrepresenting age

It is unlawful for minors to misrepresent their age for the purpose of purchasing or attempting to purchase alcoholic beverages from an alcoholic beverages licensee or permittee.

When licensees (their employees and agents) are charged with a sale-to-minor violation, a defense to the charge is available to them if:

- The minor who made the purchase misrepresented their age and the licensee made a reasonable inquiry to determine if the purchaser was of legal age.
- The individual who made the illegal sale was I-PACT certified at the time of the sale. (I-PACT affirmative defense only applies to the licensee's administrative sanction, not employee's or agent's criminal fine.)

Iowa Code sections 123.49, 123.50, 232.52 and 321.216B

Confiscating identification

When licensees (their employees and agents) reasonably believe, based on factual evidence, that a driver's license or non-driver's ID card has been altered, falsified, or belongs to another person and is being used as identification to purchase an alcoholic beverage, licensees may confiscate the license or card from the customer.

The confiscated license or card must be turned over to the local police authority within 24 hours of confiscation. Licensees must file a written report about the circumstances at the time the license or card is given to the police authority.

By turning the confiscated driver's license or non-driver's ID card over to law enforcement and filing a written report as required by law, licensees cannot be held criminally or civilly liable for seizing the license or card.

Iowa Code sections 123.48, 321.216, 321.216A and 321.216B

Intoxication

Sales to intoxicated persons

It is unlawful to sell or serve liquor, wine or beer to a person who is, or appears to be, intoxicated. The laws governing the sale of alcoholic beverages to an intoxicated person apply to both on- and off-premises licensees – bars, restaurants, hotels, motels, liquor stores, convenience stores, grocery stores, etc.

Laws governing an intoxicated person also apply to licensees (their employees and agents). Intoxication impairs judgment and interferes with sound business decisions. For this reason, licensees may find it a good business practice not to drink while working.

Licensees who sell or serve an alcoholic beverage to an intoxicated person are subject to criminal penalties. In addition, administrative proceedings may be initiated for suspension or revocation of the license.

Licensees also may be held civilly liable under Iowa's Dramshop Act for serving an alcoholic beverage to an intoxicated person who causes damage, injury or death of an innocent party. Licensees can minimize their risk by never serving an alcoholic beverage to a person who is or appears to be intoxicated.

Law enforcement officials who investigate a violation of serving to an intoxicated person should forward a copy of the investigative report to the Division.

Iowa Code sections 123.49, 123.92, 123.93 and 321J.2

Public intoxication and OWI

Over-service or serving alcoholic beverages to intoxicated people often results in fights and other illegal activity on the licensed premises. An unusually large number of law enforcement calls to a licensed premises for this type of illegal activity may well be the result of intoxicated patrons and/or licensees (their employees and agents). Additionally, when law enforcement officials cite or arrest someone for operating while intoxicated, and that person names the establishment(s)

in which they have been drinking, it may indicate that the licensee(s) are over-serving or are serving alcoholic beverages to intoxicated people.

It may be wise to initiate an investigation of the licensed premises for sales to intoxicated people and other possible alcoholic beverages violations.

Iowa Code sections 123.46, 123.49 and 321J.2

Serving sizes

Many new alcoholic beverage products blur the lines between the traditional beverage categories of beer, wine and liquor. The parameters of traditional alcoholic content have expanded as well. Package shapes and sizes have evolved into boxes, cans and pouches, and alcoholic content varies widely within each category.

The old adage "a drink, is a drink, is a drink" refers to a 12 ounce beer, a five ounce glass of wine and a 1.5 ounce serving of liquor all having equal alcoholic content. This is only accurate at the traditional alcoholic content of five percent alcohol by volume (ABV) beer, 12 percent ABV wine and 80 proof liquor. The serving size for an alcoholic beverage must be determined by alcoholic content.

Beer and wine

Alcohol by volume	Serving size
5%	12 ounces
7.5%	8 ounces
10%	6 ounces
12.5%	4.75 ounces
15%	4 ounces
17.5%	3.5 ounces
20%	3 ounces

Serving Sizes

Liquor

Proof	Serving size
10	12 ounces
20	6 ounces
30	4 ounces
40	3 ounces
50	2.5 ounces
60	2 ounces
70	1.75 ounces
80	1.5 ounces
90	1.35 ounces
100	1.2 ounces

Proof	Serving size
110	1.1 ounces
120	1 ounce
130	0.9 ounces
140	0.85 ounces
150	0.8 ounces
160	0.75 ounces
170	0.7 ounces
180	0.65 ounces
190	0.6 ounces

It takes approximately one hour to eliminate the effects of each of the following servings of beer, wine and liquor from a person's system:

- 12 ounces of 5 percent ABV beer.
- 5 ounces of 12 percent ABV wine.
- 1.5 ounces of 80 proof liquor.

Serving sizes may vary (1 ounce vs. 1.5 ounces) depending on the alcoholic content of the liquor, wine and beer. Mixed drinks using two or more shots are equal to two or more servings.

Prohibited Practices

Credit sales (Tabs)

Tabs and credit vouchers are not legal. Licensees may extend credit only through the use of bona fide credit cards (American Express©, Discover©, MasterCard©, Visa©, etc.). Patrons may run a tab while they are drinking in the establishment, but licensees (their employees and agents) must ensure that the tab is fully paid before the patron leaves the establishment.

Law enforcement officials who suspect a credit sales violation should look for:

- Receipts with tally marks.
- Envelopes with customers' names containing poker chips, buttons, or other means used to count drinks consumed.
- The number of tabs compared to patrons in the bar.

Law enforcement officials who witness a credit sales violation may confiscate or make copies of the tabs for evidence. Investigative reports, including copies of the evidence, should be forwarded to the Division so that the appropriate administrative sanction may be imposed against the licensee.

Exception: This law does not apply to sales by private clubs (Class A liquor licensees) to bona fide members, nor by hotels and motels (Class B liquor licensees) to registered guests.

Iowa Code section 123.49

Refilling ("marrying") bottles and adulterating bottle contents

Refilling and reusing liquor and wine bottles is unlawful. Licensees may not:

- Refill a smaller "well" bottle from a larger bottle.
- Adulterate the contents of a liquor or wine bottle by adding alcoholic beverages, non-alcoholic beverages or non-beverage ingredients.

Refilling and reusing liquor and wine bottles is a serious violation which may result in suspension or revocation of a license.

Law enforcement officials who suspect a refilling or adulteration violation should:

- Look for funnels that smell of alcoholic beverages.
- Look for labels that are worn down.

- Compare purchase records to bottles on hand. The purchase records may show a pattern of purchasing less expensive brands that are not found on the licensed premises.
- Compare unopened bottles to opened bottles of the same product. If the contents differ, the bottle may contain a less expensive brand or may have been adulterated by the addition of water or another beverage.

Law enforcement officials who witness a refilling or adulteration violation should photograph and document the evidence. Investigative reports, including copies of the evidence, should be forwarded to the Division so that the appropriate administrative sanction may be imposed against the licensee.

Iowa Code sections 123.49 and 123.50

Illegal or criminal activity

Licensees are in violation of the laws and rules governing their license if they knowingly allow illegal or criminal activity in their licensed establishment. Examples of illegal or criminal activity include, but are not limited to:

- Gambling in violation of Iowa Code chapters 99B (games of skill or chance raffles), 99D (pari-mutuel wagering), 99F (excursion boat gambling) and 99G (Iowa lottery).
- Drug trafficking, pimping, panhandling, prostitution or indecent exposure (nude dancing, etc.).
- Failure to cooperate with law enforcement officials.
- Violations of alcoholic beverages laws, related laws, regulations and local ordinances.

A license may be suspended, revoked or a civil penalty may be imposed if licensees (their employees and agents) knowingly allow illegal or criminal activity on a licensed premises (in the establishment and designated outdoor service areas, if applicable).

Law enforcement officials should forward a copy of the investigative report to the Division if evidence of illegal or criminal activity is found.

Iowa Code sections 123.49 and 123.50

Hours and Alcoholic Beverages

Hours of sale

The hours during which alcoholic beverages may be legally sold and served are:

- Monday through Saturday 6 AM to 2 AM.
- Sunday 8 AM to 2 AM.

A Sunday sales privilege is required for all off-premises beer and all on-premises liquor, wine and beer Sunday sales and service. Licensees may not sell, serve or consume alcoholic beverages on the licensed premises for private parties or while cleaning the licensed premises on Sundays, unless they hold a Sunday sales privilege. Only Class E liquor licensees (carry-out liquor), Class B wine permittees (carry-out wine), Class B native wine permittees (carry-out native wine) and Class C native wine permittees (on-premises native wine) have a Sunday sales privilege as part of their basic license.

HOURS OF SALE

Monday – Saturday
6 AM to 2 AM

Sunday
8 AM to 2 AM

Iowa Code sections 123.36, 123.49 and 123.134

Hours of sale and consuming alcoholic beverages

Hours of sale are the hours during which alcoholic beverages may be lawfully sold and served. Business hours are those during which licensees (their employees and agents) or patrons are in the licensed establishment. Consumption in a licensed establishment during the hours when alcoholic beverages may not be sold or served is strictly forbidden.

Law enforcement officials conducting an after-hours violation may encounter establishments that refuse to allow law enforcement officials to enter the licensed premises. The Division encourages law enforcement officials to contact their city or county attorney for advice on how to proceed. However, licensees must allow law enforcement officials access to the licensed establishment to examine and inspect for compliance with the laws, rules and ordinances governing the license.

After-hours violations usually go hand-in-hand with selling and serving to intoxicated persons violations. Law enforcement officials should forward a copy of the investigative report to the Division if evidence of selling or serving alcoholic beverages after hours is found.

Iowa Code section 123.30, 123.49, 123.128 and 123.129

Hours of sale and Daylight Savings Time

Going from Central Standard Time to Daylight Savings Time in the spring does not affect the legal hours of sale. (At 2 AM the time becomes 3 AM.) Returning to Central Standard Time in the fall lawfully allows an extra hour of sale. (At 2 AM the time becomes 1 AM, therefore licensees may sell and serve alcoholic beverages for an additional hour.)

Iowa Code sections 123.36, 123.49 and 123.134

New Year's Eve on Sunday

A special provision in the law allows on-premises Sunday liquor, wine and beer sales without a Sunday sales privilege when New Year's Eve falls on Sunday, December 31. Hours of sale for a Sunday New Year's Eve are 8 AM on Sunday, December 31, to 2 AM on Monday, January 1.

This special provision allows on-premises liquor licensees and on-premises Class B beer permittees to sell only those types of alcoholic beverages allowed by their license. No additional fees are required for this one-time special Sunday sales day. If on-premises licensees want to sell and serve alcoholic beverages on all other Sundays during the year, a Sunday sales privilege must be obtained.

Note: The special provision does not apply to off-premises beer permittees. Holders of Class C beer permits and Class E liquor licenses who hold Class C beer privileges must obtain a Sunday sales privilege to sell beer on New Year's Eve, Sunday, December 31.

Iowa Code section 123.150

Laws Important to Operating the Business

Employees and agents – licensee's responsibility

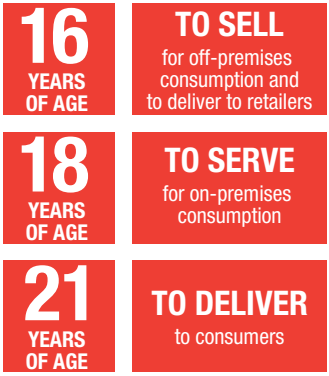
Licensees are responsible for their employees and agents while they are working:

- On the licensed premises (selling and serving alcoholic beverages).
- Off the licensed premises (delivering alcoholic beverages).

If the licensee's employees and agents violate the laws or rules governing the license, administrative proceedings may be initiated to impose a civil penalty, or suspend or revoke the license.

Iowa Code section 123.49 and 185 Iowa Administrative Code

Ages to sell, serve and deliver



A licensee's employees and agents must be at least 16 years of age to sell (in original unopened containers) liquor, wine and beer for off-premises consumption (grocery stores, convenience stores, liquor stores, etc.). Employees must be at least 18 to sell and dispense liquor, wine and beer for on-premises consumption (restaurants, bars, clubs, etc.). Employees must be at least 16 to deliver to on-premises licensed retailers. Employees must be at least 21 to deliver to consumers and they must do so in a vehicle insured and owned, leased or under the control of the licensee or permittee.

Note: Age requirements apply to the licensee's family members as well as non-family employees. Local ordinances governing minors in licensed establishments may also apply.

Iowa Code sections 123.46, 123.47 and 123.49
and 185 Iowa Administrative Code

Keg Registration

Keg registration applies to holders of a Class B beer permit, Class B liquor license, Class C beer permit, Class C liquor license, Special Class C liquor license and Class E liquor license with beer privileges that sell kegs to consumers. When a keg is purchased, the retailer records the buyer's name, address and driver's license number in a booklet (available for purchase online via the Division's electronic licensing system at https://abd.iowa.gov/alcohol/keg-registration) along with the identification number of a sticker to be placed on the handle or side of the purchased keg. Retailers must keep the registration information for each carry-out keg for a minimum of 90 days and the information must be made available to Division personnel and law enforcement officials upon request during the licensee's normal business hours.

If a keg is returned to the licensee without the sticker or the sticker has been defaced, the customer forfeits any deposit paid at the time of the purchase. Forfeited deposits must be remitted to the Division.

Law enforcement officials who come across a keg can identify the retailer who sold it by searching the keg registration number attached to the keg through the Division's eLicensing database at https://elicensing.iowaabd.com/. Instructions on how to conduct a keg registration search can be found on page 64.

Iowa Code section 123.138

Home Delivery of Alcoholic Beverages

Licensees may deliver only those alcoholic beverages the license allows them to sell. For example, only Class E liquor licensees (liquor stores, grocery stores, etc.) may deliver bottles of liquor.

Things to remember about home delivery

Prior to delivery:

- Must be licensed to sell unopened containers for off-premises consumption.
  - Class E liquor license, Class B liquor license, Class C liquor license, Special Class C liquor license, Class C beer permit, Class B beer permit, Class B wine permit, Class A native wine permit, Class B native wine permit, Class C native wine permit.
- Deliveries can be made seven days a week*, until 10 PM.
  - Can start at 6 AM on Monday – Saturday.
  - Can start at 8 AM on Sunday. (*Licensee must have a Sunday sales privilege.)
- May deliver only the alcoholic beverages allowed by license type held for off-premises consumption.
  - Liquor, wine and/or beer.
- May deliver to homes and other designated locations.
  - Area designated by purchaser. For example: reception hall, park, etc.
  - Must follow the rules of the location if it is a business.
- Alcoholic beverages must be for personal use. Cannot be for resale in any way.
  - Example: Cannot deliver beer for a cash bar at a reception.

When taking delivery order:

- Payment must be received on the licensed premises at the time of order.
  - This can be in person or via credit card over the phone.
  - Cannot pay on delivery.
- It is the licensee's responsibility to ensure the customer making the order is 21 or older.
- Employee accepting the order on the licensed premises must be at least 16 years old.

During delivery:

- Person receiving order must be at least 21 years old.
- Must obtain proof of identity and age, as well as recipient's signature. It is recommended that delivery personnel verify the quantity delivered, recipient's name and address for record keeping.
- Recipient must not be intoxicated or simulating intoxication.
- Delivery must be made by the licensee's employee. No third party deliveries are allowed.
- Delivery personnel must be at least 21 years old.
- Delivery must be made in a vehicle insured and owned, leased or under the control of the licensee. No deliveries are allowed in an employee's vehicle.

After delivery:

- Must keep records of the following for a period of 3 years:
  - Signature of recipient.
  - Quantity delivered.
  - Recipient's name.
  - Recipient's address.

Iowa Code section 123.46A

Local ordinances

Local authorities may adopt ordinances governing licensed establishments that are located within their jurisdiction. Local ordinances may be more restrictive than the law, but they may not conflict with the law.

For example, local authorities may not adopt ordinances changing the legal hours of sale because hours of sale are specified by the law.

It is a good idea to check with the local authority to see if they have ordinances which affect the licensed establishment. If the local authority has ordinances governing the selling and serving of liquor, wine and beer, the local ordinances apply to the licensed establishment. Violation of a local ordinance may result in suspension of the license through an administrative hearing.

Iowa Code section 123.39

Record keeping requirements

Iowa law requires licensees to make their records available to law enforcement officials and to members of the Division during business hours and when the licensee, their employees, agents or patrons are on the licensed premises.

Iowa Code sections 123.14, 123.21, 123.33 and 123.138
Also Internal Revenue Code 26 U.S. 5121-5123

Display of license

Licensees must prominently display their liquor, wine or beer license so that it is in full view of the public.

Iowa Code section 123.21 and 185 Iowa Administrative Code

Mixed Drinks or Cocktails Not for Immediate Consumption

The mixing, storing, and dispensing of mixed drinks, cocktails and alcohol infusions which are not for immediate consumption (herein referred to as premixed drinks) became legal July 1, 2012, for on-premises liquor licensees. However, premixed drinks must be in compliance with Iowa Code 123.49(2)(d)(2) and rules adopted by the Division.

The rules define “immediate consumption” to mean the mixing and fulfilling of a mixed drink or cocktail order only after receiving the order. Licensees who intend to serve premixed drinks are required to comply with the following regulations:

A liquor licensee must:

- Utilize alcoholic beverages in the premixed drink which are authorized by the license and obtained through the three-tier system.

- Comply with all applicable state and federal food safety regulations.
- Comply with all federal alcohol regulations.

A liquor licensee cannot:

- Add flavors and other non-beverage ingredients to the premixed drink that contain hallucinogenic substances, added caffeine or stimulants, or controlled substances.

A premixed drink batch must be:

- Disposed of within 72 hours of mixing.
- Mixed, stored and consumed on the licensed premises.
- In a labeled container that is compliant with state and federal food safety statutes.

A premixed drink batch cannot be:

- More than three gallons.
- Removed from the licensed premises.
- Mixed, stored or dispensed from an original package of liquor or wine, or a container bearing an alcoholic beverage name brand.
- Added to a relabeled empty container or another premixed drink batch if expired.

Label requirements

A label is required to be on each container that holds a premixed drink batch. The label must adhere to the container, in a noticeable place, until the entire contents are dispensed or destroyed.

The label must legibly identify:

- The date and time of mixing alcoholic beverages with non-alcoholic ingredients in the container.
- The date and time the contents expire.
- The title of the recipe used for the contents.
- The size of batch.
- The person who prepared the contents.

Each label must be marked clearly with the words “CONTAINS ALCOHOL.”

Record keeping requirements

Records must be maintained for three years on each prepared batch of premixed drinks.

The records must identify:

- The date and time of mixing alcoholic beverages with non-alcoholic ingredients in the container.
- Each alcoholic beverage, including the brand and amount used in the batch.

- Each non-alcoholic ingredient used in the batch.
- The recipe title and directions.
- The size of batch.
- The person who prepared the contents.
- The date and time the contents were destroyed or entirely consumed.
- If not consumed, the method of destruction.
- The person who destroyed the contents.

Licensees may access label and record keeping templates on the Division's website at https://abd.iowa.gov/. These templates are recommendations but are not required.

Dispensing machines

A dispensing machine that contains a premixed drink with alcoholic beverages is required to follow the labeling, record keeping and disposal requirements.

Violations

Law enforcement officials who observe a violation should forward a copy of their investigative report to the Division so that the appropriate administrative sanction may be imposed against the licensee.

Iowa Code section 123.49 and 185 Iowa Administrative Code

Social Gambling

Card and parlor games

A social gambling license permits betting in small stakes card and parlor games between individuals who have a social relationship (other than for the purpose of gambling). Participants must be at least 21 years old and cannot win or lose more than a total of $50 in a 24-hour period. General admission fees or cover charges may not be charged at any time social gambling is allowed. Licensees (their employees and agents) may not promote, sponsor, conduct or act as a banker or cashier for social games.

Games permitted with a social gambling license:

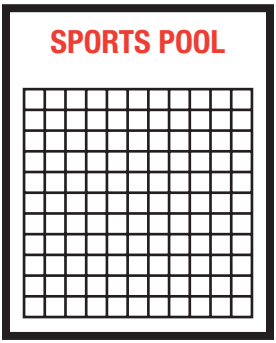
- Backgammon, Bridge, Checkers, Chess, Cribbage, Darts, Dominoes, Euchre, Gin Rummy, Hearts, Pinochle, Pitch, Poker and pool table games.

Games specifically prohibited by law:

- Baccarat, Blackjack, Chemin de fer, Chuck-a-Luck, Craps, Equality, Faro, Klondike, Pull-tab, Punchboard, Pushcard, Roulette, slot machines and Three-Card Monte.

No casino-style games, other than poker, are permissible. A social gambling license does not allow licensees to conduct poker tournaments, poker runs or raffles. These activities can only be conducted by a licensed charitable organization.

Sports pools



A sports pool is a game in which the participants select a square on a numbered grid. Winners are determined when the selected square corresponds to a number relating to the outcome of an athletic event. Because sports betting pools can only be used for one sporting event and are required to be in grid format, NCAA Basketball Tournament brackets and NASCAR brackets, among others, are not legal at liquor establishments.

An establishment with a social gambling license may conduct a sports betting pool if the game is publicly displayed and the rules of the game, including the cost per participant and the amount of the prizes, are clearly displayed on or near the pool. Participants must be at least 21 years old and no participant may wager more than $5. Total winnings of each pool may not exceed $500; all monies wagered must be awarded to participants.

A social gambling license costs $150 and is valid for two years from the date issued. Gambling that occurs at an establishment licensed for on-premises consumption without a social gambling license is a violation of Iowa law. First offense violators may face fines up to $1,000 and suspensions lasting up to 21 days.

For additional information or to apply for a social gambling license, visit www.DIA.Iowa.gov or contact the Social and Charitable Gaming Division at 515-281-6848.

Iowa Code sections 99B.6, 123.49 and 123.50 and 481 Iowa Administrative Code chapter 102

The Licensed Premises

Licensed versus unlicensed premises and alcoholic beverages

Liquor may be dispensed and consumed only on a premises covered by a liquor license (establishment and designated outdoor service areas, if applicable). Patrons may not take filled or partially filled glasses or bottles of liquor (including miniatures) out of a licensed establishment. Licensees cannot allow patrons to bring liquor onto the licensed premises.

Wine and beer may be dispensed and consumed on an unlicensed premises. Although the Division does not encourage the practice, patrons may take filled or partially filled glasses of wine and beer out of the licensed establishment as long as there are no local ordinances prohibiting the practice. Patrons may not consume liquor, wine or beer on a public street or highway.

Licensees may, but are not required to, allow patrons to bring their own wine and beer onto the licensed premises for their personal use. A corkage fee may be charged.

Law enforcement officials may contact the local authority (city clerk or county auditor) to obtain a sketch of the premises to assist in distinguishing the licensed premises from the unlicensed premises.

Iowa Code sections 123.46 and 123.95

Selling liquor where gasoline is sold

Establishments that sell liquor for off-premises consumption where gasoline is also sold have two business models to choose from.

Model one allows establishments to license a room to sell liquor separate from where gasoline is sold. The room containing the liquor must be bound on all sides by permanent solid walls or windows extending from the floor to the ceiling with entrances and exits constructed to permit closure. All liquor sales transactions must take place at a cash register located in the room where the liquor is located (separate from gasoline purchases). All liquor inventory must be stored on the liquor control licensed premises. License fees for operating under this business model vary from $750 to $7,500 annually depending on population, location and square footage.

Model two allows establishments to sell liquor within the main floor of the business; no separate room is required. Liquor sales transactions are allowed on the same cash register as gasoline purchases. License fees for operating under this business model range from $3,500 to $7,500 annually depending on population, location and square footage.

Iowa Code sections 123.30, 123.36 and 185 Iowa Administrative Code

Use of licensed premises during prohibited hours of sale

Liquor, wine and beer may not be sold, served, consumed or given away on licensed premises during the prohibited hours of sale. This applies to licensees, their employees, agents, patrons and family members. For example, licensees and their staff may not consume alcoholic beverages while cleaning an establishment if the cleaning is done after 2 AM.

Licensees may use their licensed establishments as a restaurant or for other lawful purposes during prohibited hours, as long as alcoholic beverages are not sold, served, consumed or given away. The Division recommends that if licensees remain open for business during the prohibited hours of sale, they remove all filled, partially filled and empty liquor, wine and beer glasses from tables and other areas which are accessible to patrons. This is recommended even though the law does not mandate that they do so.

Iowa Code section 123.49 and 185 Iowa Administrative Code

Fire code and capacity limits

The State Fire Marshal is responsible for determining the maximum number of patrons allowed in a licensed establishment. It is the licensee's responsibility to monitor the number of patrons in the licensed establishment. Licensees may not have more patrons in their establishments than the allowable number designated by the Fire Marshal. Fire code violations may result in suspension or revocation of the license.

Iowa Code sections 123.30, 123.128 and 123.129 and 661 Iowa Administrative Code

Trafficking of Alcoholic Beverages

Buying alcoholic beverages for resale

Iowa's alcoholic beverages industry operates under a three-tier system – manufacturer (importer) to wholesaler to retailer. All liquor, wine and beer purchases must be made through the three-tier system.

LICENSE	MUST PURCHASE FROM
Beer Off-Premises Beer On-Premises	**BEER WHOLESALER**
Wine Off-Premises	**WINE WHOLESALER**
Wine On-Premises	**WINE WHOLESALER** (Or less than one case per brand, per day from Class E retailer)
Liquor Off-Premises	**IOWA ALCOHOLIC BEVERAGES DIVISION**
Liquor On-Premises	**CLASS E RETAILER**

Off-premises licensees (liquor stores, grocery stores, convenience stores, etc.) must purchase the liquor, wine and beer for resale in their licensed establishments from the following sources:

- **Liquor:** From the Iowa Alcoholic Beverages Division only. The Division is the sole wholesaler of liquor in Iowa.

  Iowa Code sections 123.22 and 123.30

- **Wine:** From Iowa licensed wine wholesalers only.

  Iowa Code sections 123.173, 123.177, 123.178, 123.178A and 123.178B

- **Beer and wine coolers:** From Iowa licensed beer wholesalers only. No exceptions!

  Iowa Code sections 123.130 and 123.132

On-premises licensees (bars, restaurants, hotels, motels, etc.) must purchase the liquor, wine and beer for resale in their licensed establishments from the following sources:

- **Liquor:** From off-premises Class E liquor licensees (liquor stores, grocery stores, etc.) that hold federal wholesale permits.

  Iowa Code sections 123.22 and 123.30

- **Wine:** From Iowa licensed wine wholesalers. On-premises licensees also may purchase limited quantities of wine (less than

one case per brand, per day) from off-premises Class E liquor licensees (liquor stores, grocery stores, etc.) who are licensed to sell bottles of wine.

Iowa Code sections 123.30, 123.173, 123.177, 123.178 and 123.178B

- **Beer and wine coolers:** From Iowa licensed beer wholesalers. No exceptions!

Iowa Code sections 123.123 and 123.130

Note: Iowa law requires gambling boats, excursion boats and trains operating only within the state to observe the above requirements.

Iowa Code section 123.30

Identifying markers

All bottles of liquor must have an approved "Iowa Refund 5¢" marker. Iowa markers are displayed in one of the following manners:

- The words "Iowa Refund 5¢" printed or overprinted by the manufacturer on the front or back label or directly onto the bottle.
- An Iowa Alcoholic Beverages Division sticker on the front of the bottle where it is easily visible when the bottle sits on the shelf or in a "well."

The identifying markers are proof that the liquor was lawfully purchased in Iowa. Licensees may not purchase liquor, wine and beer outside of the state for resale in their licensed establishments. (See "Consumer Importation Limits" on page 30.) Records are maintained at the Division of all purchases that licensees have made from the Division, including unique items that have been special ordered.

Iowa Code Sections 123.21, 123.22 and 123.26

Storage of alcoholic beverages

Licensees must store all liquor, wine and beer inventory on the licensed premises. Under special circumstances, however, the Division may authorize licensees to store alcoholic beverages on premises other than those covered by the license. To obtain authorization, licensees must submit a written request detailing the special circumstances to the Division.

The Division grants such requests in writing. Letters of permission will have an effective and expiration date for the off-premises storage.

Letters of permission expire with the license. Renewal is required if the off-premises storage is to continue beyond license expiration.

Note: Only those alcoholic beverages allowed by the license may be stored on the licensed premises.

Iowa Code section 123.21 and 185 Iowa Administrative Code

Vending machines

Liquor, wine and beer may not be sold from a vending machine.

Iowa Code sections 123.21, 123.47 and 123.49 and 185 Iowa Administrative Code

Consumer importation limits

Individuals 21 and older may lawfully import the following amounts of liquor or wine into the state of Iowa for their personal use (per occasion):

- **Liquor:** One liter if obtained in the United States; four liters if personally obtained outside the United States.
- **Wine:** Individuals 21 and older may order wine directly from wineries who have Iowa Direct Shippers permits.

Licensees may not purchase liquor, wine or beer in another state for resale in their Iowa-licensed establishments. No exceptions. Law enforcement officials who have information that a licensee is involved in illegal importation of liquor, wine or beer, should notify the Division immediately.

Note: Iowa has no export limits. However, other states and countries have import limits. Anyone wanting to export liquor, wine or beer to another state or country should contact that state or country to determine their laws and regulations.

Iowa Code sections 123.22 and 123.187

Bootlegging

Selling liquor, wine, beer and other alcoholic beverages without a license is bootlegging. Whenever liquor, wine or beer are sold or their cost is recovered in any manner, a license is required. Bootlegging is a criminal offense (serious misdemeanor). Bootlegging includes:

- Selling alcohol without a license.
- Allowing a liquor license to expire without renewing.

- Selling or serving outdoors without an outdoor service area privilege.
- Bringing spirits, wine or beer across the state border to sell in the licensed establishment.

Law enforcement officials planning to charge someone with bootlegging should contact their city or county attorney.

Note: The Division has jurisdiction over license holders (individuals, partnerships, corporations, associations) only. The Division has no jurisdiction over people who sell alcoholic beverages without a license (such as party hosts who charge admission and serve alcoholic beverages) – even though such activities are a serious violation of Iowa's liquor laws.

Iowa Code sections 123.59, 123.60 through 123.88 and 123.119

Promoting Alcoholic Beverages

Advertising

Licensees may advertise price and brand names of liquor, wine and beer in the following manner:

- Media (newspapers, radio, television, etc.).
- Inside signs (neon signs, mirrors, etc.).
- Outside signs (billboards, reader boards, etc.) which are not located on the licensed premises.

Licensees may not advertise specific brand names on signs located on the outside of their licensed premises (in the parking lot, on the outside of the building, etc.).

Exception: Outside signs with specific brand names of liquor, wine and beer are legal when located in enclosed or partially enclosed areas (patio umbrellas with specific name brands in a fenced outdoor beer garden, etc.). Signs in the outdoor service area must face inward.

Law enforcement officials should contact the Division or forward a copy of the investigative report to the Division if evidence of illegal advertising is found.

Iowa Code section 123.51

Tastings

Licensees may conduct tastings on the licensed premises as long as the tasting involves only those alcoholic beverages that their license allows them to sell. For example, an establishment licensed to sell wine and beer must limit tastings to wine and beer – no alcoholic liquor.

Tastings which involve alcoholic liquor must be conducted on premises covered by a liquor license. Tastings which involve wine and beer may be conducted on licensed and unlicensed premises.

All laws and rules governing liquor, wine and beer (legal drinking age, hours of sale, etc.) must be observed during tasting activities. Licensees should check with their local authority to determine if there is an ordinance governing tastings. If the local authority has such an ordinance, the ordinance applies.

Iowa Code sections 123.46, 123.95 and 123.186
and 185 Iowa Administrative Code

Product Information

Alcoholic beverages defined

Alcoholic beverages contain more than 0.5 percent of alcohol by volume. Alcoholic beverages are classified as liquor, wine or beer, depending upon alcoholic content and the manner in which they are made.

- **Alcoholic beverage** means any beverage containing more than 0.5 percent of alcohol by volume, including alcoholic liquor, wine and beer.
- **Alcoholic liquor or intoxicating liquor** means the varieties of liquor which contain more than five percent of alcohol by weight, beverages made which contain more than five percent of alcohol by weight but which are not wine or high alcoholic content beer, and every other liquid or solid, patented or not, containing spirits and every beverage containing more than 17 percent alcohol by weight or 21.25 percent of alcohol by volume, and susceptible of being consumed by a human being, for beverage purposes.
- **Beer** means any liquid capable of being used for beverage purposes 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 or made by the

fermentation of or by distillation of the fermented products of fruit, fruit extracts, or other agricultural products, containing more than 0.5 percent alcohol by volume but not more than five percent of alcohol by weight but not including mixed drinks or cocktails mixed on the premises.

- **High alcoholic content beer** means beer which contains more than five percent of alcohol by weight, but not more than 12 percent of alcohol by weight, 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 1.5 percent of the volume of a "high alcoholic content beer" may consist of alcohol derived from added flavors and other non-beverage ingredients containing alcohol. The added flavors and other non-beverage ingredients may not include added caffeine or other added stimulants including but not limited to guarana, ginseng and taurine.
- **Wine** means any beverage containing more than five percent of alcohol by weight but not more than 17 percent of alcohol by weight or 21.25 percent of alcohol by volume obtained by the fermentation of the natural sugar contents of fruits or other agricultural products but excluding any product containing alcohol derived from malt or by the distillation process from grain, cereal, molasses or cactus.

Iowa Code section 123.3

Non-alcoholic beer

Non-alcoholic (NA) beer contains 0.5 percent or less alcohol by volume. Under Iowa law, by definition beer contains more than 0.5 percent alcohol by volume.

Because NA beer does not contain enough alcohol to be classified as beer, the laws and rules governing beer (legal drinking age, hours of sale, etc.) do not apply. For example, licensees may lawfully sell and dispense NA beer to people under the legal drinking age.

The Division does not encourage selling and serving NA beer to persons under the legal drinking age. When on-premises licensees serve NA beer to people under 21, the Division recommends that the NA beer should be served in the original container, not in a glass. This should assist law enforcement officials when they enter an establishment and observe someone under the legal drinking age consuming a beverage

that looks and smells like beer.

Iowa Code section 123.3

Measuring alcoholic content

Alcoholic content is measured in three different ways: volume, weight and proof. Liquor and some imported beers are measured by proof, wine by volume, and most domestic beers are measured by weight. To compare the alcoholic content of liquor, wine and beer, use the conversion formulas below.

Example: A Canadian beer marked 8 proof is rated 4 percent by volume (8 percent divided by 2 = 4 percent). Multiply that by .8 to get 3.2

Proof, Volume and Weight Conversions

FROM	TO	CONVERSION FORMULA
Proof	Volume	Proof ÷ 2
Proof	Weight	Proof ÷ 2 x 0.8
Volume	Proof	Volume x 2
Volume	Weight	Volume x 0.8
Weight	Volume	Weight ÷ 0.8
Weight	Proof	Weight ÷ 0.8 x 2

percent alcoholic content measured by weight (8 proof = 4 percent volume = 3.2 by weight).

ENFORCEMENT

MONITORING LICENSEE COMPLIANCE

Premises inspections

The licensed premises must be in compliance with state and local health, fire and building code laws. Failure to maintain compliance at any time during the license period may result in administrative proceedings to suspend or revoke the license.

Licensees (their employees and agents) must allow the following individuals access to the licensed establishment without a search warrant to examine and inspect for compliance with the laws, rules and ordinances governing the license:

- Representatives from the Division and the Department of Inspections and Appeals.
- Law enforcement officials from the Department of Public Safety, police and sheriff departments.
- Fire, health and building code inspectors.

Each time a license applicant completes a new or renewal liquor, wine or beer license application, they sign an affidavit (incorporated in the application) agreeing to allow the above individuals access to the premises during business hours.

Business hours include the hours in which the licensees (their employees and agents) or patrons are in the establishment, not just the hours of sale.

Iowa Code sections 123.14, 123.30, 123.128 and 123.129

Bar checks

Periodic bar checks and "walk throughs" are an effective way to get to know the licensees in the law enforcement official's jurisdiction. These "walk throughs" can help monitor licensee compliance with alcoholic beverage laws and rules. A sample establishment checklist used by many law enforcement agencies in conducting bar checks is included on page 69 in the Appendices section of this manual.

Search warrants

A search warrant is not required for inspection of the licensed establishment and the business records that the licensee must maintain. Business records must be available to law enforcement officials and

representatives of the Division, Department of Inspections and Appeals, and health and fire inspectors during normal business hours and when the licensee (their employees and agents) or patrons are in the establishment.

Search warrants or subpoenas are required to inspect private records, private business offices and attached living quarters.

Note: Questions as to whether or not a search warrant is needed should be directed to your county attorney.

Iowa Code sections 123.21, 123.30, 123.128 and 123.129

Attempt to destroy evidence

If licensees (their employees and agents) or patrons destroy or attempt to destroy any liquid while in the presence of a law enforcement official or while a law enforcement official is searching the premises, the liquid is considered an alcoholic beverage that was intended for unlawful purposes and qualifies as evidence.

Iowa Code section 123.120

Officer's discretion

Many violations are one-time events for licensees. Often when a violation happens, it will not be repeated and no further action is necessary. However, multiple violations or frequent law enforcement calls to a licensed establishment may indicate a pattern of serious and persistent problems which require further action. Law enforcement officials may decide to monitor the situation through more frequent bar checks, or may decide a formal investigation is warranted. For examples of how other law enforcement officials in other jurisdictions have handled similar matters, contact the Division.

If a violation is discovered while conducting a routine bar check, law enforcement officials have the discretion of giving the licensee a verbal warning or writing a police citation. Officials should forward their investigative report to the Division for action against the licensee through the administrative process. Administrative sanctions – civil penalties, license suspension and revocations – often get more attention than the simple misdemeanor fines imposed by the courts.

Monitoring Underage Sales

Controlled buys

When appropriately conducted, controlled buys are an effective method of monitoring compliance with Iowa's legal drinking age. Many law enforcement agencies engage underage people who attempt to purchase alcoholic beverages from licensees to see if proper identification is requested before the sale is completed. Success of a controlled buy program relies on an establishment complying with the law, rather than a minor purchasing alcohol.

Following are some recommendations which may be helpful to law enforcement officials in the court cases and administrative hearings which may result from their controlled buy operations.

- The minor should have the appearance, demeanor, mannerisms and dress appropriate to their age group.
- Make a photo copy of the minor's ID before the controlled buy.
- Photograph the minor prior to the controlled buy. It may be a year before the case is adjudicated in the courts and administrative hearings are usually held after final disposition of the court case.
- If licensees (their employees and agents) sell or serve liquor, wine or beer to the minor, ensure that the police citation is written under Iowa Code section 123.49(2)(h).
- The citation should be issued to the person who actually sold the alcoholic beverage to the minor.

Following the controlled buy

After the licensee (their employee or agent) is cited, forward a copy of the citation along with the investigative report to the Division so the appropriate administrative sanction may be imposed. When the pleading or finding of guilt is under Iowa Code section 123.49(2)(h), the administrative penalties enumerated in Iowa Code section 123.50 are mandated.

A criminal conviction is not required for the Division to impose a civil penalty, suspension or revocation of the license.

Iowa Code sections 123.39 and 123.50

PENALTIES

Iowa alcoholic beverages licensees (their employees and agents) who violate the state's liquor laws may be subject to criminal convictions, administrative sanctions and civil liability. Review this chapter to learn:

Criminal charges filed against the person who committed the violation may lead to criminal convictions. Felony convictions automatically disqualify a person from holding an Iowa liquor, wine or beer license.

Administrative sanctions against a licensee may be imposed by either the Division or the local authority. Sanctions may be imposed as a result of a criminal conviction or through an administrative hearing in the absence of a conviction.

Civil liability may result when someone is injured and the injured party seeks compensation from the licensed business. Licensees who sell and serve alcoholic beverages for on-premises consumption must maintain dramshop liability insurance.

Criminal Convictions

When law enforcement officials file criminal charges, the citation should be issued to the person who actually committed the violation. Because of the way the law is structured, it is easier to obtain a criminal conviction against the person who committed the violation rather than the license holder (individual, partnership, corporation), if the license holder is not the person who violated the law.

The following are criminal penalties for the most frequent violations of Iowa's alcoholic beverages laws:

- Iowa Code section 123.49(2)(h) – sell, give or supply to persons under 21.
  - Simple misdemeanor punishable by a fine of up to $1,500 plus court costs if the violation is committed by the licensee, or up to $500 fine plus court costs if the violation is committed by the licensee's employee or agent.
- Iowa Code section 123.51 – illegal advertising.
  - Simple misdemeanor.
- Iowa Code section 123.59 – bootlegging.
  - Serious misdemeanor if the person committing the

violation is 21 years old or older; simple misdemeanor if the person committing the violation is under 21 years old.

- Iowa Code section 123.49(2)(b) – after hours.
  - Serious misdemeanor.
- Iowa Code section 123.49(2)(c) – sell on credit.
  - Serious misdemeanor.

Unless penalties are specified, a conviction of Iowa Code chapter 123 is a serious misdemeanor if the person committing the violation is 21 years old or older, and a simple misdemeanor if the person committing the violation is under 21 years old. Second convictions for violations of chapter 123 are serious misdemeanors; third and subsequent convictions are aggravated misdemeanors.

Criminal convictions for violations of the laws governing alcoholic beverages licenses by licensees (their employees and agents) may result in the imposition of administrative sanctions against the licensee.

Iowa Code sections 123.39, 123.50, 123.90 and 123.91

Felony convictions

Convicted felons are automatically disqualified from holding an Iowa liquor, wine or beer license or permit, unless the felony conviction is more than five years old and rights of citizenship have been restored.

Licensees who are convicted of a felony during the time they hold a license or permit will be asked to voluntarily surrender the license to the Division. If the licensee fails to do so, the Division will initiate administrative proceedings for revocation of the license.

If law enforcement officials know of a licensee in their jurisdiction who has felony charges pending, they should notify the Division.

Iowa Code sections 123.3 and 123.39

Administrative Sanctions

Both the Division and the local authority may impose administrative sanctions on licensees. If a licensee (their employees and agents) violates the laws and rules governing the license, the Division or the local authority may:

- Impose a civil penalty of up to $1,000 per violation.
- Suspend the license from one to 365 days.
- Revoke the license.

Local authorities may also impose suspensions or revocations for violations of local ordinances governing the license. Local authorities may not impose civil penalties for violations of local ordinances.

Administrative sanctions are separate from criminal convictions; both may be imposed. Administrative sanctions may be imposed as the result of a criminal conviction or in the absence of a criminal conviction.

Iowa Code sections 123.39 and 123.50

Statute of limitations

Administrative hearing complaints alleging violations of Iowa Code chapter 123 must be filed with the Division or the local authority within one year from the date of the alleged violation or within one year from the date of conviction, whichever is later. Complaints may be filed by a city attorney, county attorney or an assistant attorney general.

This is important information for law enforcement officials to know because it may be a year before a case is adjudicated in the criminal courts and administrative hearings are usually held after final disposition of the court. If it appears that a criminal case may go beyond a year from the date of the alleged violation and law enforcement officials want some form of administrative penalty imposed against the licensee, a copy of the investigative report should be forwarded to the Division so that an administrative hearing complaint may be filed within the statutory period of time.

185 Iowa Administrative Code

License suspension and revocation

Reasons the Division or local authority may suspend or revoke a license include (but are not limited to):

- Misrepresentation of material facts on the license application.
- Violation of the laws and rules governing the license.
- Any change of ownership or interest in the business not reported to and approved by the local authority and the Division.
- Felony conviction or other event which disqualifies a licensee from holding the license.
- Sale or transfer of the license.

Criminal convictions are not required for the imposition of suspensions or revocations.

Iowa Code sections 123.39 and 123.50

Effect of license suspension

Suspension of a license affects only the sale and consumption of alcoholic beverages on the licensed premises. It does not affect other business activities. During a suspension, alcoholic beverages may not be sold, served, consumed or given away by any person in or on the licensed premises.

The licensed premises may remain open for other lawful business activities (food sales, gasoline sales, etc.) during the suspension. However, if the licensed premises remains open, the licensee shall not allow patrons to bring liquor, wine or beer onto the licensed premises or consume alcoholic beverages on that premises while the suspension is in effect.

Iowa Code section 123.39 and 185 Iowa Administrative Code

Effect of license revocation

Any liquor licensee, wine permittee or beer permittee whose license or permit is revoked cannot hold a license in the state of Iowa for a period of two years from the date of revocation.

When a license is revoked and that licensee holds more than one license in the state of Iowa, the revocation extends to all other licensed locations. However, when a revocation of a license is due to a sale-to-minor violation, the revocation is limited to the specific license found in violation and will not disqualify the licensee from holding a license at a separate location.

A spouse or business associate holding ten percent or more ownership interest in a business whose license has been revoked (including all officers, directors and shareholders) will not be issued a license or permit for a period of two years from the date of revocation.

When a license or permit is revoked, the premises cannot be relicensed for a period of one year.

Iowa Code sections 123.40 and 123.50

Summary suspensions

In most instances, licenses may be suspended for cause after notice and opportunity for hearing. However, in limited circumstances where the public health, safety, and welfare is at risk and where emergency action is required, licenses may be summarily suspended pending further proceedings for revocation or other action.

Examples of circumstances where the Division will summarily suspend an alcoholic beverages license include, but are not limited to:

- Failure to maintain dramshop liability insurance where the public is exposed to potential injuries for which compensation is unavailable.
- Illegal activity, such as shootings, drug dealing by the licensee or with the licensee's knowledge, where the public is exposed to potential injuries.

If law enforcement officials have a situation that they believe poses significant risk to the public health, safety and welfare of the citizens in their jurisdiction, they should contact the Division to discuss the possibility of a summary suspension.

Iowa Code chapter 17A

Civil Liability

Compensation for injured parties

Civil liability comes into play when someone is injured and the injured party seeks compensation from the business.

Failure to maintain dramshop liability insurance

When licensees sell and serve alcoholic beverages for on-premises consumption, they are required to have dramshop liability insurance. (Dramshop liability insurance is not required for off-premises licenses.) If the dramshop liability insurance is cancelled or becomes ineffective for any reason, the licensee must provide proof to the Division and local authority that they have obtained coverage through another carrier or have obtained reinstatement of their existing policy. There can be no lapse in coverage.

The Division summarily suspends (without a hearing) a license when a licensee fails to maintain dramshop liability insurance.

Iowa Code sections 123.39 and 123.92

ADMINISTRATIVE HEARINGS

Administrative action by the Division or the local authority is sometimes necessary to enforce licensee compliance with alcoholic beverages laws. Review this chapter to learn the process by which law enforcement and local authority actions can lead to administrative sanctions through:

Contested case hearings in which a case is heard by a designated hearing officer. A proposed decision will be issued following the hearing to impose a civil penalty, suspend or revoke the license, or to dismiss all or part of the allegations cited.

Appeal hearings in which local authority actions (civil penalties, license suspensions or revocations, or denied license applications) are appealed.

Contested Case Hearings

When administrative action is necessary

Although it is the Division's goal to accomplish voluntary compliance with alcoholic beverages laws and rules, there are occasions when administrative action is necessary. The following is an overview of the administrative hearing process.

The investigative officer's role

Because administrative penalties get more attention than the simple misdemeanor fines imposed by the courts, it is often information provided by an investigating or arresting officer that precipitates the administrative hearing process.

Law enforcement officials should forward investigative reports pertaining to alcohol related violations to the Division. The report should set forth relevant facts, evidence and information so that the assistant attorney general can determine if corrective action should be taken against the licensee.

Administrative hearing complaint

Investigative reports are reviewed by an assistant attorney general, and when appropriate, contested case hearings are initiated through an administrative hearing complaint. Administrative hearing complaints may also be filed with the Division by county and city attorneys.

If an administrative hearing complaint is filed as a result of the law enforcement official's investigative report, the law enforcement official will be asked to testify as a witness at the hearing.

Note: Administrative hearing complaints must be filed within one year of the alleged violation or within one year from the date of the conviction, whichever is later. If law enforcement officials or the prosecuting attorney feel that the criminal action should precede the administrative action, the administrative hearing complaint may be filed with the Division with delayed scheduling of the administrative hearing.

Evidentiary contested case hearing

Contested case matters are heard by a designee of the Division Administrator. The prosecuting attorney (assistant attorney general, county or city attorney) will contact law enforcement officials prior to the hearing to discuss the case and go over their testimony and evidence.

Licensees may represent themselves or hire an attorney at their own expense. The licensee or their attorney may call witnesses, make arguments and introduce evidence. This is generally the only time that evidence may be submitted. Hearings are open to the public and are also tape recorded.

Proposed decision

Following the hearing, the hearing officer will issue a written proposed decision. The proposed decision will be forwarded to all interested parties. The proposed decision may:

- Impose a civil penalty.
- Suspend the license from one to 365 days.
- Revoke the license.
- Dismiss all or part of the allegations cited in the administrative hearing complaint.

The proposed decision becomes a final decision unless a request for review is filed with the Division Administrator within 30 days from the date of the proposed decision.

Request for review

Any party who objects to the proposed decision may request the Division Administrator review the decision. The prosecuting attorney (assistant attorney general, county or city attorney) may also request review of the proposed decision. The request for review must be filed

with the Division within 30 days from the proposed decision date.

If a request for review is filed, the Division Administrator may ask the licensee and the prosecuting attorney to file briefs and exceptions on issues raised in the contested case hearing.

Final decision

The Division Administrator reviews the proposed decision by listening to the record made at the hearing and looking at the briefs and exceptions filed by the licensee and the prosecuting attorney (assistant attorney general, county or city attorney). When review of the record is complete, the Division Administrator issues a final decision. The written final decision is forwarded to all interested parties. The final decision may affirm, reverse or modify the proposed decision. The Division Administrator's decision is considered to be a final agency action. The next step in the appeal process is the district court.

Petition for judicial review

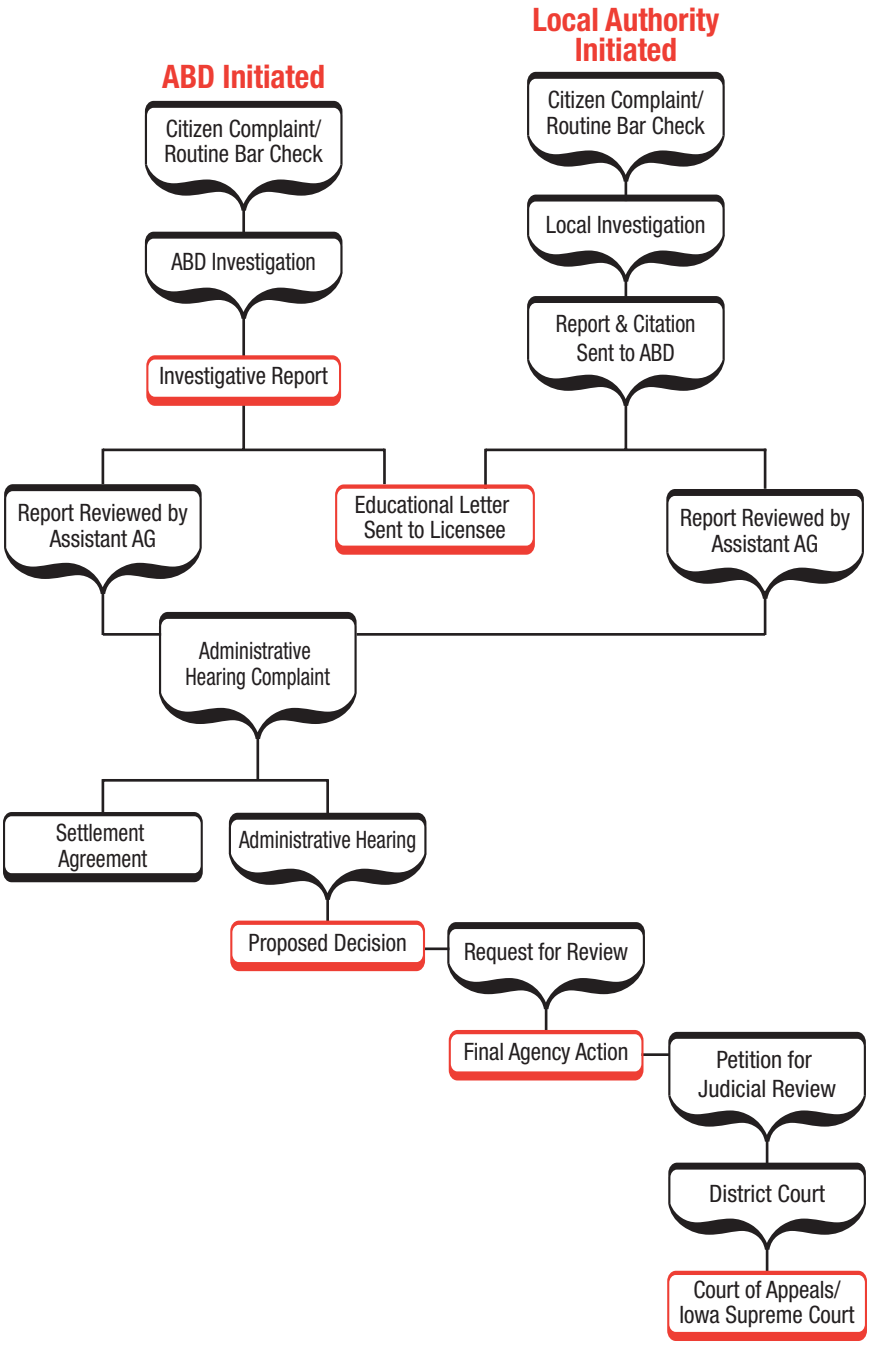
Licensees who object to the Division Administrator's final decision may file a petition for judicial review with the district court. The prosecuting attorney (assistant attorney general, county or city attorney) may also file a petition for judicial review. The petition may be filed either in Polk County or in the licensee's county of residence or business. Filing the petition does not automatically postpone (stay) enforcement of agency action (imposition of a civil penalty, license suspension or revocation). The licensee must obtain an order from the court to stay agency action pending outcome of the judicial proceedings.

Settlement agreements

Once a complaint has been filed with the Division, a copy of the complaint along with settlement options will be sent by certified mail to the licensee. The licensee must contact the Division by the date specified to accept the settlement or request a hearing. If the Division is not notified, a hearing will be scheduled and the hearing notification will be sent by certified mail. The licensee may still contact the Division for a settlement prior to the scheduled hearing.

Note: Copies of all administrative actions will be forwarded to law enforcement officials involved so that they are kept informed. Instructions on how to conduct a search of licensees' past and pending administrative sanctions can be found on page 64.

Contested Case Hearings by Iowa Alcoholic Beverages Division (Administrative Sanctions)



Appeal Hearings

Local authority actions

Local authorities (city councils and county boards of supervisors) may:

- Impose civil penalties or license suspension or revocation for violations of alcoholic beverages laws.
- Approve or deny alcoholic beverages license applications for establishments located within their jurisdiction.

Appeal of local authority actions

When a local authority imposes an administrative sanction or denies a license application, the licensee may appeal the local authority action to the Division. The written appeal must be filed with the Division within 30 days from the date that the licensee is notified of the local authority's action.

Evidentiary appeal hearing

An appeal hearing provides licensees with an opportunity to demonstrate that they comply with all of the lawful requirements for holding an alcoholic beverages license. If a licensee files an appeal of a local authority action, an appeal hearing is heard by a designee of the Division Administrator. Because appeal hearings result from local authority actions, law enforcement officials work with the city or county attorney representing the local authority.

Licensees may represent themselves or hire an attorney at their own expense. The parties may call witnesses, make arguments and introduce evidence. Hearings are open to the public and are tape recorded.

Proposed decision

Following the appeal hearing, the hearing officer will issue a written proposed decision. The proposed decision will be forwarded to all interested parties.

When the appeal hearing involves an administrative sanction, the proposed decision may affirm, reverse, modify or dismiss the civil penalty, license suspension or revocation imposed by the local authority. When the appeal hearing involves a denied application, the proposed decision may affirm or reverse the local authority's denial of the license application.

The proposed decision becomes a final decision unless a request for review is filed with the Division Administrator within 30 days from the date of the proposed decision.

Request for review

A licensee who objects to the proposed decision may request that the Division Administrator review the decision. The local authority may also request a review of the decision. The written request for review must be filed with the Division within 30 days from the date of the proposed decision.

If a request for review is filed, the Division Administrator may ask the licensee and the local authority to file briefs and exceptions on issues raised in the appeal hearing.

Final decision

The Division Administrator reviews the proposed decision by listening to the record made at the appeal hearing and reading the briefs and exceptions filed by the licensee and the local authority. When review of the record is complete, the Division Administrator issues a final decision. The written final decision is forwarded to the licensee and all interested parties.

The final decision may:

- Affirm, reverse or modify the proposed decision.
- Affirm or reverse the local authority's denial of the license application.
- Dismiss the matter.

The Division Administrator's final decision is considered to be final agency action. The next step in the appeal process is the district court.

Note: If the appeal hearing concerns an administrative sanction (civil penalty, license suspension or revocation) the action will be stayed pending a final decision. If the appeal hearing concerns a denied renewal application, the licensee will be allowed to remain open for alcoholic beverages business pending a final decision. When the hearing concerns the denial of a new license application, the applicant will not be allowed to conduct any alcoholic beverages business pending a final decision.

Petition for judicial review

A licensee who objects to the Division Administrator's final decision may file a petition for judicial review with the district court. The local authority may also file a petition for judicial review. The petition may be filed either in Polk County or in the licensee's county of residence or business. Filing the petition does not automatically postpone (stay)

enforcement of agency action. When a licensee is successful in obtaining a stay order, the agency action may be affected as follows:

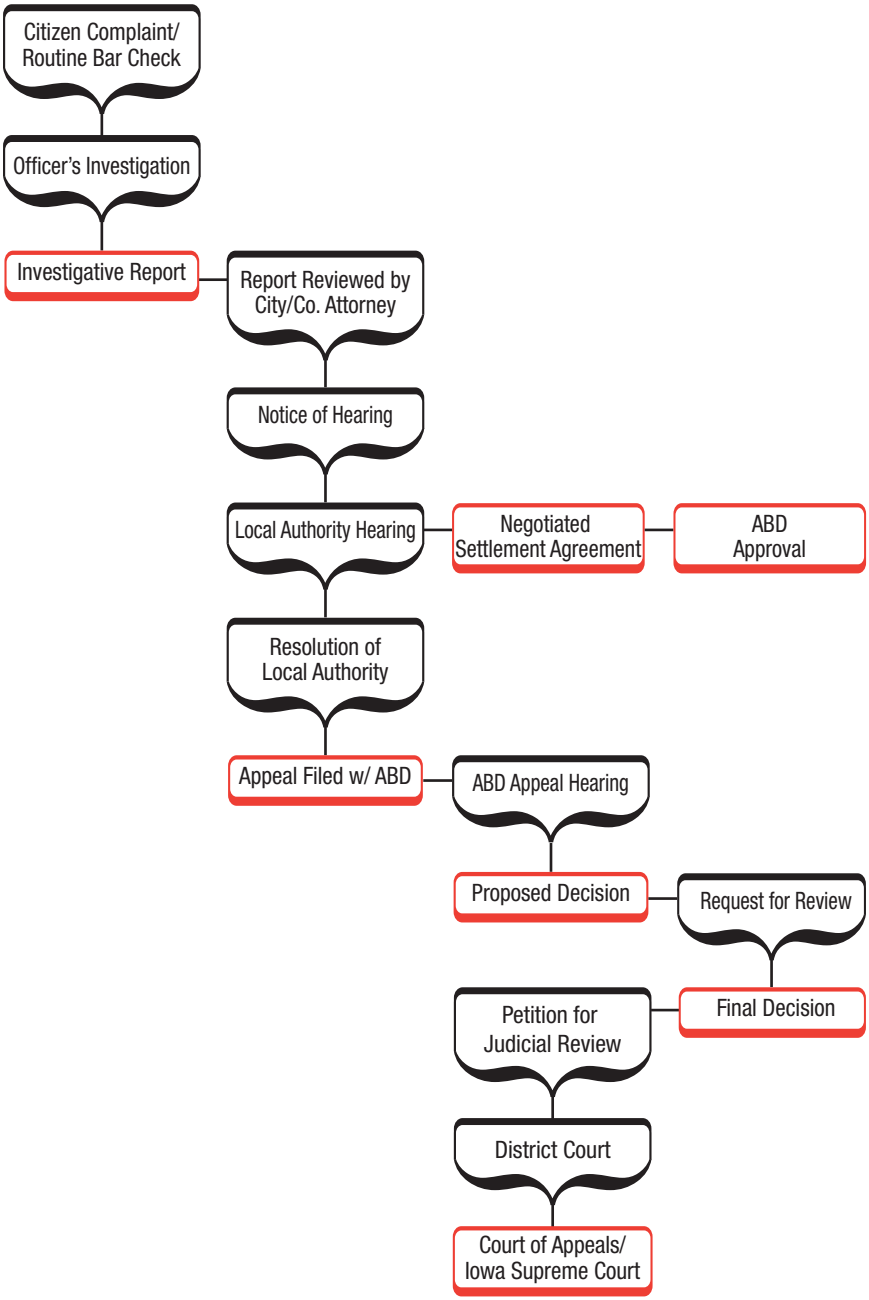
- **Administrative sanctions.**
  - The civil penalty does not have to be paid (or the license suspension or revocation served) pending the outcome of the judicial proceedings.
- **Denied renewal license applications.**
  - The licensee may remain open for alcoholic beverages business pending outcome of the judicial proceedings.

Note: Applicants with denied new license applications may not conduct any alcoholic beverages business, unless the court reverses the Division Administrator's final decision and orders the license to be issued.

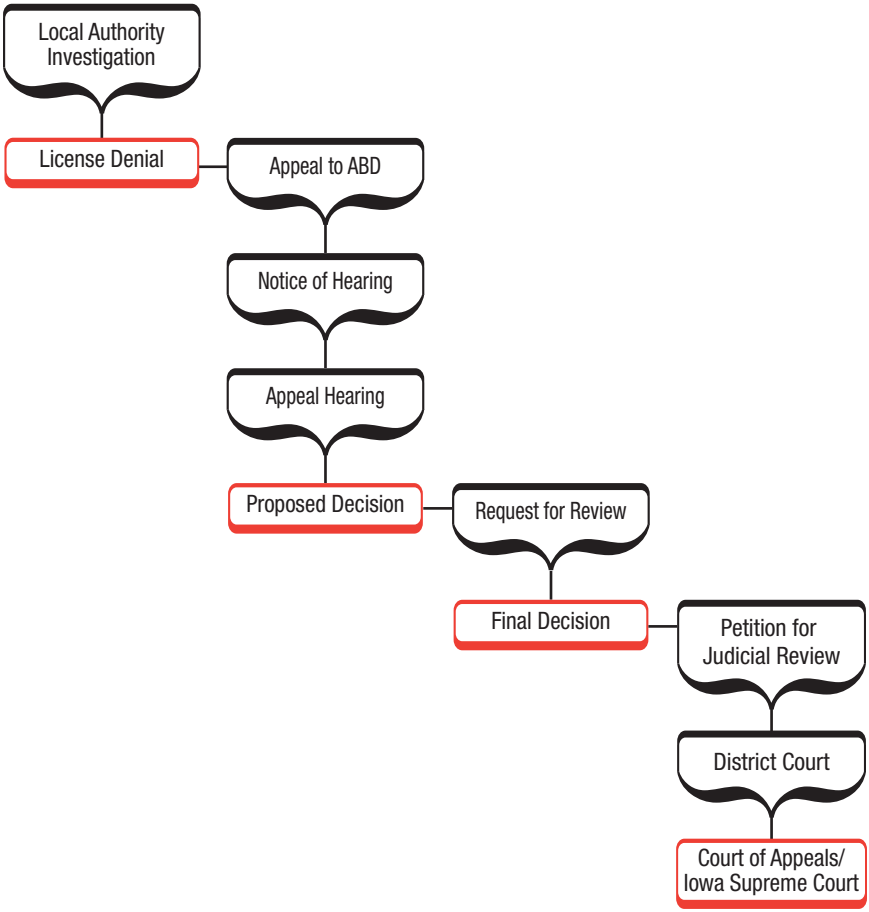
Iowa Code sections 17.10 through 17A.20, 123.32 and 123.39 and 185 Iowa Administrative Code

Note: Copies of all administrative actions will be forwarded to law enforcement officials involved so that they are kept informed. Instructions on how to conduct a search of licensees' past and pending administrative sanctions can be found on page 64.

Appeal Hearings by Iowa Alcoholic Beverages Division (Administrative Sanctions Imposed by Local Authorities)



Appeal Hearings by Iowa Alcoholic Beverages Division (License Application Denials by Local Authorities)



LICENSE INFORMATION

Licensing businesses to sell and serve alcoholic beverages is a cooperative effort between the Iowa Alcoholic Beverages Division, the applicant and the local authority. Review this chapter to learn:

- The licensing process in Iowa, which includes information provided by the applicant and investigations by local authorities and law enforcement officials to determine that the establishment and the applicant meet the requirements of the Iowa Code.

ALCOHOLIC BEVERAGES DIVISION
State of Iowa

State of Iowa
Alcoholic Beverages Division

LE0000000	November 15, 2011	November 14, 2011
LICENSE NUMBER	EFFECTIVE DATE	EXPIRATION DATE

This license is a personal privilege and is subject to civil penalty, suspension, revocation or cancellation, as authorized pursuant to Iowa Code Ch. 123.

This license is not deemed to be property, nor is it subject to attachment, execution, assignment, nor is it alienable.

IOWA ALCOHOLIC BEVERAGES DIVISION

STEPHEN LARSON
Administrator

LICENSE AND PRIVILEGES		FEES
Class E Liquor License (LE)		$5,000.00
Class B Wine Permit (Carryout Wine)	11/15/2010 to 11/14/2011	$500.00
Class C Beer Permit (Carryout Beer)	11/15/2010 to 11/14/2011	$200.00
Sunday Sales	11/15/2010 to 11/14/2011	$40.00
	Total Fee:	$5,740.00

- Ownership information, such as the need for the same person or entity who owns the establishment to hold the alcoholic beverages license, and what happens when a licensee goes out of business or the licensed establishment changes ownership.
- Additional license privileges that are available such as Sunday sales, brew pubs, catering, outdoor service areas and living quarters.
- Licensing requirements, such as good financial standing and good moral character.
- Other required licenses that concern aspects of the business regulated by the federal, state or local government.

Renewing the license

Licensees who hold an annual alcoholic beverages license receive a 70-day notice of renewal by email from the Division, if the licensee is signed up to receive electronic notifications. Otherwise, the licensee will be notified by the local authority. Receipt of the notice is a good time to begin the renewal process. Some local authorities require renewal applications to be submitted 30 or 60 days before the license expires.

Licensees must complete renewal applications electronically. All information entered on the previous year's license will be reflected on the renewal application. However, the renewal application contains some questions that need to be answered annually to determine

whether or not the applicant and the premises meet legal licensing requirements.

Criminal history questions on the renewal application must be fully completed. All convictions and arrests since the last renewal must be updated for each person named on the ownership screen. It is important to complete this section honestly and with full disclosure.

Licensees are encouraged to complete their own renewal application. If the licensee relies on their insurance agent or someone else to do this, the information should be verified by the licensee before submitting the application. False or misrepresented information may result in denial of the license.

Non-renewals and going out of business

Licensees who are not planning to renew their license should notify their local authority (city clerk or county auditor) or the Division. If the licensee is closing before the license expiration date, the licensee should complete an online refund application to determine if a refund is due on the license and turn their license in to the local authority or the Division.

Licensing Requirements

License applicants

Applicants must answer all questions on the application even if they feel the requested information is not important or does not apply to them. Applications ask only for information necessary to determine whether or not the applicant and the proposed premises meet legal licensing requirements.

The ownership and conviction questions on the license application are particularly important to law enforcement officials and local authorities. This information serves as the starting point for background investigations.

Applicants must show 100 percent ownership of the business. All convictions for violations of state and federal laws must be listed for each person reflected in the ownership question. If the people listed do not have any convictions, the applicant should specify by indicating “none.” False or misrepresented information may result in the denial of the license.

License applicants should submit their applications to the local authority well in advance of license expiration or, in the case of

new licenses, well in advance of the requested effective date. Local authorities and the Division need sufficient time to complete the background investigations necessary to determine if the applicant and the premises meet statutory licensing requirements.

Local authorities

Local authorities (cities and counties) operate under home rule power. Under Iowa law, local authorities may exercise powers and perform functions, "to preserve and improve the peace, safety, health, welfare, comfort and convenience of its residents..."

Local authorities must establish that the license applicant and the proposed premises meet licensing requirements. The Division believes that the best way to make this determination is to conduct background investigations. Although time-consuming, background investigations protect both the license applicant and the public. Many local authorities have established procedures and time frames for applicants to follow. For example, some local authorities require applications to be filed at least 30 days before license expiration or, in the case of new license applications, 30 days before the requested effective date. This allows sufficient time for city or county inspectors to inspect the proposed premises for health, fire and building codes, as well as any governing local ordinances. The 30-day requirement also allows sufficient time for the police or sheriff's department to conduct criminal history and financial investigations on license applicants.

Alcoholic Beverages Division

The Division carefully scrutinizes applications, paying particular attention to the ownership and conviction questions, and, when appropriate, the premises sketches. Corporations are verified with the Secretary of State's office and all partial and complete change of ownership information is carefully reviewed.

Based upon recommendations of the approving local authorities and findings of the Division, licenses are issued when it is clear that all requirements have been met.

Applicant requirements

In order to be eligible to hold a liquor, wine or beer license, the law requires the applicant to meet the standards of good moral character. Under Iowa law, applicants are considered to be of good moral character if they:

- Are a U.S. citizen and an Iowa resident, or incorporated to do

business in the state. The corporation must be registered and in good standing with the Iowa Secretary of State's office.

- Have not been convicted of a felony during the past five years.
- Have not had any financial interest in an Iowa liquor, wine or beer license which was revoked during the past two years.
- Have "good financial standing" and a "good reputation" to indicate that the applicant will comply with all laws and rules governing the license.

Note: If the applicant has a felony conviction, the applicant is not eligible to hold an Iowa alcoholic beverages license, unless the felony conviction is more than five years old and the applicant's rights of citizenship have been restored. In evaluating the applicant's "financial standing," the local authority and the Division may consider verified sources of financial support and adequate operating capital for the applicant's business, record of prompt payment of state and local taxes, fees and charges for municipal utilities and municipal services, etc. In evaluating the applicant's "moral character," the local authority and the Division may consider pattern and practice of disregard of the law including convictions for sales to intoxicated persons, operating a motor vehicle while under the influence of alcohol or drugs, etc.

Requirements apply to all officers, directors and shareholders of a corporation and general partners in a partnership.

Premises requirements

To meet licensing requirements, the proposed licensed premises must conform to all applicable state laws, local ordinances, health regulations and fire regulations. Licensed premises must:

- Be owned, leased or under the control of the applicant.
- Be within the jurisdiction of one approving local authority.
- Have conveniently located, separate toilet facilities for both men and women (on-premises only).
- Be equipped with running water from a source approved by the local health department.
- Have enough tables and chairs to accommodate a minimum of 25 people at one time (on-premises only).

Iowa Code sections 123.3, 123.30, 123.31, 123.128, 123.129 and 123.175 and 185 Iowa Administrative Code

Denied license applications

When local authorities deny license applications, the denial must be based on documented legal reasons rather than hearsay or public sentiment. Local authority denials which are not based on documented legal reasons will likely be reversed during the appeal process available to the denied license applicant. (See "Appeal Hearings" on page 47.)

Remember, both the license applicant and the proposed premises must meet licensing requirements. Use the information provided in the "Licensing Requirements" section of this manual as a guideline when conducting background investigations. Legal reasons for license denials which are likely to be upheld during the appeal process can be found in that section. For example, a licensee who has demonstrated a "pattern and practice" of disregard for the law through repeated violations of alcoholic beverages laws may not meet the standards of good moral character.

To learn how other local authorities have handled similar license denials, contact the Division.

Ownership Information

A personal privilege

Under Iowa law, liquor, wine and beer licenses are considered a personal privilege. The person (individual, partnership or corporation) who actually owns and receives the proceeds from the alcoholic beverages sales must hold the license.

Any change of ownership (including partial change of ownership) must be reported to and approved by the local authority (city council or county board of supervisors) and the Division. Change of ownership must be reported when it occurs, not just at renewal time.

A new owner may not operate under the previous owner's license. Operating under another person's license is considered bootlegging and may result in suspension or revocation of that license and may disqualify the new owner from holding their own license.

Iowa Code section 123.38

Change of ownership

If the ownership of a licensed establishment is changed in some manner, the Division requires physical evidence that documents the change. Without proof of the change, new and renewal licenses cannot

be issued. The following documents should be submitted to the Division or the local authority (city clerk or county auditor):

- **Corporations**: Minutes of corporate meetings reflecting resignation of the previous officers and directors and election of the new officers and directors, and copies of the transfer of shares of stock for the corporation.
- **Partnerships**: Dissolution of partnership or notarized affidavit from the partner leaving the partnership, or an amended trade name document.
- **Individuals:** Cancellation of the existing license by the previous licensee; or copy of the finalized sales contract, bill of sale or warranty deed; and/or copy of lease agreement.

When a change of ownership is due to divorce or death, a copy of the divorce decree or death certificate is required. (Divorce decrees will be returned to the applicant and will not be made a part of the new permanent licensing record.)

When new partners are added to partnerships, or new officers, directors or shareholders are added to corporations, the new partner, officer, director or shareholder must complete the ownership and conviction questions on an ownership update application. This provides the local authority and the Division with the information necessary to determine if the new individuals meet licensing requirements.

185 Iowa Administrative Code

Additional License Privileges

Sunday sales privilege

Generally, licensees who want to sell or serve alcoholic beverages on Sundays must apply for a Sunday sales privilege. Only Class E liquor licenses, Class B wine permits, Class B native wine permits and Class C native wine permits automatically include a Sunday sales privilege. Class E liquor licensees who hold Class C beer privileges must obtain a Sunday sales privilege for Sunday beer sales.

The words “Sunday sales privilege” will be reflected at the bottom of the license. The Sunday sales privilege is not a stand-alone license. It only extends the number of days during the week on which the licensee may sell alcoholic beverages. The Sunday sales privilege expires with the license and must be renewed annually.

Sunday hours are from 8 AM on Sunday to 2 AM on the following Monday. Sunday hours for delivery of alcoholic beverages are from 8 AM

to 10 PM. The same laws and regulations that govern the regular license govern the Sunday sales privilege.

Iowa Code sections 123.36, 123.46A, 123.49 and 123.134

Brew pub privilege

Brew pubs and high alcoholic content brew pubs are licensed on-premises establishments that are also licensed to manufacture beer and high alcoholic content beer. Beer brewed on-site may be sold to patrons for consumption on the premises and to licensed wholesalers for resale. If the licensee wishes to sell brewed beer to go, they must first sell the brewed beer to an Iowa wholesaler and purchase it back for resale. Iowa law allows only Class C liquor licensees and Class B beer permittees to apply for and obtain a brew pub privilege.

The words "brew pub" or "high proof brew pub" will be reflected at the bottom of the license. Neither privilege is a stand-alone license. The privilege expires with the license and must be renewed annually. A $5,000 surety bond is required as well as a brewer's permit from the Federal TTB. If a licensee holds both types of brew pub privileges, a separate $5,000 surety bond is required for each.

Iowa Code section 123.130

Catering privilege

Licensees wanting to cater with liquor, wine and beer as part of a food catering service may do so by obtaining a catering privilege. Catering privileges may be issued only to holders of annual Class B (hotel/motel) and Class C (restaurants, etc.) liquor licenses.

The catering privilege allows the licensee to act as the agent of a private social host for the purposes of providing and serving alcoholic beverages at private social gatherings that are held in a private place. The licensee must serve food with the alcoholic beverages. All food and alcoholic beverages must be served at no cost to the guests. Neither the licensee nor the social host may ask guests of the special gathering to make donations for payment of food or alcoholic beverages.

Examples of private social gatherings include parties held in private residences, wedding receptions held in churches and business parties held in unlicensed private business offices or buildings.

The words "catering privilege" will be reflected at the bottom of the license if the licensee has obtained a catering privilege. The catering privilege is not a stand-alone license. It expires with the license and must be renewed annually.

For the purposes of the catering privilege, a private place is one that meets all of the following requirements:

- The place is not a licensed establishment.
- The general public does not have access to the private social gathering.
- People attending the social gathering are limited to the social host and the host's bona fide guests.
- Goods or services are not purchased or sold by or to the guests during the social gathering.
- Guests are not charged or responsible for payment of any fees, fares, ticket prices or donations to attend the gathering.
- The caterer does not pay rent or other charges for use of the place. (A private social host may rent a place for a private social gathering and is solely responsible for any rent or other charges for that place.)

Examples of private places include unlicensed private business offices, conference rooms, meeting halls, activity centers, community centers, church halls and other private buildings to which the general public does not have access.

Iowa Code section 123.95 and 185 Iowa Administrative Code

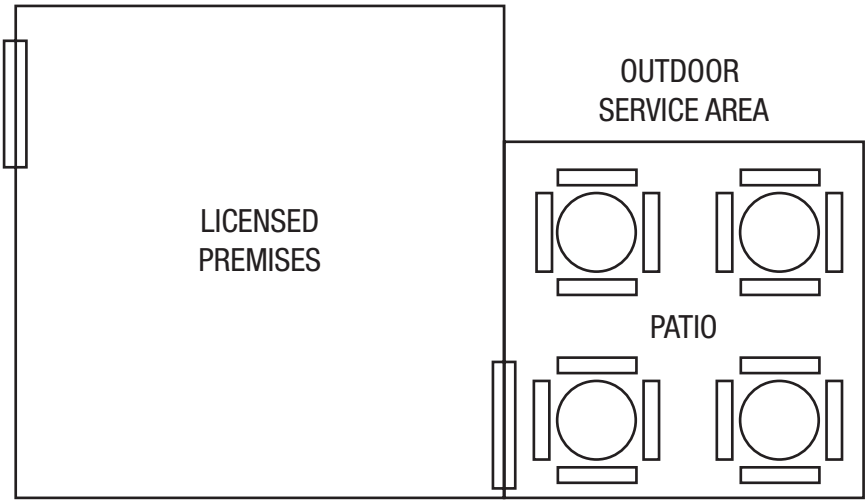
Outdoor service areas: patios, beer gardens, etc.

Outdoor service areas are designated areas which are adjacent to a licensed premises. Outdoor service areas are considered extensions of existing licensed premises, however, they are not automatically included as part of the licensed premises. Licensees may not sell or serve any alcoholic beverages in an outdoor area until they have met licensing requirements by filing the following documents with the local authority:

- Online application for outdoor service area.
- Sketch of the outdoor area clearly showing boundaries of the area and its relationship to the licensed premises.
- Online endorsement from the licensee's insurance company certifying that the dramshop liability insurance covers the outdoor service area.

The words "outdoor service area" will be reflected at the bottom of the license if the licensee has met all requirements for an outdoor service area. ("Outdoor service area" will not be reflected on the license if the outdoor area is to be used for less than a two-week period; a letter will be sent to the local authority instead.) Outdoor service areas are not stand-alone licenses. They expire with the license and must be renewed annually.

Law enforcement officials may contact the approving local authority (city clerk or county auditor) to obtain a sketch of the outdoor service area to assist in distinguishing the licensed premises from the unlicensed premises.



Note: The city council or county board of supervisors must approve or deny a licensee's application for outdoor service area. Denial of an outdoor service area can be appealed to the Division.

Iowa Code section 123.3 and 185 Iowa Administrative Code

License transfers

Although liquor, wine and beer licenses may not be transferred from one person to another, they may be transferred from one location to another.

Licenses may be transferred only within the boundaries of the approving local authority. If the license is approved by a county board of supervisors, the license may be transferred only within the unincorporated area of the same county – not to an incorporated city within that county. If the license is approved by a city council, the license may be transferred only within the same city – not to an unincorporated area of that county or to another incorporated city.

Licensees may transfer their license to another qualified premises by filing the following documents with the local authority:

- Online application for transfer of liquor license, wine permit or beer permit.

- Sketch of the new location showing the bar, openings to other rooms, exits, restrooms, tables and seats, and storage area.
- Online endorsement from the licensee's insurance company certifying that the dramshop liability insurance is transferred to the new location for the same period that the license is transferred. (Endorsement is required only when dramshop liability insurance is required for the class of license that is transferred.)

The above documents must be approved by the local authority and Division before the licensee can begin selling and dispensing alcoholic beverages in the new location. Licensees must limit the selling and serving of alcoholic beverages in the new location to the dates of the transfer that have been approved by the local authority (city council or county board of supervisors). All selling and serving of alcoholic beverages must cease at the original location during the period of the transfer. Only those alcoholic beverages permitted by the license may be sold on the premises to which the license has been transferred.

Transfers may be temporary (24 hours to seven days) or permanent. If the transfer is permanent, the Division will issue an amended license reflecting the new address. If the transfer is temporary, a letter will be sent to the local authority issuing the transfer for the temporary dates.

Iowa Code section 123.38 and 185 Iowa Administrative Code

Living quarters privilege

When living quarters are accessible from the inside of a licensed premises, the licensee must file for a living quarters privilege with the Division. The privilege separates the private living quarters from the licensed premises and protects the licensee (or resident) from warrantless searches in the private living quarters. Law enforcement officials must obtain a search warrant before they can search the area designated as private living quarters.

Licensees may not store liquor, wine or beer for their alcoholic beverages business in the area of the building designated as the living quarters. All books and records with regard to the alcoholic beverages business must remain in the part of the building designated as the licensed premises – not the living quarters.

The words "living quarters" will be reflected at the bottom of the license if the licensee has filed for a living quarters privilege with the Division. Living quarters privileges are not stand-alone licenses; they expire with the license and must be renewed annually.

Iowa Code section 123.30 and 185 Iowa Administrative Code

Special event

Qualified persons wanting to sell and dispense alcoholic beverages at a town celebration or some other special event must obtain a five-day license. Five-day licenses are valid for a period of five consecutive days. License applicants wanting to sell alcoholic beverages on a Sunday within the five-day period must also obtain a Sunday sales privilege.

Licensing requirements for five-day licenses are the same as the requirements for annual licenses of the same class; the only difference is that the license is valid for a shorter period of time. Special event licenses may be issued for on-premises licenses only.

Note: License applicants also may apply for 14-day special event licenses and six-month or eight-month seasonal licenses. Licensing requirements for seasonal licenses are the same as the requirements for annual licenses of the same class. Seasonal licenses are not renewable. A two-month period must elapse before another six-month or eight-month seasonal license may be issued for the same premises.

Iowa Code section 123.34

Other Licenses Required

The alcoholic beverages industry is regulated by federal, state and local governments. In addition to the liquor, wine or beer license which is issued by the Division, licensees may also be required to obtain:

- Sales Tax Permit (Department of Revenue), 1-800-367-3388 or 515-281-3114.
- Food service license (Department of Inspections and Appeals), 515-281-6538.
- Federal special occupational tax permit and federal basic wholesalers permit (TTB), 513-684-3337.

Note: Federal permits are required only for Class E liquor licensees who sell liquor to on-premises licensees.

Many local authorities (cities and counties) have additional licensing requirements. Check with the city clerk or county auditor to determine if there are additional licenses (dance permits, etc.) required.

RESOURCES AVAILABLE AT HTTPS://ABD.IOWA.GOV/

The Division offers a comprehensive and interactive website at https://abd.iowa.gov/. The website is designed to be a resource for all alcohol-related information in the state of Iowa and links to the State's eLicensing and eRegulation systems. The website can be a beneficial tool for law enforcement officials when conducting alcohol and non-alcohol related investigations. Below are detailed instructions on how to utilize some of the features on the website. Please contact the Division at 1-866-469-2223 or 515-281-7400 option 1, if further assistance is needed in accessing features on the Division website.

eLicensing

eLicensing is an electronic licensing system utilized by licensees to complete new and renewal applications for licenses. The system was implemented in 2006. Law enforcement officials may also access the eLicensing system to research information on licensees.

License search

1. Visit the Division website at https://elicensing.iowaabd.com/.
2. Click **"View Public Records"** on the right side of the screen.
3. A license search screen will appear. Enter search information into the fields and click "Search."

Note: The database is very specific on searches in that any search is conducted against the precise information entered by the licensee. For example, if a search is conducted using an address of 312 SW Maple, the search returns no results because the licensee entered the address as 312 S.W. Maple. If searching by an address, the Division recommends entering only the numerical value into the business address field, in addition to the business city, to assist in a more successful search.

4. When a search is successful, a screen will appear showing a list of licensees that match the search criteria. To view more detailed information about a license, click "Print" and a PDF of the information

can be viewed and printed.

5. To conduct a new search click **"Licensee Search"** in the upper left of the screen and enter the search criteria.

Keg Registration

A keg registration search enables law enforcement officials to track keg purchases. A keg registration number is required to conduct a search.

1. Visit the Division website at https://abd.iowa.gov/alcohol/keg-registration. Scroll to the bottom of the page.
2. Next click **"Track a keg."**
3. On the next screen enter the 10 character keg registration number and click **"Submit."** A screen will appear showing the retail location where the keg was sold.

eRegulation

eRegulation is an electronic regulation system that retains information on administrative action taken on licensees. Law enforcement officials may utilize the database to research licensees' current and past violations in which administrative sanctions were imposed. The database contains violations from 2008 to present.

Violation search

1. Visit the Division website at https://abd.iowa.gov/. Scroll down and click the **"Regulation"** section.
2. Click on **"Hearing Complaint Status Reports."**
3. A new screen will appear. Click **"Search"** on the right side of the screen.
4. A license search screen will appear; enter search information into the field(s) and click **"Search."**

Note: The database is very specific on searches in that any search is conducted against the precise information entered by the licensee. For example, if a search is conducted using an address of 312 SW Maple, the search returns no results because the licensee entered the address as 312 S.W. Maple. If searching by an address, the Division

recommends entering only the numerical value into the premise address field, in addition to the city, to assist in a more successful search.

4. When a search is successful, a screen will appear showing a list of complaints that match the search criteria. To view more detailed information about each complaint click on the document.

5. To conduct a new search repeat steps 2 and 3.

Notification Request

eRegulation has a unique feature for those interested in receiving updates of an administrative complaint by email. Law enforcement officials can receive notifications by complaint or by county.

- To receive an email notice of a specific administrative complaint click **"Notify"** in the docket column of the case of interest. A new window will appear for an entry of an email address where notifications will be sent when changes are made to the docket. Click **"Save"** to submit the email address.
- To receive an email notice of administrative complaints by county click **"Notification by County."** A new screen will appear with an interactive map of Iowa. Click on a county (the county will be highlighted orange after it has been selected) to receive email notifications of all administrative complaints in the selected county. More than one county may be selected. Next enter an email address where notifications can be sent. Click **"Submit"** to begin receiving email notifications.

GLOSSARY

ABV – Alcohol by volume.
Administrator – Director of the Iowa Alcoholic Beverages Division.
Alcoholic Beverage – Any beverage containing more than 0.5 percent alcohol by volume including alcoholic liquor, wine and beer.
Alcoholic Beverages Division – Agency of Iowa government that administers the laws of the state concerning liquor, wine and beer. Examples of the Division's functions include issuance of licenses to qualified applicants, regulation of the alcoholic beverages industry and acting as the sole wholesaler of liquor in the state.
Alcoholic Content – Amount of alcohol contained in a beverage. Alcoholic content is measured in three different ways: volume, weight and proof.
Alcoholic Liquor – Beverages and varieties of liquor that contain more than five percent of alcohol by weight, but are not wine or high alcoholic content beer. Includes all beverages containing more than 17 percent alcohol by weight or 21.25 percent alcohol by volume, susceptible of being consumed by a human being, for beverage purposes. Also includes every other liquid or solid, patented or not, containing spirits.
Beer – Any liquid capable of being used for beverage purposes 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 or made by the fermentation of or by distillation of the fermented products of fruit, fruit extracts, or other agricultural products, containing more than one-half of one percent of alcohol by volume but not more than five percent of alcohol by weight but not including mixed drinks or cocktails mixed on the premises. See also "High Alcoholic Content Beer."
Beer Garden – See "Outdoor Service Area."
Brewer – Any person who manufactures beer for the purpose of sale, barter, exchange or transportation.
Business Hours – Hours during which licensees (their employees and agents) and patrons are in a licensed establishment.
Club – Non-profit corporation or association where pre-payment of regular dues is required for membership.
Commercial Establishment – Place of business which meets all licensing requirements for consumption of liquor, wine and beer on the licensed premises.

Distiller – Manufacturer and importer of liquor, intoxicating liquor and spirits.
Division – See "Alcoholic Beverages Division."
Financial Standing – Standard considered by local authorities when approving or denying liquor, wine and beer licenses. Examples include verified sources of financial support and adequate operating capital, records of prompt payment of state and local taxes, fees and charges for municipal utilities and services, etc.
Good Reputation – Standard considered by local authorities when approving or denying liquor, wine and beer licenses. Examples include pattern and practice of disregard for the law, convictions for sales to intoxicated persons, operating a motor vehicle while under the influence of alcohol or drugs, etc.
High Alcoholic Content Beer – Beer which contains more than five percent of alcohol by weight, but not more than 12 percent of alcohol by weight, 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 1.5 percent of the volume of a "high alcoholic content beer" may consist of alcohol derived from added flavors and other non-beverage ingredients containing alcohol. The added flavors and other non-beverage ingredients may not include added caffeine or other added stimulants including but not limited to guarana, ginseng and taurine.
Identifying Marker – "Iowa 5¢ Refund" marker.
Intoxicating Liquor – See "Alcoholic Liquor."
Legal Drinking Age – 21 years of age.
License – Written authorization issued by the Iowa Alcoholic Beverages Division to qualified applicants, as well as the premises, for the selling and dispensing of liquor, wine or beer.
Licensed Establishment – See "Licensed Premises."
Licensed Premises – Rooms, enclosures and adjacent outdoor areas where alcoholic beverages are sold or consumed under authority of a liquor license, beer permit or wine permit.
Liquor – See "Alcoholic Liquor."
Living Quarters – Private living area for which the Division has issued a living quarters permit.
Local Authority – City council or county board of supervisors. Local authorities approve or deny applications for liquor, wine and beer licenses and impose civil penalties, suspend licenses and revoke licenses for violations of the laws and rules governing those licenses.

Manufacturer – A person who distills, rectifies, ferments, brews, makes, mixes, concocts or processes any substance capable of producing a beverage containing more than 0.5 percent alcohol by volume and includes blending, bottling or the preparation for sale.
Off-Premises Licenses – Type of licenses that allows the sale of liquor, wine and beer in original unopened containers (bottles, kegs, etc.) for consumption off the licensed premises.
On-Premises Licenses – Type of licenses that allows the sale and service of liquor, wine or beer by the glass for consumption on the licensed premises.
Outdoor Service Area – Designated area where, after meeting certain licensing requirements, the licensee may lawfully sell and dispense the same types of alcoholic beverages allowed by the license covering the establishment.
Permit – See "License."
Person – Individual, partnership, corporation, association, club, hotel, motel or municipality, which may apply for and obtain a liquor, wine or beer license.
Premises – See "Licensed Premises."
Public Place – Location where the public has access or is permitted to access.
Retailer – Person (partnership, corporation, etc.) who sells liquor, wine or beer at retail for consumption on or off the premises.
Spirits – Any beverage which contains alcohol obtained by distillation mixed with drinkable water and other substances in solution, including, but not limited to, brandy, rum, whisky and gin.
Stay – Temporary suspension of the agency's final action.
Transfer – Moving a liquor, wine or beer license from one location to another. Transfers of licenses may occur only within the same jurisdiction of the approving local authority and may be temporary or permanent.
Vintner – Manufacturer and importer of wine.
Wholesaler – Person (partnership, corporation, etc.) who sells wine or beer at wholesale. Wholesalers may sell only to retailers.
Wine – Any beverage containing more than five percent of alcohol by weight but not more than 17 percent of alcohol by weight (21.25 percent of alcohol by volume) obtained by the fermentation of the natural sugar contents of fruits or other agricultural products but excluding any product containing alcohol derived from malt or by the distillation process from grain, cereal, molasses or cactus.
Wine Cooler – See "Beer."

APPENDICES

Establishment Checklist

Recommended information to include

- Date & Time of Incident
- Case #
- Name of Establishment
  - Address
  - Phone
- License/Permit #
  - Effective Date
  - Expiration Date
  - Sunday Sales
  - Outside Sales
- Gambling License
  - Effective Date
  - Expiration Date
- Person Interviewed
  - Title
  - Phone
  - DOB
- Investigative Notes
- Reporting Party Name
- Reporting Agency
- Date Report Submitted

123.49(1)	Selling or serving intoxicated person
123.46	Public intoxication (includes licensee, employees, patrons)
123.49(2)(h)	Selling or serving person under 21
728.5	Public indecent exposure; actual or simulated sex acts
123.33	Failure to maintain daily records, income statements, ledgers, etc.
123.33	Failure to keep records of liquor purchases
123.138	Failure to keep records of beer purchases
123.185	Failure to keep records of wine purchases
123.49(2)(b)	After hours sales/consumption
123.49(2)(d)	*Mixed drink, cocktail, and alcohol infusion violation (or 123.49(2)(j))
123.49(2)(e)	*Refilling bottles (or 123.49(2)(j))
123.49(2)(j)	Knowingly permitting or engaging in criminal activity on premises
123.49(2)(c)	Selling on credit without a bona fide credit card (excludes clubs to members, hotels to registered guests)
123.49(2)(a)	*Illegal gambling; solicitation, immoral or disorderly conduct (or 123.49(2)(j))
99B.6	Illegal social gambling (cards, parlor games, sports betting pools); includes licensee, employee, agent participation

99B.10	Illegal electrical or mechanical device (gambling machine)
123.49(2)(f)	Employing person under 18 to sell or serve for on-premises consumption
123.49(2)(g)	Allowing persons to bring own liquor onto premises (does not include beer or wine)
123.49(2)(i)	Adding liquor to wine or beer (wine and beer permits only)
123.22	Possession for sale of illegally imported liquor
123.26	Liquor on premises without identifying markers (Iowa 5¢ refund)
123.30(2)	Health/fire code violation; interior access to living quarters without Living Quarters Permit
123.30(3)	Liquor sold to go (except Class "E" liquor licensed store)
123.36(5)	Sunday sales without Sunday Sales Privilege (not required for carry-out liquor and wine)
123.51	Brand name or logo advertising on outside of premises (except inside fence or similar enclosure)
123.59	Bootlegging (no license, expired license); selling/serving outdoors without Outdoor Service Area Privilege
123.142	Purchase of beer for resale from someone other than licensed wholesaler
123.181	Purchase of wine for resale from someone other than licensed wholesaler

A criminal conviction under these Iowa Code sections triggers automatic revocation of the license. (See Iowa Code section 123.50.) Officers have discretion to cite Iowa Code section 123.49(2)(j), in lieu of the mentioned code section. Although violation of this code section does not trigger automatic revocation of the license, it may result in administrative sanctions (civil penalty, suspension, revocation) against the license.

Submit a copy of the citation to the Iowa Alcoholic Beverages Division along with this checklist and report. Documents can be submitted via:
Online: https://abd.iowa.gov/
Fax: 515.281.7375
Mail: Iowa Alcoholic Beverages Division
1918 SE Hulsizer Road
Ankeny, IA 50021

Historical Highlights

The following are highlights of Iowa's liquor control system:

Jan. 20, 1920 - Volstead Act (National prohibition) becomes effective following ratification of the 18th Amendment by the states. (18th Amendment prohibited the "manufacture, sale, or transportation of intoxicating liquor.")

Feb. 20, 1933 - U.S. Congress repeals the 18th Amendment and the Volstead Act by approving the 21st Repeal Amendment. Iowa votes in favor of repeal of the 18th Amendment at its ratification convention on July 10, 1933.

March 8, 1934 - Iowa becomes one of the original "control" or "monopoly" states and assumes direct control over the wholesale and retail distribution of all alcoholic beverages except beer.

June 19, 1934 - Iowa's first retail liquor stores are opened in Des Moines, Marshalltown, Mason City, Atlantic and Oelwein.

July 4, 1963 - The Class C liquor license is created allowing the sale of alcoholic beverages by the drink for on-premises consumption.

Also effective on this date: Dram shop liability insurance becomes a precondition to the issuance of on-premises licenses and permits.

Jan. 1, 1972 - Reorganization legislation makes several changes including:

- Liquor statutes are streamlined from 12 separate chapters in the Iowa Code to one comprehensive chapter known as the "Iowa Beer and Liquor Control Act."
- The Iowa Beer and Liquor Control Department, consisting of a five-member, part-time council and one full-time director, replaces Iowa Liquor Commission, and is empowered to regulate the beer industry.

July 1, 1973 - Qualifying license and permit holders are allowed to sell alcoholic beverages on Sundays by obtaining a Sunday sales privilege.

May 1, 1979 - Under a bottle deposit law, the department begins collecting a 5¢ deposit on each bottle of liquor and wine sold to the general public.

July 1, 1985 - Iowa's wine monopoly is ended and a dual system of wine is created with the issuance of new wholesale and retail wine permits to qualified applicants.

July 1, 1986 -

- Beer and Liquor Control Department is replaced by Iowa Alcoholic Beverages Division.
- Iowa Alcoholic Beverages Division is designated as the sole wholesaler of all alcoholic liquor sold in the state. Wholesale wine sales are placed entirely in the private sector.

Also effective on this date: Iowa's legal drinking age is raised to 21 years. Previous legal drinking ages were:

- 19 (July 1, 1978 to July 1, 1986)*
- 18 (July 1, 1973 to July 1, 1978)
- 19 (July 1, 1972 to July 1, 1973)
- 21 (prior to July 1, 1972)

*Did not apply to persons born on or before June 30, 1960.

March 1, 1987 - 221 state retail liquor stores close as 256 licensed private liquor outlets are established in their market areas. During a four-month transition period, state stores continue to close as private outlets are established.

July 1, 1989 - A new Class A beer (brew pub) permit is created to allow holders of Class C liquor licenses and Class B beer permits to manufacture beer in their establishments for on-premises consumption.

July 1, 1990 - New five-day Class C and special Class C liquor licenses and Class B beer permits are created for festivals, fairs and celebrations "sponsored or authorized" by a local authority.

July 1, 1992 - Sunday hours of sale lengthened. New Sunday hours are from 8 AM to 2 AM on the following Monday.

May 5, 2000 - Funding and authority for tobacco enforcement is

appropriated and transferred to the Iowa Alcoholic Beverages Division. Under the authority granted by the Legislature, the Division creates the Iowa Pledge Tobacco Education and Enforcement Program.

May 2005 - The Division topped $1 billion in transfers to the general fund. Reorganized on July 1, 1987, when the state became the exclusive wholesaler of distilled spirits, the Division generated that revenue contribution in a span of less than 18 years.

July 1, 2008 - The Iowa Smokefree Air Act took effect, banning smoking in most public places, including bars and restaurants.

June 30, 2009 - The Division transferred over $100 million to the general fund in a single fiscal year for the first time.

March 2010 -

- Class A micro-distilled spirits permit created, allowing Iowa micro-distilleries to sell their products for off-premises consumption without circumventing the three-tier system.
- High alcoholic content beer defined as beer which contains more than five percent of alcohol by weight, but not more than 12 percent of alcohol by weight. It also created Class AA and Special Class AA permits, which allow the holders to manufacture and/or distribute high alcoholic content beer.
- Iowa wine laws changed from reciprocity to direct shipment. Wineries may now ship to Iowa consumers, subject to obtaining an Iowa license and remitting wine gallonage taxes to the state.

July 1, 2011 -

- The delivery of alcoholic beverages by licensees and permittees is codified.
- ABD is authorized to develop and implement a statewide employee alcohol compliance training program.
- The prohibition on the sale of liquor where gasoline is sold is repealed.

July 1, 2012 - On-premises liquor licensees are allowed to mix, store, and allow the consumption of mixed drinks, cocktails and alcohol infusions which are not for immediate consumption for up to 72 hours.

Alcoholic Beverages License Classifications

The Division issues several classes of alcoholic beverages licenses with different privileges. License types are indicted by abbreviations such as LA, LB, LC, BB, BC, etc. Additional privileges such as Sunday sales, outdoor service, catering, etc. are notated at the bottom of the license.

Licenses are issued to a specific individual or entity (partnership, corporation or association) doing business at a specific address. One person may not operate under another person's license.

Following is a listing of the retail alcoholic beverages licenses which are issued by the Division.

On-premises licenses

Classification	License/Permit Privileges
Class A Liquor License (LA) IC § 123.30	Allows non-profit clubs (members and guests only) to sell liquor, wine, beer and wine coolers for on-premises consumption only. No carry-out sales. Sales are restricted to members and guests.
Class B Liquor License (LB) IC § 123.30	Allows hotels and motels to sell liquor, wine, beer and wine coolers for on-premises consumption including room service. Allows carry-out sales of beer and wine coolers in original unopened containers.
Class C Liquor License (LC) IC § 123.30	Allows commercial establishments (taverns, bars, restaurants, etc) to sell liquor, wine, beer and wine coolers for on-premises consumption. Allows carry-out sales of beer and wine coolers in original unopened containers.
Special Class C Liquor License (BW) IC § 123.30	Allows commercial establishments (taverns, bars, restaurants, etc.) to sell wine, beer and wine coolers for on-premises consumption. Allows carry-out sales of beer and wine coolers in original unopened containers.
Class C Native Wine (WCN) IC § 123.178B	Allows commercial establishments (taverns, bars, restaurants, etc.) to sell Iowa native wine for on-premises consumption. Allows carry-out sales of Iowa native wine in original unopened containers. Sunday sales are included.

(Continued next page)

On-premises licenses (continued)

Classification	License/Permit Privileges
Class B Beer Permit (BB) IC § 123.124	Allows commercial establishments (taverns, bars, restaurants, etc.) to sell beer for on-premises consumption. Allows carry-out sales of beer and wine coolers in original unopened containers.
Class D Liquor License (LD) IC § 123.30	Allows railroads, air common carriers and passenger-carrying boats or ships operating in inland or boundary waters to sell liquor, wine, beer and wine coolers for on-premises consumption only. No carry-out sales.

Note: In addition to 12-month licenses, 5-day, 14-day, 6-month and 8-month licenses are available for all on-premises license/permits.

Off-premises licenses

Classification	License/Permit Privileges
Class B Wine Permit (WB) IC § 123.173	Allows commercial establishments (grocery stores, convenience stores, pharmacies, etc.) to sell wine for off-premises consumption in original unopened containers. No sales by the drink. Tastings are permitted of one ounce or less providing there is no charge for the tasting. Sunday sales are included.
Class B Native Wine Permit (WBN) IC § 123.178A	Allows commercial establishments (grocery stores, convenience stores, pharmacies, etc.) to sell Iowa made wine for off-premises consumption in original unopened containers. No sales by the drink. Tastings are permitted of one ounce or less providing there is no charge for the tasting. Sunday sales are included.
Class C Beer Permit (BC) IC § 123.124	Allows commercial establishments (grocery stores, convenience stores, pharmacies, etc.) to sell beer and wine coolers for off-premises consumption in original unopened containers. No sales by the drink.
Class E Liquor License (LE) IC § 123.30	Allows commercial establishments (grocery stores, liquor stores, convenience stores, pharmacies, etc.) to sell liquor for off-premises consumption in original unopened containers. No sales by the drink. Sunday sales are included. Allows wholesale sales of liquor to on-premises Class A, B, C and D liquor licensees if Class E obtains a Federal Wholesale Permit.

(Continued next page)

Off-premises licenses (continued)

Classification	License/Permit Privileges
Charity Beer & Wine Auction Permit (CP) IC § 123.173A	Allows an authorized non-profit entity to auction beer and wine during an event which raises funds solely to be used for educational, religious or charitable purposes. Contact the Division for additional information.

Note: 6-month and 8-month permits are available for Class B wine permits. Only 12-month licenses/permits may be issued for Class E liquor licenses and Class C beer permits.

Additional privileges for retail licenses and permits

PRIVILEGE	ACTIVITY ALLOWED	MAY ADD TO
Sunday Sales IC § 123.36	Allows selling and serving alcoholic beverages permitted by the license or permit on Sundays.	Class A, B, C, D and Special class C liquor licenses; Class B and C beer permits
Outdoor Service IC § 123.3(25) & 185 IAC	Allows selling and/or serving alcoholic beverages permitted by the license or permit in the designated adjacent outdoor area.	Class A, B, C, E and Special Class C liquor licenses; Class B and C beer permits; Class B wine permits; Class B and C native wine permits
Catering IC § 123.95 & 185 IAC	Allows catering of liquor, wine, beer and wine coolers as part of a food catering service. No sales by the glass.	12-month Class B and C liquor licenses
Brew Pub/ High Alcoholic Content Beer Brew Pub* IC § 123.130	Allows brewing of beer or high alcoholic content beer on the premises for on-premises consumption.	Class C liquor licenses; Class B beer permits
Living Quarters IC § 123.3 & 185 IAC	Separate private living quarters from the licensed premises; protects licensee from warrantless searches of living quarters.	All license types

Note: When privileges are added after the license effective date, fees are prorated. *Brew pub and high alcoholic brew pub are separate privileges.

Important Contact Information

Iowa Alcoholic Beverages Division 1-866-469-2223
1918 SE Hulsizer Road
Ankeny, IA 50021
Licensing & Regulation..... 515-281-7400, Option 1
https://abd.iowa.gov/ (fax) 515-281-7375
email: licensing@IowaABD.com

Local Authority
City Clerk or County Auditor _____
(fill in)
City or County Attorney _____
(fill in)

State Contacts
Department of Revenue & Finance 515-281-3114
Sales tax permits..... 1-800-367-3388
Hoover State Office Building
1305 E. Walnut
Des Moines, IA 50319
www.Iowa.gov/tax

Lottery Licenses..... 515-281-7900
2015 Grand Avenue
Des Moines, IA 50312
www.IALottery.com

Department of Inspections and Appeals
Lucas State Office Building
321 E 12th Street
Des Moines, IA 50319
Food establishment & food service licenses..... 515-281-6538
Social gambling licenses..... 515-281-6848
www.DIA.Iowa.gov

Federal Contacts

Alcohol and Tobacco Tax and Trade Bureau (TTB). 866-927-2533
1310 G Street, NW., Box 12
Washington, DC 20005
www.TTB.gov

Alcohol, Tobacco & Firearms..... 430-268-0986
1 South 450 Summit, Suite 225
Oakbrook Terrace, Illinois 60181
www.ATF.gov

Alcohol, Tobacco & Firearms..... 515-362-4001
210 Walnut Street Room 707
Des Moines, IA 50309-2106

Federal Occupational Tax Permit 513-684-2979

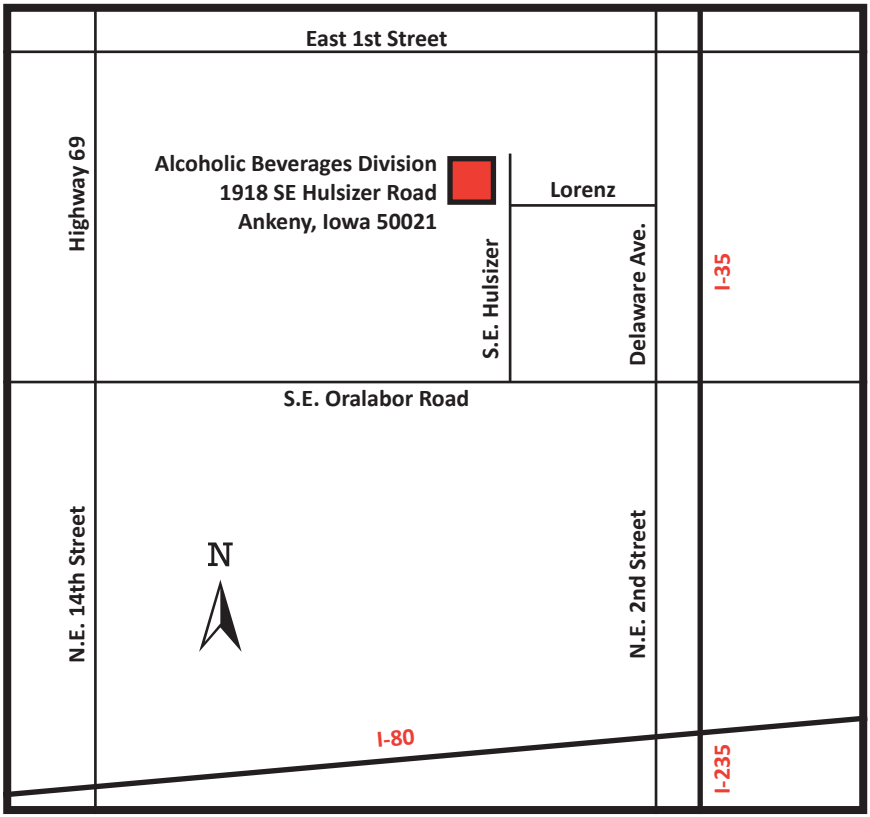
Federal Basic Wholesalers' Permit..... 513-684-3337

Iowa Alcoholic Beverages Division Map

To travel to the Iowa Alcoholic Beverages Division to testify at a hearing or attend a meeting, use this map.

The Division's street address is:

Iowa Department of Commerce
Alcoholic Beverages Division
1918 SE Hulsizer Road
Ankeny, IA 50021



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ALCOHOLIC BEVERAGES DIVISION
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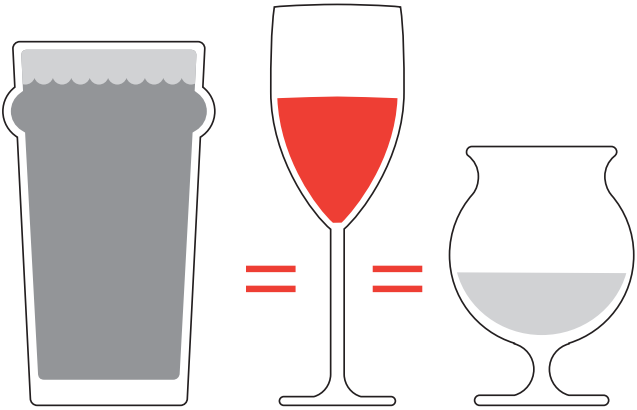
QUICK REFERENCES

MANUFACTURER
Distiller
Vintner • Brewer

WHOLESALER
Spirits
Wine • Beer

RETAILER
On-Premises
Off-Premises



12 ounces	5 ounces	1.5 ounces
5% ABV beer	12% ABV wine	80 proof liquor

16 YEARS OF AGE — **TO SELL** for off-premises consumption

18 YEARS OF AGE — **TO SERVE** for on-premises consumption

21 YEARS OF AGE — **TO DELIVER** for off-premises consumption

This entire book can be download for free as a searchable PDF document at https://abd.iowa.gov/.

This manual provides information for a general understanding of the laws and regulations governing alcoholic beverages licenses and permits. This manual is not intended to serve as a precise statement of the Iowa Alcoholic Beverage Control Act, the Division's administrative rules or other statues. For further information, please refer to Iowa Code chapter 123 and 185 Iowa Administrative Code, contact the Division, or consult with your legal counsel to ensure content accuracy, effectiveness and compliance with the law.

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