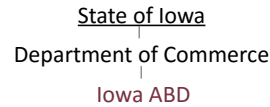


AGENCY

The **Iowa Alcoholic Beverages Division (ABD)** is a part of the state Department of Commerce. It is involved in wholesale operations only and does not operate retail stores.



HISTORY

In 1934, Iowa became one of the first Control States. The Iowa Liquor Commission was replaced by the Iowa Beer and Liquor Control Department during a 1972 legislative reorganization. In 1985, Iowa gave up its control of wine sales, and in 1986, the Alcoholic Beverages Division was created to replace the Beer and Liquor Control Department. In 1987, Iowa closed its retail stores.

WET and DRY COUNTIES

State law prohibits dry localities.

All counties are wet.

ENFORCEMENT

The Division is responsible for the licensing and permitting of alcoholic beverages retailers, wholesalers, manufacturers, importers and brokers. It is responsible for licensee compliance with alcohol laws, but does not have police powers for enforcement.

The Iowa Program for Alcohol Compliance Training (I-PACT) provides licensees with the necessary resources and knowledge to be successful in their business operations and to establish and maintain an excellent record of compliance.

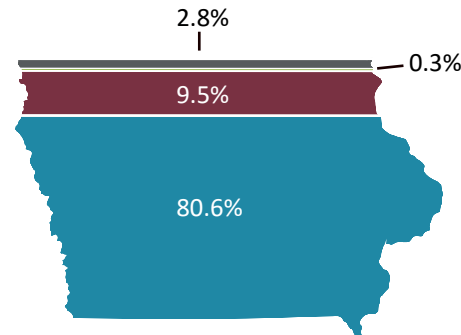
Population 21 and over
(Estimate) (2014)

2,200,000

NET REVENUE

IA distributes its net revenue into four categories

- General Fund (80.6%)
- Iowa Department of Public Health (9.5%)
- Iowa Economic Development Authority (0.3%)
- Cities & Counties (2.8%)



\$128,664,789

FY 2015-2016 Net Revenue



From 2003 through 2015, the Iowa Alcoholic Beverages Division contributed close to \$1.4 billion to state and local treasuries.

Figures are from FY2015

DISTRIBUTION

The Division warehouses and distributes more than 1,922 different spirits to more than 1,380 customers throughout the state. All customers are treated equally with regard to product price and delivery, regardless of the quantity purchased or the location of the customer. There are minimum orders. The Division employs 24 warehouse operation workers and 22 transportation drivers.

The 175,000 square foot warehouse is situated on nearly 14 acres of land. Following major warehouse renovations in 2013-2015, there remains space for up to 1,000 new SKUs.

Does jurisdiction allow direct shipping of wine?



Tax per standard drink:

SPIRITS: \$0.039

WINE: \$0.134

BEER: \$0.081

OUTLETS AND GROCERY STORES

Iowa holds control of spirits at wholesale. The state has more than 1,380 private package stores.

- Iowa does not have policies regulating the density of off-premises outlets in a specified area.
- Jurisdiction allows the sale of spirituous liquor in convenience stores.
- Sunday sales are allowed.
- Keg registration is required.
- Beverage service training is voluntary in the state.

IOWA ALCOHOLIC BEVERAGES DIVISION IN ACTION



Educating license holders continues to be a priority for the Division. This entailed, in part, meeting with over 400 licensees along the route of RAGBRAI (Register's Annual Great Bike Ride Across Iowa) as well as local authorities to provide education on allowable practices. The Division also produced a series of YouTube videos on trade practices, the three tier system and growlers. Additionally, the Division is currently updating its online compliance education program to include policy changes and to provide a Spanish speaking version.

Compliance

The Division is rebuilding its compliance team to include financial audits of micro-distilleries, native wineries and craft breweries in addition to working with license holders to ensure they are operating within regulations.

Iowa Law

The Division has worked with the Iowa Economic Development Authority to convene a 15-member committee tasked with revising Iowa's alcohol laws to provide better clarity, eliminate red tape and make the licensing process easier to navigate. A list of recommendations will be presented to the Governor early in 2017.

DEFINITIONS

Control systems -- jurisdictions that directly control the distribution and sale of beverage alcohol in their borders.

Three-tier system -- the method of alcohol distribution developed after Prohibition in the United States. Producers/manufacturers (first tier) can sell products only to wholesalers/distributors (second tier) who then sell to retailers (third tier).

Revenue Per Capita -- revenue per person.

Wet and dry counties -- Wet jurisdictions are those that permit the sale of spirits, wine, or beer for on-premise and off-premise consumption. Dry jurisdictions prohibit some or all alcohol sales, whether on- or off-premise.

Sources: 2016 Survey Database, State Alcohol Tax Rates (July 2016), Educational Awards Program Reports for 2014-2015, Iowa Alcoholic Beverages Division, The Beverage Information Group's 2015 Fact Book, Alcohol Policy Information System (APIS)