

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
REVENUE BILL)

A BILL FOR

1 An Act relating to alcoholic beverage control, including
2 certificates of compliance and the issuance of class "A"
3 wine permits to nonnative wine manufacturers, and providing
4 fees.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.3, subsection 40, paragraph c, Code
2 2026, is amended to read as follows:

3 c. Notwithstanding paragraph "e", the applicant is a citizen
4 of the United States and a resident of this state, or licensed
5 to do business in this state in the case of a corporation.
6 Notwithstanding paragraph "e", in the case of a partnership,
7 only one general partner need be a resident of this state. The
8 residency requirements of this paragraph do not apply to an
9 applicant for a class "A" wine permit issued to a nonnative
10 wine manufacturer pursuant to section 123.176A.

11 Sec. 2. Section 123.23, subsection 1, Code 2026, is amended
12 to read as follows:

13 1. Any manufacturer, distiller, or importer of alcoholic
14 liquors ~~shipping, selling, or~~ having alcoholic liquors brought
15 into this state for resale by the state department shall, as
16 a condition precedent to the privilege of so trafficking in
17 alcoholic liquors in this state, annually make application for
18 and hold a distiller's certificate of compliance which shall
19 be issued by the director for that purpose. ~~No~~ A brand of
20 alcoholic liquor brought into this state shall not be sold
21 by the department ~~in this state~~ unless the manufacturer,
22 distiller, or importer, ~~and all other persons participating~~
23 ~~in the distribution of that brand in this state~~ has
24 obtained a certificate. The certificate of compliance shall
25 expire at the end of one year from the date of issuance and
26 shall be renewed for a like period upon application to the
27 director unless otherwise suspended or revoked for cause.
28 Each completed application for a certificate of compliance
29 or renewal shall be submitted electronically, or in a manner
30 prescribed by the director, and shall be accompanied by a fee
31 of two hundred dollars payable to the department. However,
32 this subsection need not apply to a manufacturer, distiller, or
33 importer who ~~ships or~~ sells in this state no more than eleven
34 gallons or its case equivalent during any fiscal year as a
35 result of "special orders" which might be placed, as defined

1 and allowed by departmental rules adopted under this chapter.

2 Sec. 3. Section 123.23, subsection 5, Code 2026, is amended
3 by striking the subsection.

4 Sec. 4. Section 123.135, subsections 1, 2, and 3, Code 2026,
5 are amended to read as follows:

6 1. A manufacturer, brewer, bottler, importer, or vendor
7 of beer, or any agent thereof, desiring to ~~ship or sell beer,~~
8 ~~or~~ have beer brought into this state for resale by a class
9 "A" beer permittee, shall first make application for and be
10 issued a brewer's certificate of compliance by the director
11 for that purpose. The certificate of compliance expires at
12 the end of one year from the date of issuance and shall be
13 renewed for a like period upon application to the director
14 unless otherwise revoked for cause. Each completed application
15 for a certificate of compliance or renewal of a certificate
16 shall be submitted electronically, or in a manner prescribed
17 by the director, and shall be accompanied by a fee of two
18 hundred dollars payable to the department. Each holder of a
19 certificate of compliance shall furnish the information in
20 a manner the director requires. The holder of a brewer's
21 certificate of compliance may also hold a class "A" beer
22 permit.

23 2. At the time of applying for a certificate of compliance,
24 each applicant shall file with the department electronically,
25 or in a manner prescribed by the director, a list of all class
26 "A" beer permittees with whom it intends to do business and
27 ~~shall designate~~ a designation of the geographic area in which
28 its products are to be distributed by such permittee. The
29 listing of class "A" beer permittees and geographic area as
30 filed with the department shall be amended by the holder of
31 a certificate of compliance as necessary to keep the listing
32 current with the department.

33 3. All class "A" beer permit holders shall sell only those
34 brands of beer brought into the state which are manufactured,
35 brewed, bottled, shipped, or imported by a person holding a

1 current certificate of compliance. Any employee or agent
2 working for or representing the holder of a certificate of
3 compliance within this state shall submit electronically, or in
4 a manner prescribed by the director, the employee's or agent's
5 name and address with the department.

6 Sec. 5. Section 123.173, subsection 2, Code 2026, is amended
7 to read as follows:

8 2. A class "A" wine permit allows the holder to manufacture
9 and sell, or sell at wholesale, in this state, wine. The
10 holder of a class "A" wine permit may manufacture in this state
11 wine having an alcoholic content greater than seventeen percent
12 by weight or twenty-one and twenty-five hundredths percent of
13 alcohol by volume for shipment outside this state. All Except
14 as provided in section 123.176A, all class "A" premises shall
15 be located within the state.

16 Sec. 6. Section 123.175, subsection 2, paragraph c, Code
17 2026, is amended to read as follows:

18 c. That the applicant is a ~~citizen~~ resident of the state
19 of Iowa or, if a corporation, that the applicant is authorized
20 to do business in the state. This paragraph does not apply if
21 the applicant is the state of Iowa or a state agency as defined
22 in section 669.2. The residency requirement of this paragraph
23 does not apply to a nonnative wine manufacturer under section
24 123.176A.

25 Sec. 7. NEW SECTION. 123.176A **Nonnative wine manufacturers.**

26 1. As used in this section, "*nonnative wine manufacturer*"
27 means a person who processes the fruit, vegetables, dandelions,
28 clover, honey, or any combination of these ingredients, by
29 fermentation into wines on a premises located outside of this
30 state.

31 2. A nonnative wine manufacturer licensed or permitted
32 pursuant to laws regulating alcoholic beverages in another
33 state may apply for and be issued a class "A" wine permit, as
34 provided in section 123.175, without being a resident of this
35 state.

1 3. A nonnative wine manufacturer holding a class "A" wine
2 permit may sell, or sell at wholesale, in this state, wine
3 that the nonnative wine manufacturer has itself manufactured
4 by fermentation on its out-of-state licensed or permitted
5 premises that are properly registered with the alcohol and
6 tobacco tax and trade bureau of the United States department of
7 the treasury. Pursuant to section 123.177, such sales shall
8 only be made to persons holding a class "A" wine permit or to
9 persons holding a retail alcohol license.

10 4. A nonnative wine manufacturer shall not sell in this
11 state wine fermented by another manufacturer.

12 5. A nonnative wine manufacturer may ship wine in closed
13 containers to individual purchasers within this state by
14 obtaining a wine direct shipper permit pursuant to section
15 123.187.

16 6. A nonnative wine manufacturer that holds a class "A" wine
17 permit shall be deemed to have consented to the jurisdiction
18 of the department or any other agency or court in this state
19 concerning enforcement of this chapter and any related laws,
20 rules, or regulations. A permit holder shall allow the
21 department to perform an audit of manufacturing and sales
22 records upon request.

23 7. A violation of this section shall subject the permit
24 holder to the general penalties provided in this chapter and
25 shall constitute grounds for imposition of a civil penalty or
26 suspension or revocation of the permit pursuant to section
27 123.39.

28 Sec. 8. Section 123.177, subsection 2, Code 2026, is amended
29 to read as follows:

30 2. A class "A" wine permit holder may purchase and resell
31 only those brands of wine brought into the state which are
32 manufactured, fermented, bottled, shipped, or imported by a
33 person holding a certificate of compliance issued pursuant to
34 section 123.180.

35 Sec. 9. Section 123.179, Code 2026, is amended to read as

1 follows:

2 **123.179 Wine permit and license fees.**

3 1. The annual permit fee for a class "A" wine permit ~~that~~
4 ~~is not issued to a native wine manufacturer~~ is seven hundred
5 fifty dollars, except the annual permit fee for a class "A"
6 wine permit issued to a native wine manufacturer as provided in
7 section 123.176 or a nonnative wine manufacturer as provided in
8 section 123.176A is one hundred dollars.

9 ~~2. The annual permit fee for a class "A" wine permit issued~~
10 ~~to a native wine manufacturer is one hundred dollars.~~

11 ~~3.~~ 2. The fee for a charity beer, spirits, and wine special
12 event license is one hundred dollars.

13 ~~4.~~ 3. The fee for a wine auction permit is one hundred
14 dollars.

15 Sec. 10. Section 123.180, subsections 1, 2, and 3, Code
16 2026, are amended to read as follows:

17 1. A manufacturer, vintner, bottler, importer, or vendor
18 of wine, or an agent thereof, desiring to ~~ship, sell, or have~~
19 wine brought into this state for ~~sale at wholesale~~ resale by
20 a class "A" wine permittee shall first make application for
21 and shall be issued a vintner's certificate of compliance by
22 the director for that purpose. The vintner's certificate
23 of compliance shall expire at the end of one year from the
24 date of issuance and shall be renewed for a like period upon
25 application to the director unless otherwise revoked for
26 cause. Each completed application for a vintner's certificate
27 of compliance or renewal of a certificate shall be submitted
28 electronically, or in a manner prescribed by the director, and
29 shall be accompanied by a fee of two hundred dollars payable
30 to the department. Each holder of a vintner's certificate
31 of compliance shall furnish the information required by the
32 director in the form the director requires. ~~A vintner or wine~~
33 ~~bottler whose plant is located in Iowa and who otherwise holds~~
34 ~~a class "A" wine permit to sell wine at wholesale is exempt~~
35 ~~from the fee, but not the other terms and conditions. The~~

1 holder of a vintner's certificate of compliance may also hold a
2 class "A" wine permit.

3 2. At the time of applying for a vintner's certificate
4 of compliance, each applicant shall file with the department
5 electronically, or in a manner prescribed by the director, a
6 list of all class "A" wine permittees with whom it intends
7 to do business. The listing of class "A" wine permittees as
8 filed with the department shall be amended by the holder of
9 the certificate of compliance as necessary to keep the listing
10 current with the department.

11 3. a. Except as provided in paragraph "b", all class
12 "A" wine permit holders shall sell only those brands of
13 wine brought into the state which are manufactured, bottled,
14 fermented, shipped, or imported by a person holding a
15 current vintner's certificate of compliance. An employee or
16 agent working for or representing the holder of a vintner's
17 certificate of compliance within this state shall register the
18 employee's or agent's name and address with the department
19 electronically, or register in a manner prescribed by the
20 director. ~~These names and addresses shall be filed with the~~
21 ~~department's copy of the certificate of compliance issued~~
22 ~~except that this provision does not require the listing of~~
23 ~~those persons who are employed on the premises of a bottling~~
24 ~~plant, or winery where wine is manufactured, fermented,~~
25 ~~or bottled in Iowa or the listing of those persons who are~~
26 ~~thereafter engaged in the transporting of the wine.~~

27 b. A class "A" wine permit holder may sell brands of wine
28 brought into the state which are not manufactured, bottled,
29 fermented, shipped, or imported by a person holding a current
30 vintner's certificate of compliance if the brands of wine were
31 purchased from a private sale pursuant to section 123.171,
32 subsection 4, or if authorized by the laws of another state.

33 EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

1 This bill relates to alcoholic beverage control by making
2 changes to distiller's, vintner's, and brewer's certificates of
3 compliance (certificates) and by allowing for the issuance of
4 class "A" wine permits to nonnative wine manufacturers.

5 The bill strikes a provision requiring persons participating
6 in the distribution of an alcoholic liquor brand, other
7 than manufacturers, distillers, and importers, to obtain a
8 distiller's certificate prior to the resale of that brand in
9 this state. The bill also strikes a provision specifying
10 the certificate is not required to be accompanied by a list
11 of persons employed on the premises where alcoholic liquors
12 are manufactured, processed, bottled, or packaged or who are
13 employed in transporting such liquors.

14 Currently, an application for a distiller's, brewer's, or
15 vintner's certificate requires the application to be submitted
16 to the department of revenue (department) electronically, or in
17 a manner prescribed by the director of revenue (director). For
18 a brewer's certificate, the bill specifies that the required
19 list of all class "A" beer permittees with whom the applicant
20 intends to do business and the designated distribution area
21 must also be submitted to the department electronically or in a
22 manner prescribed by the director. The bill also specifies the
23 holder of a brewer's certificate of compliance may also hold a
24 class "A" beer permit.

25 The bill strikes a provision exempting a vintner or wine
26 bottler with a plant in Iowa and holding a class "A" wine
27 permit from paying the \$200 fee accompanying an application for
28 a vintner's certificate. The bill requires (1) each applicant
29 for a vintner's certificate to file with the department
30 electronically, or in a manner prescribed by the director, a
31 list of all class "A" wine permittees the applicant intends to
32 do business with in the state, and (2) each employee or agent
33 working for or representing the certificate holder to similarly
34 submit electronically with the department the person's name
35 and address. The bill also strikes a provision specifying a

1 certificate is not required to be accompanied by a list of
2 persons employed on the premises of a bottling plant or winery
3 or persons who are employed in transporting the wine.

4 New Code section 123.176A allows a nonnative wine
5 manufacturer (manufacturer) to apply for a class "A" wine
6 permit and to sell or sell at wholesale wine the manufacturer
7 has manufactured on its permitted or licensed premises that
8 are located in another state and properly registered with the
9 federal alcohol and tobacco tax and trade bureau. Class "A"
10 wine permits are governed by Code sections 123.173, 123.175,
11 and 123.177, which generally allow a resident holder of the
12 permit to manufacture and sell or sell at wholesale wine for
13 consumption off premises in this state.

14 A sale by the manufacturer within this state is restricted to
15 sales made to a person holding a class "A" wine permit or to a
16 person holding a retail alcohol license, pursuant to current
17 law. The bill prohibits a manufacturer from selling in this
18 state wine fermented by any other manufacturer. The bill also
19 specifies the manufacturer may ship wine in closed containers
20 to purchasers in this state by obtaining a wine direct shipper
21 permit.

22 By holding a class "A" wine permit, the manufacturer is
23 deemed to have consented to the jurisdiction of the department
24 and the courts for enforcement, and must allow audits of
25 manufacturing and sales records upon request. Violations of
26 the bill subject the manufacturer to general penalties provided
27 in Code chapter 123 and constitute grounds for imposition of
28 a civil penalty or suspension or revocation of the permit as
29 provided in Code section 123.39.

30 The bill establishes the annual fee for a class "A" wine
31 permit issued to a manufacturer at \$100, which is equal
32 to the annual class "A" wine permit fee issued to a native
33 manufacturer.