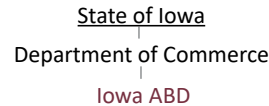


AGENCY

The Iowa Alcoholic Beverages Division (ABD) is created within the Department of Commerce to administer and enforce the laws of Iowa concerning alcoholic beverage control.

The Administrator of the ABD is appointed by the Governor, subject to the confirmation by the Senate, to a four-year term. The Administrator is responsible for overseeing ABD's day-to-day operations.

The Iowa Alcoholic Beverages Commission is a five-member body, appointed by the Governor and subject to confirmation by the Senate. The Commission acts as a policy-making body and serves in an advisory capacity to the Administrator.



HISTORY

In 1934, with the enactment of the Iowa Liquor Control Act, Iowa became one of the first Control states. The state regulates the traffic in alcoholic liquors for the protection of the welfare, health, peace, morals, and safety of the people of the state.

In 1985, the state exited its role as sole wholesaler and retailer of wine, paving the way for private sector businesses to enter the marketplace. In 1987, further government reorganization removed the state from the retail tier for alcoholic liquor. Today, the state retains control of the wholesale distribution of alcoholic liquor in Iowa.

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.

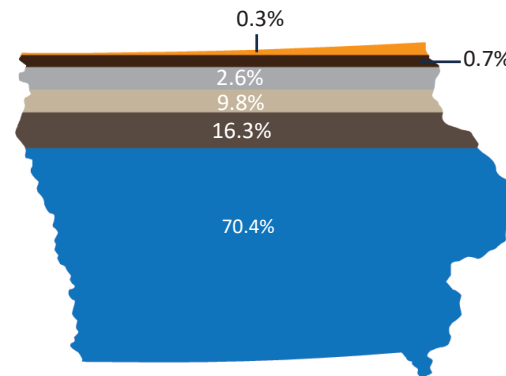
Population 21 and over
(Estimate) (2014)

2,200,000

NET REVENUE

IA distributes its net revenue into four categories

- General Fund \$97,537,820 (70.4%)
- Iowa Department of Public Health \$22,513,750 (16.3%)
- Beer Tax \$13,592,912 (9.8%)
- State Aid to Cities and Counties \$3,536,759 (2.6%)
- Sunday Sales Transfer \$911,293 (0.7%)
- Iowa Economic Development Authority \$419,949 (0.3%)



\$352,433,923

FY 2018 Net Revenue



From 2008 through 2018, the Iowa Alcoholic Beverages Division contributed close to \$1.3 billion to state and local treasuries.

Figures are from FY2018

DISTRIBUTION

The Division warehouses and distributes more than 2,300 different sku items to more than 1,529 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 30 warehouse operation workers and 20 transportation drivers.

The 175,000 square foot warehouse is situated on nearly 14 acres of land. Following major warehouse renovations.

Does jurisdiction allow direct shipping of wine?



OUTLETS AND GROCERY STORES

Iowa holds control of spirits at wholesale. The state has more than 1,529 private sector package selling spirits.

- 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



Alcoholic Beverages Control Study

On May 12, 2017, ABD was directed to conduct a study concerning enforcement issues related to alcoholic beverages control. The directive included instructions to consider the manner of properly balancing the appropriate regulation of the manufacturing, distribution, and sale of alcoholic liquor, wine, and beer in the state with emerging market trends in the industry.

Specific areas of study included issues relating to the three-tier system of alcohol regulation and Iowa Code section 123.45, Iowa's tied house law, as it impacts the ability of manufacturers, wholesalers, and retailers to meet the changing marketplace conditions and business opportunities.

The final report was submitted to the legislature on July 1, 2018.

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: 2018 Survey Database, State Alcohol Tax Rates (July 2017), Educational Awards Program Reports for 2016-2017, Iowa Alcoholic Beverages Division, The Beverage Information Group's 2017 Fact Book, Alcohol Policy Information System (APIS)

March 2019

