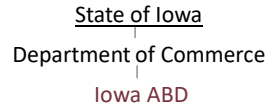


AGENCY

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.



WET and DRY COUNTIES

State law prohibits dry localities.

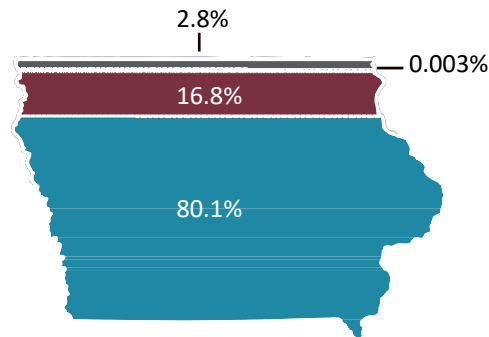
All counties are wet.

Population 21 and over (Estimate) (2014) **2,200,000**

NET REVENUE

IA distributes its net revenue into four categories

- General Fund (80.1%)
- Iowa Department of Public Health (16.8%)
- Iowa Economic Development Authority (0.003%)
- Cities & Counties (2.8%)



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.

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.

\$347,653,734
FY 2017 Net Revenue



From FY 2006 through 2017, the Iowa Alcoholic Beverages Division contributed more than \$1.3 billion to state and local treasuries.

Figures are from FY2017

DISTRIBUTION

The Division warehouses and distributes more than 2,100 different spirits to more than 1,461 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 29 warehouse operation workers and 21 transportation drivers.

The 175,000 square foot warehouse is situated on nearly 14 acres of land. Major warehouse renovations in 2013-2015 created 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 1,461 private package stores 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 ACTION



Licensing Reform

ABD, in partnership with Iowa Department of Public Safety, is working with city and county licensing authorities, local law enforcement, substance abuse prevention specialist, license and permit holders, and others to review Iowa's alcohol licensing laws, as well as the administrative actions and appeals processes. The goal is to consider the matter of reforming these laws to properly balance business needs with the legal and social responsibilities that protect the public. A report of recommendations will be submitted to the legislature and Governor's Office in 2019.

Improving the Iowa Liquor Wholesale Model

Iowa's liquor wholesale model has proven itself to be profitable and that it is providing a valuable return on investment for Iowans. However, as with any business, there is always room for improvement. The Iowa Alcoholic Beverages Commission and the ABD Administrator will be hosting a series of public forums during 2018 to receive feedback from retailers and industry members on ways that the model can be made more efficient, effective, and customer-friendly.

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)