

Sampling

TO: Alcoholic Beverages Manufacturers, Wholesalers, and Brokers (Industry Members)

INTRODUCTION

The Iowa Alcoholic Beverages Division (Division) administers and enforces the laws of Iowa concerning beer, wine, and alcoholic liquor. The purpose of this bulletin is to provide clarification on the practice of sampling. Sampling is the practice of industry members giving alcoholic beverages to a retailer for the purpose of market research, education, promotion of the product, or determination of the flavor of the product.

BACKGROUND

Iowa Code section 123.186 mandates that the Division adopt as rules the substance of the federal regulations 27 C.F.R. parts 6, 8, 10, and 11 as they relate to transactions between industry members and retailers, otherwise known as trade practices. The Division is conducting a comprehensive review of the trade practices chapter to update rules and provide clarity to stakeholders. The Division began by reviewing the tasting, sampling, and trade spending rule, which resulted in the adoption of three new separate rules and defining related terms. The new layout provides clarity and explains each subject matter in greater detail.

DISCUSSION

The newly adopted rule on sampling allows an industry member to give alcoholic beverages to a retailer who has not purchased the brand from that industry member within the preceding 12 months, and while following the below guidelines:

Quantities cannot exceed the following amounts within a calendar year:

- No more than 3 liters of any brand of alcoholic liquor,
- No more than 3 liters of any brand of wine, and
- No more than 3 gallons of any brand of beer or high alcoholic content beer.

An industry member must:

- Obtain alcoholic liquor, wine, beer, or high alcoholic content beer from the respective wholesaler, and
- Clearly mark the word "SAMPLE" on each container of alcoholic liquor, wine, beer, or high alcoholic content beer used for sampling. The marking cannot obscure the label of the container.

Record keeping requirements:

- An industry member must keep and maintain records in accordance with 185 Iowa Administrative Code section 16.18.

Violations:

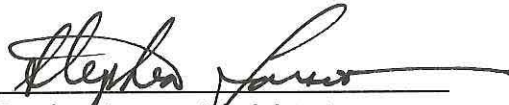
- An industry member who conducts sampling that is found to be in violation of Iowa laws or rules may be subject to administrative sanctions, including, but not limited to, civil penalty, license suspension or license revocation.

CONCLUSION

Effective December 30, 2015, industry members shall engage in the practice of sampling in accordance with this bulletin.

QUESTIONS

If you have any questions concerning this bulletin, please contact Stephanie Strauss, Government Relations, at 515-281-7432 or Strauss@IowaABD.com.



Stephen Larson, Administrator

References and useful information:

State Law: 123.186(1)

State Rules: 185 Iowa Administrative Code chapter 16

Federal Regulations: 27 Code of Federal Regulation 6.91

Website Links: http://iowaabd.com/alcohol/regulation/alcohol_laws

The Alcoholic Beverages Division was created to administer and enforce the laws of Iowa concerning beer, wine and alcoholic liquor.

*This bulletin does not replace statutes, rules or court decisions.
This bulletin should not be considered legal advice or a substitute for legal counsel.*