

Class B Beer Permit (BB)

For taverns, bars, restaurants, etc. Allows commercial establishments to sell beer for on-premises consumption. Also allows carry-out sales of beer.

The following pages contain information related to your license. This is not an all-inclusive list of information that pertains to you.

For the complete Iowa Code Chapter 123 use this link:

<https://www.legis.iowa.gov/docs/code/123.pdf>

For the complete 185 Iowa Administrative Rules use this link:

<https://www.legis.iowa.gov/docs/iac/agency/185.pdf>



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123.131 Authority under class “B” beer permit.

1. Subject to the provisions of this chapter, any person holding a class “B” beer permit shall be authorized to sell beer for consumption on or off the premises. Sales of beer for consumption off the premises made pursuant to this section shall be made in original containers except as provided in subsection 2. However, unless otherwise provided in this chapter, no sale of beer shall be made for consumption on the premises unless the place where such service is made is equipped with tables and seats sufficient to accommodate not less than twenty-five persons at one time.

2. Subject to the rules of the division, sales of beer for consumption off the premises made pursuant to this section may be made in a container other than the original container only if the container is carried into an immediately adjacent premises covered by a license or permit that authorizes the consumption of beer, temporarily closed public right-of-way, or a private place, or if all of the following requirements are met:

a. The beer is transferred from the original container to the container to be sold on the licensed premises at the time of sale or when sold by telephonic or other electronic means.

b. The person transferring the beer from the original container to the container to be sold shall be eighteen years of age or more.

c. The container to be sold shall be no larger than seventy-two ounces.

d. The container to be sold shall be securely sealed by a method authorized by the division that is designed so that if the sealed container is reopened or the seal tampered with, it is visibly apparent that the seal on the container of beer has been tampered with or the sealed container has otherwise been reopened.

3. A container of beer other than the original container that is sold and sealed in compliance with the requirements of subsection 2 and the rules of the division shall not be deemed an open container subject to the requirements of sections 321.284 and 321.284A if the sealed container is unopened and the seal has not been tampered with, and the contents of the container have not been partially removed.

4. A person holding a class “B” beer permit and a class “A” beer permit whose primary purpose is manufacturing beer may purchase wine from a wholesaler holding a class “A” wine permit for sale at retail for consumption on the premises covered by the class “B” beer permit.

5. A person holding a class “B” beer permit may also hold a special class “A” beer permit for the premises licensed under a class “B” beer permit for the purpose of operating as a brewpub pursuant to this chapter.

123.138 Records required – keg identification sticker.

1. Each class “A” or special class “A” beer permittee shall keep proper records showing the amount of beer sold by the permittee, and these records shall be at all times open to inspection by the administrator and to other persons pursuant to section 123.30, subsection 1. Each class “B” beer permittee, class “C” beer permittee, or retail liquor control licensee shall keep proper records showing each purchase of beer made by the permittee or licensee, and the date and the amount of each purchase and the name of the person from whom each purchase was made, which records shall be open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the permittee or licensee.

2. a. Each class “B”, “C”, or special class “C” liquor control licensee and class “B” or “C” beer permittee who sells beer for off-premises consumption shall affix to each keg of beer an identification sticker provided by the administrator. The sticker provided shall allow for its full removal when common external keg cleaning procedures are performed. For the purposes of this subsection, “keg” means all durable and disposable containers with a liquid capacity of five gallons or more. Each class “B”, “C”, or special class “C” liquor control licensee and class “B” or “C” beer permittee shall also keep a record of the identification sticker number of each keg of beer sold by the licensee or permittee with the name and address of the purchaser and the number of the purchaser’s driver’s license, nonoperator’s identification card, or military identification card, if the military identification card contains a picture and signature. This information shall be retained by the licensee or permittee for a minimum of ninety days. The records kept pursuant to this subsection shall be available for inspection by any law enforcement officer during normal business hours.

b. (1) The division shall provide the keg identification stickers described in paragraph “a” and shall, prior to utilizing a sticker, notify licensed brewers and licensed beer importers of the type of sticker to be utilized. Each sticker shall contain a number and the following statement:

It is unlawful to sell, give, or otherwise supply any alcoholic beverage, wine, or beer to any person under legal age. Any person who defaces this sticker shall be guilty of criminal mischief punishable pursuant to section 716.6 and shall cause the forfeiture of any deposit, if applicable.

(2) The identification sticker shall be placed on the keg at the time of retail sale. The licensee or permittee shall purchase the stickers referred to in this subsection from the

division and shall remit to the division deposits forfeited pursuant to this lettered paragraph due to defacement. The cost of the stickers to licensees and permittees shall not exceed the division's cost of producing and distributing the stickers. The moneys collected by the division relating to the sale of stickers and forfeited deposits shall be credited to the beer and liquor control fund.

c. The provisions of this subsection shall be implemented uniformly throughout the state. The provisions of this subsection shall preempt any local county or municipal ordinance regarding keg registration or the sale of beer in kegs. In addition, a county or municipality shall not adopt or continue in effect an ordinance regarding keg registration or the sale of beer in kegs.

d. The division shall establish by rule procedures relating to the forfeiture and remittance of deposits pursuant to paragraph "b".

123.140 Separate locations – class "B" or "C" beer permit.

Every person holding a class "B" or class "C" beer permit having more than one place of business where such beer is sold which places do not constitute a single premises within the meaning of section 123.3, subsection 29, shall be required to have a separate license for each separate place of business, except as otherwise provided by this chapter.

123.141 Keeping liquor where beer is sold.

No alcoholic liquor for beverage purposes shall be used, or kept for any purpose in the place of business of class "B" beer permittees, or on the premises of such class "B" beer permittees, at any time. A violation of any provision of this section shall be grounds for suspension or revocation of the beer permit pursuant to section 123.50, subsection 3. This section shall not apply in any manner or in any way to the premises of any hotel or motel for which a class "B" beer permit has been issued, other than that part of such premises regularly used by the hotel or motel for the principal purpose of selling beer or food to the general public, to a premises for which both a class "B" beer permit and a class "A" native distilled spirits license have been issued, or to keep a pharmacy from having alcohol in stock for medicinal and compounding purposes.

123.142 Unlawful sale and importation.

1. It is unlawful for the holder of a class "B" or class "C" beer permit issued under this

chapter to sell beer, except beer brewed on the premises covered by a special class “A” beer permit or beer purchased from a person holding a class “A” beer permit issued in accordance with this chapter, and on which the tax provided in section 123.136 has been paid. However, this section does not apply to class “D” liquor control licensees as provided in this chapter.

2. It shall be unlawful for any person not holding a class “A” beer permit to import beer into this state for the purpose of sale or resale.

123.2 General prohibition.

It is unlawful to manufacture for sale, sell, offer or keep for sale, possess, or transport alcoholic liquor, wine, or beer except upon the terms, conditions, limitations, and restrictions enumerated in this chapter.

123.3 Definitions.

As used in this chapter, unless the context otherwise requires:

1. “Administrator” means the administrator of the division, appointed pursuant to the provisions of this chapter, or the administrator’s designee.

2. “Air common carrier” means a person engaged in transporting passengers for hire in interstate or foreign commerce by aircraft and operating regularly scheduled flights under a certificate of public convenience issued by the civil aeronautics board.

3. “Alcohol” means the product of distillation of any fermented liquor rectified one or more times, whatever may be the origin thereof, and includes synthetic ethyl alcohol.

4. “Alcoholic beverage” means any beverage containing more than one-half of one percent of alcohol by volume including alcoholic liquor, wine, and beer.

5. “Alcoholic liquor” means the varieties of liquor defined in subsections 3 and 50 which contain more than six and twenty-five hundredths percent of alcohol by volume, beverages made as described in subsection 7 which beverages contain more than six and twenty-five hundredths percent of alcohol by volume but which are not wine as defined in subsection 54, high alcoholic content beer as defined in subsection 22, or canned cocktails as defined in subsection 11, and every other liquid or solid, patented or not, containing spirits and every beverage obtained by the process described in subsection 54 containing more than twenty-one and twenty-five hundredths percent of alcohol by volume, and susceptible of being consumed by a human being, for beverage purposes. Alcohol manufactured in this state for use as fuel pursuant to an experimental distilled

spirits plant permit or its equivalent issued by the federal bureau of alcohol, tobacco and firearms is not an “alcoholic liquor”.

6. “Application” means a written request for the issuance of a permit, license, or certificate that is supported by a verified statement of facts and submitted electronically, or in a manner prescribed by the administrator.

7. “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 one-half of one percent of alcohol by volume but not more than six and twenty-five hundredths percent of alcohol by volume.

8. “Brewer” means any person who manufactures beer for the purpose of sale, barter, exchange, or transportation.

9. “Brewpub” means a commercial establishment authorized to sell beer at retail for consumption on or off the premises that is operated by a person who holds a class “C” liquor control license or a class “B” beer permit and who also holds a special class “A” beer permit that authorizes the holder to manufacture and sell beer pursuant to this chapter.

10. “Broker” means a person who represents or promotes alcoholic liquor within the state on behalf of the holder of a distiller’s certificate of compliance, a manufacturer’s license, or a class “A” native distilled spirits license. An employee of the holder of a distiller’s certificate of compliance, a manufacturer’s license, or a class “A” native distilled spirits license is not a broker.

11. “Canned cocktail” means a mixed drink or cocktail that is premixed and packaged in a metal can and contains more than six and twenty-five hundredths percent of alcohol by volume but not more than fifteen percent of alcohol by volume. A mixed drink or cocktail mixed and packaged in a metal can pursuant to section 123.49, subsection 2, paragraph “d”, subparagraph (3), shall not be considered a canned cocktail.

12. “City” means a municipal corporation but not including a county, township, school district, or any special purpose district or authority.

13. “Club” means any nonprofit corporation or association of individuals, which is the owner, lessee, or occupant of a permanent building or part thereof, membership in which entails the prepayment of regular dues and is not operated for a profit other than such profits as would accrue to the entire membership.

14. “Commercial establishment” means a place of business which is at all times equipped with sufficient tables and seats to accommodate twenty-five persons at one

time, and the licensed premises of which conform to the standards and specifications of the division.

15. “Commission” means the alcoholic beverages commission established by this chapter.

16. “Completed application” means an application where all necessary fees have been paid in full, any required bonds have been submitted, the applicant has provided all information requested by the division, and the application meets the requirements of section 123.92, subsection 2, if applicable.

17. “Designated security employee” means an agent, contract employee, independent contractor, servant, or employee of a licensee or permittee who works in a security position in any capacity at a commercial establishment licensed or permitted under this chapter.

18. “Distillery”, “winery”, and “brewery” mean not only the premises where alcohol or spirits are distilled, wine is fermented, or beer is brewed, but in addition mean a person owning, representing, or in charge of such premises and the operations conducted there, including the blending and bottling or other handling and preparation of alcoholic liquor, wine, or beer in any form.

19. “Division” means the alcoholic beverages division of the department of commerce established by this chapter.

20. “Grape brandy” means brandy produced by the distillation of fermented grapes or grape juice.

21. “Grocery store” means any retail establishment, the business of which consists of the sale of food, food products, or beverages for consumption off the premises.

22. “High alcoholic content beer” means beer which contains more than six and twenty-five hundredths percent of alcohol by volume, but not more than fifteen percent of alcohol by volume, 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 one and five-tenths percent of the volume of a “high alcoholic content beer” may consist of alcohol derived from added flavors and other nonbeverage ingredients containing alcohol. The added flavors and other nonbeverage ingredients may not include added caffeine or other added stimulants including but not limited to guarana, ginseng, and taurine.

23. “Hotel” or “motel” means premises licensed by the department of inspections and appeals and regularly or seasonally kept open in a bona fide manner for the lodging of transient guests, and with twenty or more sleeping rooms.

24. “Import” means the transporting or ordering or arranging the transportation of

alcoholic liquor, wine, or beer into this state whether by a resident of this state or not.

25. “Importer” means the person who transports or orders, authorizes, or arranges the transportation of alcoholic liquor, wine, or beer into this state whether the person is a resident of this state or not.

26. The terms “in accordance with the provisions of this chapter”, “pursuant to the provisions of this title”, or similar terms shall include all rules and regulations of the division adopted to aid in the administration or enforcement of those provisions.

27. “Institutional investor” means a person who maintains a diversified portfolio of investments through a state or federally chartered bank, a mutual fund, a retirement plan or account created by an employer, the person, or another individual to provide retirement benefits or deferred compensation to the person, a private investment firm, or a holding company publicly traded on the New York stock exchange, the American stock exchange, or NASDAQ stock market and who has a majority of investments in businesses other than businesses that manufacture, bottle, wholesale, or sell at retail alcoholic beverages.

28. “Legal age” means twenty-one years of age or more.

29. “Licensed premises” or “premises” means all rooms, enclosures, contiguous areas, or places susceptible of precise description satisfactory to the administrator where alcoholic beverages, wine, or beer is sold or consumed under authority of a liquor control license, wine permit, or beer permit. A single licensed premises may consist of multiple rooms, enclosures, areas, or places if they are wholly within the confines of a single building or contiguous grounds.

30. “Local authority” means the city council of any incorporated city in this state, or the county board of supervisors of any county in this state, which is empowered by this chapter to approve or deny applications for retail beer or wine permits and liquor control licenses; empowered to recommend that such permits or licenses be granted and issued by the division; and empowered to take other actions reserved to them by this chapter.

31. “Manufacture” means to distill, rectify, ferment, brew, make, mix, concoct, or process any substance capable of producing a beverage containing more than one-half of one percent of alcohol by volume and includes blending, bottling, or the preparation for sale.

32. “Mixed drink or cocktail” means an alcoholic beverage, composed in whole or in part of alcoholic liquor, that is combined with other alcoholic beverages or nonalcoholic beverages or ingredients including but not limited to ice, water, soft drinks, or flavorings.

33. “Native brewery” means a business which manufactures beer or high alcoholic content beer and is operated by a person who holds a class “A” beer permit that authorizes the holder to manufacture and sell beer pursuant to this chapter.

34. “Native distilled spirits” means spirits fermented, distilled, or, for a period of two years, barrel matured on the licensed premises of the native distillery where fermented, distilled, or matured. “Native distilled spirits” also includes blended or mixed spirits comprised solely of spirits fermented, distilled, or, for a period of two years, barrel matured at a native distillery.

35. “Native distillery” means a business with an operating still which produces and manufactures native distilled spirits.

36. “Native wine” means wine manufactured pursuant to section 123.176 by a manufacturer of native wine.

37. “Package” means any container or receptacle used for holding alcoholic liquor.

38. “Permit” or “license” means an express written authorization issued by the division for the manufacture or sale, or both, of alcoholic liquor, wine, or beer.

39. “Person” means any individual, association, or partnership, any corporation, limited liability company, or other similar legal entity, any club, hotel or motel, or any municipal corporation owning or operating a bona fide airport, marina, park, coliseum, auditorium, or recreational facility in or at which the sale of alcoholic liquor, wine, or beer is only an incidental part of the ownership or operation.

40. “Person of good moral character” means any person who meets all of the following requirements:

a. The person has such financial standing and good reputation as will satisfy the administrator that the person will comply with this chapter and all laws, ordinances, and regulations applicable to the person’s operations under this chapter. However, the administrator shall not require the person to post a bond to meet the requirements of this paragraph.

b. The person is not prohibited by section 123.40 from obtaining a liquor control license or a wine or beer permit.

c. Notwithstanding paragraph “e”, the applicant is a citizen of the United States and a resident of this state, or licensed to do business in this state in the case of a corporation. Notwithstanding paragraph “e”, in the case of a partnership, only one general partner need be a resident of this state.

d. The person has not been convicted of a felony. However, if the person’s conviction of a felony occurred more than five years before the date of the application for a license or permit, and if the person’s rights of citizenship have been restored by the governor,

the administrator may determine that the person is of good moral character notwithstanding such conviction. e. The requirements of this subsection apply to the following:

- (1) Each of the officers, directors, and partners of such person.
- (2) A person who directly or indirectly owns or controls ten percent or more of any class of stock of such person.
- (3) A person who directly or indirectly has an interest of ten percent or more in the ownership or profits of such person.

41. "Pharmacy" means a drug store in which drugs and medicines are exposed for sale and sold at retail, or in which prescriptions of licensed physicians and surgeons, dentists, prescribing psychologists, or veterinarians are compounded and sold by a registered pharmacist.

42. "Private place" means a location which, at the time alcoholic beverages are kept, dispensed, or consumed, meets all of the following criteria:

- a. The general public does not have access to the location and attendees are limited to bona fide social hosts and invited guests.
- b. The location is not of a commercial nature.
- c. Goods or services are neither sold nor purchased at the location.
- d. The location is not a licensed premises.
- e. Admission fees or other kinds of entrance fees, fare, ticket, donation or charges are not made or are required of the invited guests to enter the location.

43. "Public place" means any place, building, or conveyance to which the public has or is permitted access.

44. "Residence" means the place where a person resides, permanently or temporarily.

45. "Retail beer permit" means a class "B" or class "C" beer permit issued under the provisions of this chapter.

46. "Retail wine permit" means a class "B" wine permit, class "B" native wine permit, or class "C" native wine permit issued under this chapter.

47. "Retailer" means any person who shall sell, barter, exchange, offer for sale, or have in possession with intent to sell any alcoholic liquor, wine, or beer for consumption either on or off the premises where sold.

48. The prohibited "sale" of alcoholic liquor, wine, or beer under this chapter includes soliciting for sales, taking orders for sales, keeping or exposing for sale, delivery or other trafficking for a valuable consideration promised or obtained, and procuring or allowing procurement for any other person.

49. "School" means a public or private school or that portion of a public or private

school which provides facilities for teaching any grade from kindergarten through grade twelve.

50. "Spirits" means 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.

51. "Unincorporated town" means a compactly populated area recognized as a distinct place with a distinct place-name which is not itself incorporated or within the corporate limits of a city.

52. "Warehouse" means any premises or place primarily constructed or used or provided with facilities for the storage in transit or other temporary storage of perishable goods or for the conduct of normal warehousing business.

53. "Wholesaler" means any person, other than a vintner, brewer or bottler of beer or wine, who shall sell, barter, exchange, offer for sale, have in possession with intent to sell, deal or traffic in alcoholic liquor, wine, or beer. A wholesaler shall not sell for consumption upon the premises.

54. "Wine" means any beverage containing more than six and twenty-five hundredths percent of alcohol by volume but not more than twenty-one and twenty-five hundredths 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.

123.33 Records.

Every holder of a license or permit under this chapter shall maintain records, in printed or electronic format, which include income statements, balance sheets, purchase and sales invoices, purchase and sales ledgers, and any other records as the administrator may require. The records required and the premises of the licensee or permittee shall be accessible and open to inspection pursuant to section 123.30, subsection 1, during normal business hours of the licensee or permittee.

123.186 Federal regulations adopted as rules.

1. The division shall adopt as rules the substance of the federal regulations 27 C.F.R. pt. 6, 27 C.F.R. pt. 8, 27 C.F.R. pt. 10, and 27 C.F.R. pt. 11.

2. The division shall adopt as rules the substance of 27 C.F.R. §6.88, to permit a manufacturer of alcoholic beverages, wine, or beer, or an agent of such manufacturer, to provide to a retailer without charge wine and beer coil cleaning services, including

carbon dioxide filters and other necessary accessories to properly clean the coil and affix carbon dioxide filters. The rules shall provide that the manufacturer shall be responsible for paying the costs of any filters provided.

3. A licensee or permittee who permits or assents to or is a party in any way to a violation or infringement of a rule adopted pursuant to this section is guilty of a violation of this section. A violation of this section shall subject the licensee or permittee to the general penalties provided in this chapter and shall constitute grounds for imposition of a civil penalty or suspension or revocation of the license or permit pursuant to section 123.39.