



KIM REYNOLDS
GOVERNOR

OFFICE OF THE GOVERNOR

ADAM GREGG
LT GOVERNOR

June 1, 2023

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol
Des Moines, Iowa 50319

Dear Mr. Secretary,

I hereby transmit:

House File 677, an Act relating to native winery and native brewery retail alcohol licenses.

The above House File is hereby approved on this date.

Sincerely,

A handwritten signature in black ink that reads "Kim Reynolds".

Kim Reynolds
Governor of Iowa

cc: Secretary of the Senate



House File 677

AN ACT
RELATING TO NATIVE WINERY AND NATIVE BREWERY RETAIL ALCOHOL
LICENSES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 123.3, subsection 45, Code 2023, is amended to read as follows:

45. *"Retail alcohol license"* means a class "B", class "C", special class "C", class "D", class "E", or class "F" retail alcohol license, or a special class "B" or special class "C" retail native wine license issued under this chapter.

Sec. 2. Section 123.30, subsection 3, paragraph a, subparagraph (1), subparagraph division (c), Code 2023, is amended to read as follows:

(c) The holder of a class "B" retail alcohol license may sell beer to class "C", special class "C", special class "C" retail native license, class "D", and class "F" retail alcohol licensees for resale for consumption on the premises. Such

beer sales shall be in quantities of not more than five cases of beer, high alcoholic content beer, and canned cocktails, but not more than one such sale shall be made to the same retail alcohol licensee in a twenty-four-hour period. A class "A" beer permittee shall be held harmless concerning any beer resold as authorized by this subparagraph division.

Sec. 3. Section 123.30, subsection 3, paragraph b, Code 2023, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (3) A special class "C" retail native wine license shall authorize the holder to sell beer and native wine as provided in section 123.31C.

Sec. 4. Section 123.30, subsection 3, paragraph d, subparagraph (4), Code 2023, is amended to read as follows:

(4) The holder of a class "E" retail alcohol license may sell beer to class "C", special class "C", special class "C" retail native license, class "D", and class "F" retail alcohol licensees for resale for consumption on the premises. Such beer sales shall be in quantities of not more than five cases of beer, high alcoholic content beer, and canned cocktails, but not more than one such sale shall be made to the same retail alcohol licensee in a twenty-four-hour period. A class "A" beer permittee shall be held harmless concerning any beer resold as authorized by this subparagraph.

Sec. 5. NEW SECTION. 123.31C Authority under special class "C" retail native wine license.

1. A person holding a special class "C" retail native wine license may sell beer and native wine only at retail for consumption on or off the premises. Sales of beer and native wine for consumption off the premises made pursuant to this section shall be made in original containers except as provided in subsection 5.

2. A special class "C" retail native wine licensee having more than one place of business where wine is sold and served shall obtain a separate permit for each place of business.

3. A person holding a special class "C" retail native wine license may purchase wine for resale only from a native winery holding a class "A" wine permit.

4. A person holding a special class "C" retail native wine

license may purchase beer as follows:

- a. From class "A" beer permittees.
- b. From class "B" retail alcohol licensees or class "E" retail alcohol licensees in quantities of not more than five cases of beer, high alcoholic content beer, and canned cocktails, but not more than one such purchase shall be made by the licensee in a twenty-four-hour period. A class "A" beer permittee shall be held harmless concerning any beer resold as authorized by this subsection.

5. Subject to the rules of the department, sales made pursuant to this section may be made in a container other than the original container only if all of the following requirements are met:

- a. The beer or native wine is transferred from the original container to the container to be sold on the licensed premises at the time of sale or when sold by telephonic or other electronic means.

- b. The person transferring the beer or native wine from the original container to the container to be sold shall be eighteen years of age or more.

- c. The container to be sold shall be no larger than seventy-two ounces.

- d. The container to be sold shall be securely sealed by a method authorized by the department that is designed so that if the sealed container is reopened or the seal tampered with, it is visibly apparent that the seal on the container of beer or native wine has been tampered with or the sealed container has otherwise been reopened.

6. A container of beer or native wine other than the original container that is sold and sealed in compliance with the requirements of subsection 5 and the rules of the department shall not be deemed an open container subject to the requirements of sections 321.284 and 321.284A if the sealed container is unopened and the seal has not been tampered with, and the contents of the container have not been partially removed.

Sec. 6. Section 123.36, subsection 1, Code 2023, is amended by adding the following new paragraph:

NEW PARAGRAPH. *0e.* Special class "C" retail native wine

license fees shall be one hundred twenty-five dollars.

Sec. 7. Section 123.45, subsection 3, Code 2023, is amended to read as follows:

3. A person engaged in the wholesaling of beer or wine may sell only disposable glassware, which is constructed of paper, paper laminated, or plastic materials and designed primarily for personal consumption on a one-time usage basis, to retailers for use within the premises of licensed establishments, for an amount which is greater than or equal to an amount which represents the greater of either the amount paid for the disposable glassware by the supplier or the amount paid for the disposable glassware by the wholesaler. Also, notwithstanding any other provision of this chapter or the fact that a person is the holder of a class "A" beer permit, a native brewery may be granted not more than two class "C" retail alcohol licenses or not more than two special class "C" retail alcohol licenses, both as defined in section 123.30, regardless of whether that person is also a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license or a manufacturer of native wine pursuant to a class "A" wine permit.

Sec. 8. Section 123.130, subsection 2, Code 2023, is amended to read as follows:

2. Pursuant to section 123.45, subsection 3, a native brewery may be granted not more than two class "C" retail alcohol licenses or not more than two special class "C" retail alcohol licenses.

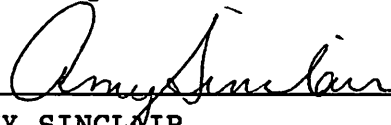
Sec. 9. Section 123.176, subsection 5, Code 2023, is amended to read as follows:

5. Notwithstanding any other provision of this chapter, a person engaged in the business of manufacturing native wine may be granted a class "C" retail alcohol license or special class "C" retail native wine license as defined in section 123.30. A manufacturer of native wine may be granted not more than two class "C" retail alcohol licenses or special class "C" retail native wine licenses. A manufacturer of native wine may be issued a class "C" retail alcohol license or special class "C" retail native wine license regardless of whether the manufacturer is also a manufacturer of beer pursuant to a class

"A" beer permit or a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license.




PAT GRASSLEY
Speaker of the House



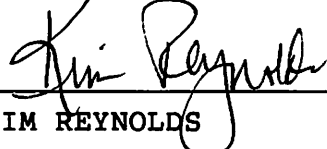
AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 677, Ninetieth General Assembly.



MEGHAN NELSON
Chief Clerk of the House

Approved June 18, 2023



KIM REYNOLDS
Governor