

IOWA ALCOHOLIC BEVERAGES COMMISSION

MINUTES

Muscatine City Hall
215 Sycamore Street, Muscatine Iowa
City Council Chambers
December 18th, 2014 - 10:30 am
Dial In Number: 1.866.685.1580
Conference Code Number: 0009991572

Commission Members Present:

Rick Hunsaker: Chairperson
Jay Wilson: Secretary
Gary Nystrom: Member
Claire Celsi: Member

ABD Staff Present:

Stephen Larson: Administrator
John Lundquist: Assistant Attorney General
Karen Freund: Regulation and Licensing Bureau Chief
Stephanie Strauss: Executive Officer
Heather Schaffer: Compliance Officer
Bobby Bailey: Public Information Officer
Erin Bothwell: Administrative Assistant
Tim Iversen: COO (via phone)
Tammy Plowman: Comptroller (via phone)

Guests Present:

Jessica Dunker: Iowa Restaurant Association
Charles McGrigg: Wine Institute
Sheila Douglas: IWBD
Garett Burchett: Mississippi River Distilling Company
Colleen Murphy: IEDA – Iowa Wine & Beer
John Cacciatore: Discus
Teresa Albert: Iowa Brewers Guild
Emily Saveraid: Iowa Wine Growers Association
Michael Vincent: IWGA

Guests Present on Conference Call:

Julie Simon: Iowa Senate Democratic Caucus
Sheila Douglas: IWBD

CALL TO ORDER

Chairperson Rick Hunsaker called the meeting to order at 10:39 a.m. and roll was taken. There was a quorum.

APPROVAL OF AGENDA

MOTION: A motion was made by Commissioner Celsi and a second by Commissioner Wilson to approve the agenda for the December 18, 2014 Commission meeting.

Motion approved unanimously.

MOTION: A motion was made by Commissioner Nystrom and a second by Commissioner Celsi to approve the minutes for November 12, 2014 Commission meeting.

Motion approved unanimously.

Chairperson Rick Hunsaker recognized Colleen Murphy from the tourism office for the Iowa Economic Development Authority (IEDA).

Colleen gave a brief update on an RFP regarding the economic impact numbers for the craft beer industry. A study was done in 2008 to determine the economic impact of the Iowa Wine Industry and with a growth in craft beer determined it was a good time to do an economic study on the craft beer industry. RFPs are due on December 22, 2014. The goal of this study is to help answer the question "What does the craft beer industry mean to Iowa and Iowa's economic development growth?" This study will allow for a benchmark as the industry continues to grow within Iowa. It will also provide additional information on brewing prices, employee development, production and impact on tourism. Once the study is completed, IEDA will have a compilation of other states craft beer numbers for comparison to Iowa.

Chairperson Rick Hunsaker recognized Administrator Larson for the 2015 Legislative session overview.

2015 Legislative Session

Staff person Stephanie Strauss presented three pre-filed bills the Division has received approval for.

1. Policy Bill: A ban on powdered alcohol
 - a. An Act prohibiting the sale or offering for sale of alcoholic liquor in powdered or crystalline form.
2. Technical Bill: Changes to chapter 123
 - a. The bill makes non-substantive changes to Chapter 123.
3. Technical Bill: Change to the wine gallonage shipper permits
 - a. An Act to establish a new filing frequency for Wine Direct Shipper License holder to report and remit wine gallonage tax.

Administrator Larson went over staff timeline of pre-filed bills submissions and discussed having a public policy debate on whether powdered alcohol should be sold in Iowa.

ABD staffs have been watching the legislative website for committee chair's being appointed to commerce. Information regarding these committees will be distributed to the commission once finalized.

Public Comment

Garett Burchett of Mississippi River Distilling Company informed the commission that the micro distilleries will be proposing a bill that will address three different things.

1. Sales of Spirits by the glass.
2. Changing of the gallons that can be produced by micro distilleries per year. Currently allowed to produce 50,000 gallons but will raise that to 900,000 per year.
3. Removal of the 1.5 L retail sales.

Jessica Dunker of the Iowa Restaurant Association informed the commission that they may or may not be proposing legislation to revamp the dram shop requirements and begin the process for a victims fund with already collected taxes.

Emily Saveraid of Iowa Wine Growers Association informed the commission that they were looking at the language for the special event licenses to make it easier for wineries and local communities to hold events that's a beneficial to their communities.

Administrative Rules/Trade Practices

Staff persons Stephanie Strauss and Heather Schaffer presented the work completed by ABD staff on 185 Iowa Administrative Code Chapter 16 - trade practices. Between commission meetings ABD staff has meet with administrator rules coordinator and received direction to start reorganizing the chapter first, by adding purpose before each section and adding definitions. Staff person Schaffer also reported on the rule on tastings, samplings and trade spending and provided proposed language.

A timeline for this process was also discussed. The reorganization of chapter 16 with no changes to the outline itself would be effective on June 17, 2015, at the earliest. Immediately after ABD would file a new rule on tasting, sampling and trade spending. This would become effective on October 7, 2015 (as the earliest date).

Staff persons Stephanie Strauss and Heather Schaffer also discussed the importance of following Executive Order 80 by creating a stake holders group for the purpose of working on the expanded list of definitions in Chapter 16. They emphasized that the rule making process follows the administrative rules calendar.

Next Meeting Date: January 14, 2015 @ 2:00 p.m. in Ankeny, IA.

ADJOURNMENT

MOTION: A motion was made by Commissioner Celsi and a seconded by Commissioner Nystrom to adjourn the meeting. Motion approved unanimously.

The meeting adjourned at 11:30 am.

Commissioner Wilson, Secretary