



Kim Reynolds *Governor of Iowa*  
Adam Gregg *Lieutenant Governor*  
Stephen Larson *Administrator*

August 18, 2022

To: Class E License holders

From: Lolani Lekkas, Public Service Manager 2, Alcoholic Beverages Division

Re: SF2374 – Questions regarding delivery of 5 cases of beer to bars and restaurants

On August 8, 2022, ABD sent out the following correspondence to Class C, Special Class C, and Class E liquor license holders:

*Effective August 8, 2022, Class C and Special Class C liquor license holders (name will be changing to retail alcohol license) are allowed to purchase not more than 5 cases of beer from a Class E (off-premises retailer such as a grocery store, convenience store, and independent liquor store) liquor license holder with a beer subpermit (holding a TTB Basic Permit to wholesale to retailers) within a 24 hour period of time.*

Since then, we have received numerous questions regarding delivery of beer by Class E liquor license holders to bars and restaurants. Upon review of SF2374 and all of Iowa Code Chapter 123, ABD has determined that delivery by the Class E is **not allowed** for the 5 case beer allowance.

The rationale for this decision is based partially on our understanding of the legislative intent behind this allowance. It is our understanding that these provisions were inserted in the code to allow a limited amount of beer to be purchased when/if a bar or restaurant runs low and needs to obtain some beer to make it through the evening. A similar provision exists for wine (less than a case of each brand in a 24 hour period). **Allowing a Class C to place an order for beer from a Class E in advance with their liquor order is contrary to the legislative intent.**

Additionally, ABD is relying on these code sections to justify its decision **not** to allow this type of delivery:

- **Class E sales to Restaurants, Bars, etc.** - 123.28 Restrictions on transportation - Class “E” liquor control licensees may deliver **alcoholic liquor** purchased by class “C”, class “D”, or class “F” liquor control licensees.
- **Class E sales to Consumers** - Under 123.46A Delivery of alcoholic beverages by retailers - the requirements and restrictions make it clear that delivery under this section applies to “a person and shall be for personal use and not for resale.”

If the legislature intended to allow delivery for these types of sales, they would have provided language in the code.