

REGULATORY BULLETIN

No. RB-2021-01

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Third-Party Delivery of Alcoholic Beverages

INTRODUCTION

The purpose of this bulletin is to provide clarification to licensees and permittees authorized to sell and serve alcoholic beverages for consumption off the licensed premises about the applicable state regulations regarding third-party delivery of alcoholic beverages.

BACKGROUND

The recent law change allowing third-party entities to deliver alcoholic beverages on behalf of an alcohol licensee or permittee has led to inquiries regarding clarification on delivering alcohol in lowa.

DISCUSSION

Iowa Code section 123.46A outlines the regulations regarding the delivery of alcoholic beverages.

What can be delivered?

- Deliveries shall be limited to alcoholic beverages authorized by the licensee's or permittee's license or permit.
 - Alcoholic liquor, wine, or beer in original unopened containers for consumption off the licensed premises.
 - Wine, beer, or mixed drinks or cocktails for consumption off the licensed premises in a container other than the original container only if the container other than the original container has been sold and securely sealed in compliance with lowa Code chapter 123 and lowa Administrative Code 185.

Can alcohol be shipped directly to a consumer?

- Wine may be shipped directly to a consumer by a wine manufacturer who has obtained a wine direct shipper permit pursuant to Iowa Code section 123.187.
- No other alcoholic beverages can be shipped directly to a consumer in lowa.

Where can alcohol be delivered?

 Alcohol may be delivered to a home, another licensed premises if there is identical ownership of the premises by the licensee or permittee, or other designated location in this state.

When can alcohol be delivered?

Deliveries shall occur between 6:00 a.m. and 10:00 p.m. Monday through Sunday.

Who can deliver?

 Licensees and permittees authorized to sell alcoholic liquor, wine, or beer in original unopened containers for consumption off the licensed premises.

- Licensees and permittees authorized to sell wine, beer, or mixed drinks or cocktails for consumption off the licensed premises in a container other than the original container.
- A third party that has a written agreement with a licensee or permittee who is authorized to sell alcoholic liquor, wine, or beer in original unopened containers or wine, beer, or mixed drinks or cocktails in a container other than the original container for off premises consumption.
 - The licensee or permittee shall submit to the division a list of third-party entities it has authorized to act as its agent for the purpose of delivering alcoholic beverages. <u>Third-Party Delivery Form</u>
 - The licensee or permittee shall provide the division with amendments to the list as necessary to ensure the division possesses an accurate, current list.

Other considerations:

- Payment for the alcoholic beverages shall be received by the licensee or permittee at the time of order.
- Delivery personnel shall be twenty-one years of age or older.
- Alcoholic beverages delivered pursuant to Iowa Code section 123.46A shall be for personal use and not for resale.
- Deliveries shall only be made to persons in this state who are twenty-one years of age or older.
 - Valid proof of the recipient's identity and age shall be obtained at the time of delivery, and the signature of a person twenty-one years of age or older shall be obtained as a condition of delivery.
- Deliveries shall not be made to a person who is intoxicated or is simulating intoxication.
- Licensees and permittees shall maintain records of deliveries which include the quantity delivered, the recipient's name and address, and the signature of the recipient of the alcoholic beverages. The records shall be maintained on the licensed premises for a period of three years.

CONCLUSION:

- The passage of House File 766 did not change who can deliver alcohol pursuant to lowa Code section 123.46A. House File 766 changed how those authorized to deliver alcohol pursuant to lowa Code section 123.46A may deliver.
- A native distillery holding both an ND and LCN license may deliver mixed drinks or cocktails and may enter into an agreement with a third party to deliver mixed drinks or cocktails.
- A native brewery holding both a BAN and BB permit may deliver beer and may enter into an agreement with a third party to deliver beer.
- A native winery holding both a WAN and WCN permit may deliver native wine and beer and may enter into an agreement with a third party to deliver native wine and beer.

VIOLATIONS:

- A violation of lowa Code Chapter 123 shall subject the licensee or permittee to the penalty provisions of lowa Code section 123.39.
- If the licensee or permittee, or an employee, or a person delivering alcoholic beverages for a third party acting on behalf of the licensee or permittee pursuant to a written agreement commits a violation of Iowa Code Chapter 123, the licensee or permittee shall <u>not</u> be assessed a penalty under section 123.39 if the licensee or permittee establishes all of the following:

- The violation was committed off of the licensed premises after the alcoholic beverages were removed from the licensed premises in fulfillment of a delivery order.
- If the person who committed the violation is an employee of the licensee or permittee, that no other violation of lowa Code Chapter 123 was committed by any employee of the licensee or permittee within the two year period immediately preceding the date of violation.
- o If the person who committed the violation is a person delivering for a third party acting on behalf of the licensee or permittee, that no other violation of lowa Code Chapter 123 was committed by any person delivering for the same third party while the third party was acting on behalf of the licensee or permittee within the two year period immediately preceding the date of violation.

References and useful information:

State Law: 123.1, 123.2, 123.3, 123.30, 123.39, 123.43A, 123.46A, 123.49, 123.50, 123.59, 123.130, 123.131, 123.132,

123.176, 123.177, 123.178, 123.178A, 123.178B, 123.187, 123.188

State Rules: 185 Iowa Administrative Code

Website Links: https://abd.iowa.gov/alcohol/abd-regulatory-bulletins

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