

Tastings by Industry Members

TO: Alcoholic Beverages Manufacturers, Wholesalers, and Brokers (Industry Members)

INTRODUCTION

The Iowa Alcoholic Beverages Division (Division) administers and enforces the laws of Iowa concerning beer, wine, and alcoholic liquor. The purpose of this bulletin is to provide clarification on the practice of *industry member-conducted* tastings. A tasting is the presentation and serving of a product to consumers for the purpose of market research, education, promotion of the product, or determination of the flavor of the product.

BACKGROUND

Iowa Code section 123.186 mandates that the Division adopt as rules the substance of the federal regulations 27 C.F.R. parts 6, 8, 10, and 11 as they relate to transactions between industry members and retailers, otherwise known as trade practices. The Division is conducting a comprehensive review of the trade practices chapter to update rules and provide clarity to stakeholders. The Division began by reviewing the tasting, sampling, and trade spending rule, which resulted in the adoption of three new separate rules and defining related terms. The new layout provides clarity and explains each subject matter in greater detail.

DISCUSSION

The newly adopted rule on tastings allows an industry member to conduct tastings at retail locations licensed for on- or off-premises consumption and unlicensed locations under the following guidelines:

The tasting amount per consumer must be limited to:

- No more than two ½ ounce tastes of any brand of alcoholic liquor,
- No more than two 1 ounce tastes of any brand of wine,
- No more than two 2 ounce tastes of any brand of beer or high alcoholic content beer, and
- No more than two 2 ounce tastes of a mixed drink or cocktail as defined in 185 Iowa Administrative Code section 4.5(1)“b”.

An industry member is prohibited from:

- Serving a taste to a consumer who is under legal age, intoxicated, or simulating intoxication,
- Allowing a person under 18 years of age to serve a taste, and
- Serving tastes of other industry members’ brands of alcoholic beverages.

When conducting a tasting on a licensed premises:

- The tasting must be limited to the types of alcoholic beverages available for purchase at the licensed premises,
- The tasting must be held during the hours when alcoholic beverages may be legally sold or served,
- Snack foods or hors d’oeuvres may be offered to consumers,

- The alcoholic beverages or food served at the tasting must either be provided by the industry member or purchased at no more than the ordinary retail price from the licensed premises where the tasting is held, and
- Any alcoholic beverages or food remaining at the end of the tasting must be removed from the licensed premises by the industry member.

When conducting a tasting on an unlicensed premises:

- Tastings of wine, beer, or high alcoholic content beer may be served in an unlicensed public place, unless prohibited by Iowa Code section 123.46(2) or an applicable city or county ordinance or regulation,
- Tastings of alcoholic liquor are prohibited in an unlicensed public place,
- Tastings of alcoholic liquor, wine, beer, and high alcoholic content beer may be served in an unlicensed private place as defined in 185 Iowa Administrative Code section 4.23(4),
- Alcoholic beverages served during the tasting must be obtained from the respective wholesaler,
- Snack foods or hors d'oeuvres may be offered to consumers, and
- Any alcoholic beverages or food remaining at the end of the tasting must be removed from the unlicensed premises by the industry member.

Record keeping requirements:

- An industry member must keep and maintain records in accordance with 185 Iowa Administrative Code section 16.18.

Violations:

- An industry member who conducts a tasting that is found to be in violation of Iowa laws or rules may be subject to administrative sanctions, including, but not limited to, civil penalty, license suspension or license revocation.

CONCLUSION

Effective December 30, 2015, industry members shall conduct tastings in accordance with this bulletin.

QUESTIONS

If you have any questions concerning this bulletin, please contact Stephanie Strauss, Government Relations, at 515-281-7432 or Strauss@IowaABD.com.



Stephen Larson, Administrator

References and useful information:

State Law: 123.43A, 123.56, 123.186(1)

State Rules: 185 Iowa Administrative Code chapter 16

Federal Regulations: 27 Code of Federal Regulation 6.95

Website Links: http://iowaabd.com/alcohol/regulation/alcohol_laws

The Alcoholic Beverages Division was created to administer and enforce the laws of Iowa concerning beer, wine and alcoholic liquor.

This bulletin does not replace statutes, rules or court decisions.

This bulletin should not be considered legal advice or a substitute for legal counsel.