



The Iowa Alcoholic Beverages Division Presents:

Rules and Regulation for
Alcohol Compliance
During RAGBRAI



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 information for licensees/permittees, their employees and agents to have a general understanding of the laws and regulations governing the alcoholic beverages license/permit. Knowledge may be the least expensive insurance against the imposition of administrative civil penalties, license suspension or revocation, criminal fines, and civil lawsuits.

The Division hopes that this manual will provide licensees/permittees, their employees and agents with the information necessary for the responsible sale of alcoholic beverages and will assist in their effort to:

- Comply with 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.

Timeline

The Division will be putting requirements in place to provide a clear overview of what are acceptable practices regarding alcohol licensing, sales of alcohol and trade practices. Each licensee/permittee will be required to follow the timeline outlined below for any changes, updates or new applications to their license/permit. Licensees/permittees who are not making any changes or updates to their license/permit may continue to sell alcoholic beverages permitted by their license/permit type.

*** Friday, July 8: ***

All new applications and updates to a current license must be submitted to The Division and be in "approved by local authority" status in eLicensing.

Monday, July 11 – Friday, July 15: Grace period for licensee/permittee

If an application was submitted ahead of the July 8 deadline, but local authority approval was delayed by an insurance carrier or city council/board of supervisors meeting, licensees permittees may submit an electronic explanation to The Division explaining why the application was delayed. The Division will then review the explanation and approve or deny the application.

**Submit all electronic explanations to:
Hohn@IowaABD.com**

Monday, July 18 – Friday, July 22:

No new or updated applications will be accepted from licensees/permittees along the RAGBRAI route. All applications submitted to The Division will be denied.



Licensing

Current license/permit holders may continue to sell alcoholic beverages in their licensed premises along the RAGBRAI route. It will need to operate within the parameters of their original license/permit type (Example: class “B” beer permittees can only sell beer and coolers - NOT ALCOHOLIC LIQUOR) and follow all alcohol laws required by Iowa Code chapter 123. However, if a new or existing business wishes to make changes to an existing license/permit or acquire a new alcohol license/permit during RAGBRAI, the following three options are available.

1. Outdoor Service Areas (patios, beer gardens, etc.)

Outdoor service areas are designated areas which are connected 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. Only products permitted by the license/permit may be served. Licensees/permittees 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 licensees/permittees insurance company certifying that the dram shop liability insurance policy 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.) Outdoor service areas are not stand-alone licenses. They expire with the license and must be renewed annually.

Iowa Code section 123.3 and 185 Iowa Administrative Code

2. License Transfers

Although liquor, wine and beer licenses may not be transferred from one person to another, they may only be transferred from one location to another. Licenses may only be transferred to a location 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 to a location 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 to a location within the same city – not to an unincorporated area of that county or to another incorporated city.

Licensees/permittees may transfer their license/permit to another qualified premises by filing the following documents:

- 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/permittee’s insurance company certifying that the dram shop



liability insurance is transferred to the new location for the same period that the license/permit is transferred. (Endorsement is required only when dram shop liability insurance is required for the class of license/permit that is transferred.)

The above documents must be approved by the local authority and The Division before selling and dispensing alcoholic beverages in the new location. Licensees/permittees must limit the selling and serving of alcoholic beverages in the new location to the dates of transfer which 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, 24 hours to seven days.* Only those alcoholic beverages permitted by the license/permit 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

3. Five-day Licenses

Qualified persons wanting to sell and dispense alcoholic beverages at a town celebration or 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. Five day licenses may be issued for on-premises locations only.

Iowa Code section 123.34

Five Day License Types:

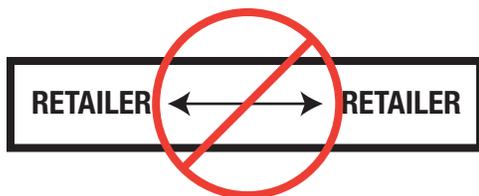
Class "B" Beer	Beer & Coolers
Special Class "C" Liquor	Beer, Wine & Coolers
Class "C" Liquor	Liquor, Wine, Beer & Coolers

Laws and Regulation

Transfer of Alcoholic Beverages Between Licensed Premises

Liquor, wine and beer inventory cannot be transferred from one retail premises to another even if all of the premises are owned by the same person, partnership, corporation or association.

Exceptions: Inventory can be transferred when the retail license is transferred from one location to another.



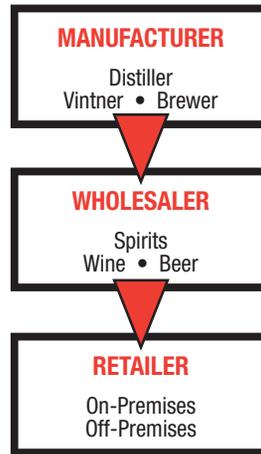
Iowa Code sections 123.22, 123.30, 123.123, 123.130, 123.131, 123.132, 123.173, 123.177, 123.178, 123.178A and 123.178B

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.

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**



LICENSE	MUST PURCHASE FROM
Beer Off-Premises	BEER WHOLESALER
Beer On-Premises	
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

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 also 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**

Record Keeping Requirements

Iowa law requires licensees/permittees to make their records available to law enforcement officials and to members of the Iowa Alcoholic Beverages Division during business hours and when the licensee/permittee, their employees, agents or patrons are on the licensed premises. During RAGBRAI, licensees/permittees are expected to have receipts on hand for any equipment, furnishings, or fixtures that have been rented.

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



Bootlegging

Selling liquor, wine, beer and other alcoholic beverages without a license is bootlegging. Whenever liquor, wine or beer are sold or there is a cost to obtain access to the alcohol, a license/permit is required. Bootlegging is a criminal offense (serious misdemeanor). Bootlegging includes:

- Selling alcohol without a license.
- Allowing your 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 your licensed establishment.**
- **Retailer buying from someone other than a wholesaler.**

Iowa Code sections 123.59, 123.60 through 123.88 and 123.119

Display of License

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

Iowa Code section 123.21 and 185 Iowa Administrative Code

Ages to Sell, Serve and Deliver

A licensees/permittees 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.

16 YEARS OF AGE	TO SELL for off-premises consumption and to deliver to retailers
18 YEARS OF AGE	TO SERVE for on-premises consumption
21 YEARS OF AGE	TO DELIVER to consumers

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

Iowa’s Legal Drinking Age

Iowa’s 21-year-old legal drinking age applies to everyone, including patrons, agents, employees and the licensees/permittees family members. Licensees/permittees, 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/ permittees 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



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. Only class “E” liquor licensees, class “B” wine permittees, class “B” native wine permittees and class “C” native wine permittees have a Sunday sales privilege as part of their basic license/permit.

Iowa Code sections 123.36, 123.49 and 123.134

Outside Advertising

Licensees/permittees 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.) may face outward through a window.
- Outside signs (billboards, reader boards, etc.) which are not located on the licensed premises.

Licensees/permittees cannot 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.

Iowa Code section 123.51

Trade Practices

There are state and federal laws and rules that regulate marketing practices between industry members and retailers. When an industry member provides unfair or unlawful services, benefits and gifts to a retailer in order to obtain a better position in the marketplace, it can be referred to as unfair competition or unlawful trade practices. Gifts, services and benefits are examples of areas that are regulated in marketing practices. Retailers should be aware of which marketing practices are considered to be fair and allowable as well as practices deemed to be unfair or inducements. The handout provided in your packet provides answers to frequently asked questions about marketing practices.

Iowa Code section 123.45, 123.186 and 185 Iowa Administrative Code

Infused and Premixed Drinks

On-premises liquor control licensees may mix, store, and dispense mixed drinks, cocktails and alcohol infusions which are not for immediate consumption. The rules define “immediate consumption” to mean the mixing and fulfilling of a mixed drink or cocktail order only after receiving the order. Examples are margaritas, daiquiris, bloody mary’s, Jell-O shots, and martinis that have been premixed and contain alcoholic liquor. Licensees who intend to serve premixed drinks should become familiar with the record keeping and label requirements. For more information referencethehandoutprovidedinyourpacketorvisit<https://abd.iowa.gov/alcohol/infused-and-premixed-drinks>.

Iowa Code section 123.49 and 185 Iowa Administrative Code



Gambling

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/permittees, their employees and agents may not promote, sponsor, conduct or act as a banker or cashier for social games. For more information or information on how to apply for a social gambling license reference the handout provided in your packet, 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

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.

Although it may be difficult to refuse the sale or service of alcoholic beverages, the consequences that may occur if appropriate action is not taken are significant. People who become intoxicated put themselves and others at risk of injury and harm. Licensees/permittees, their employees and agents who sell or serve an alcoholic beverage to an intoxicated person must realize that their failure to intervene may indirectly injure or kill someone.

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

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

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



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. For more information reference the handout provided in your packet or visit <https://abd.iowa.gov/education/i-pact>.

I-PLEDGE Tobacco, Alternative Nicotine and Vapor Products Retailer Training

All individuals who sell tobacco, alternative nicotine and vapor products as well as holders of retail licenses should take the I-PLEDGE training. The core objective of the I-PLEDGE program is to prevent illegal sales of tobacco, alternative nicotine and vapor products by educating retailers and increasing awareness of changes in Iowa's tobacco, alternative nicotine and vapor products laws. The program focuses on preventing underage sales and when not to make a sale. Participants will learn techniques for refusing the sale of tobacco, alternative nicotine and vapor products with minimal confrontation and how to legally confiscate an altered or fake ID. Establishments choosing to participate in the I-PLEDGE training are granted an affirmative defense, which may be used once in a four-year period. The training is offered online at no cost. For more information reference the handout provided in your packet or visit <https://abd.iowa.gov/i-pledge>.

Smokefree Air Act

The Smokefree Air Act prohibits smoking in almost all public places and enclosed areas within places of employment, as well as some outdoor areas. The law applies to: restaurants, bars, outdoor entertainment events and amphitheatres.

For more information reference handouts provided in your packet or contact Iowa Department of Public Health.
Phone: 1-888-944-2247 **DEAF RELAY:** (Hearing or Speech Impaired) 711 or 1-800-735-2942.
Website: <http://www.iowasmokefreeair.gov/>



Overnight Towns

GLENWOOD

CITY HALL

5 N Vive Street

Glenwood, IA 51534

Tel: 712-527-4717

SHENANDOAH

CITY HALL

500 W. Clarinda Avenue

Shenandoah, IA 51601

Tel: 712-246-1213

CRESTON

CITY HALL

116 West Adams Street

PO BOX 449

Creston, IA 50801

Tel: 641-782-2000

LEON

CITY HALL

104 W 1st Street

Leon, IA 50144

Tel: 641-446-6221

CENTERVILLE

CITY HALL

312 East Maple

Centerville, IA 52544

Tel: 641-437-4339

OTTUMWA

CITY HALL

105 E. Third Street

Ottumwa, IA 52501

Tel: 641-683-0621

WASHINGTON

CITY HALL

215 E. Washington Street

Washington, IA 52353

Tel: 319-653-6584

MUSCATINE

CITY HALL

215 Sycamore Street

Muscataine, IA 52761

Tel: 563-264-1550

Contact the Division

IOWA ALCOHOLIC BEVERAGES DIVISION

1918 SE HULSIZER RD

Ankeny, IA 50021

Tel : 515-281-7400

Website: <https://abd.iowa.gov/>





Terry E. Branstad *Governor of Iowa*
Kim Reynolds *Lieutenant Governor*
Stephen Larson *Administrator*

RAGBRAI CONTACT INFORMATION

For questions regarding compliance, or to submit a complaint, please contact:

Heather Schaffer
Compliance Officer 2
(515) 281-7461
schaffer@iowaabd.com

For questions regarding licensing, please contact:

Jason Hohn
Lead Licensing Clerk Specialist
(515) 281-7429
hohn@iowaabd.com

To submit education and outreach ideas, please contact:

Erin Bothwell
Education and Outreach Program Planner
(515) 725-7927
bothwell@iowaabd.com

For all other questions, please contact:

Stephanie Strauss
Executive Officer 2
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strauss@iowaabd.com