

Senate File 2120 - Introduced

SENATE FILE 2120

BY SINCLAIR

A BILL FOR

1 An Act relating to the authority granted native distilleries.

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

1 Section 1. Section 123.30, subsection 3, paragraph c,
2 subparagraph (3), Code 2022, is amended to read as follows:

3 (3) A class "C" native distilled spirits liquor control
4 license may be issued to a native distillery but shall be
5 issued in the name of the individuals who actually own the
6 business and shall only be issued to a native distillery which,
7 combining all production facilities of the business, produces
8 and manufactures not more than one hundred thousand proof
9 gallons of distilled spirits on an annual basis. The license
10 shall authorize the holder to sell native distilled spirits
11 manufactured on the premises of the native distillery, beer
12 manufactured by a native brewery, and native wine, to patrons
13 by the individual drink for consumption on the premises and.
14 The license shall also authorize the holder to sell mixed
15 drinks or cocktails for consumption off the premises subject
16 to the requirements of [section 123.49, subsection 2](#), paragraph
17 "d". All native distilled spirits sold by a native distillery
18 for on-premises consumption and mixed drinks or cocktails
19 sold for consumption off the premises shall be purchased from
20 a class "E" liquor control licensee in original unopened
21 containers.

22 Sec. 2. Section 123.43A, subsections 2 and 6, Code 2022, are
23 amended to read as follows:

24 2. A native distillery shall not sell more than ~~one and~~
25 ~~one-half~~ nine liters per person per day, of native distilled
26 spirits on the premises of the native distillery. ~~However, a~~
27 ~~native distillery which, combining all production facilities~~
28 ~~of the business, produces and manufactures not more than one~~
29 ~~hundred thousand proof gallons of native distilled spirits on~~
30 ~~an annual basis, may sell not more than nine liters per person~~
31 ~~per day, of native distilled spirits.~~ In addition, a native
32 distillery shall not directly ship native distilled spirits for
33 sale at retail. The native distillery shall maintain records
34 of individual purchases of native distilled spirits at the
35 native distillery for three years.

1 6. Notwithstanding any provision of this chapter to the
2 contrary or the fact that a person is the holder of a class "A"
3 native distilled spirits license, a native distillery ~~which,~~
4 ~~combining all production facilities of the business, produces~~
5 ~~and manufactures not more than one hundred thousand proof~~
6 ~~gallons of native distilled spirits on an annual basis~~ may sell
7 beer manufactured by a native brewery, native wine, and those
8 native distilled spirits manufactured on the premises of the
9 native distillery for consumption on the premises by applying
10 for a class "C" native distilled spirits liquor control license
11 as provided in section 123.30. A native distillery may be
12 granted not more than two class "C" native distilled spirits
13 liquor control licenses. All native distilled spirits sold
14 by a native distillery for on-premises consumption and mixed
15 drinks or cocktails sold for consumption off the premises shall
16 be purchased from a class "E" liquor control licensee. A
17 manufacturer of native distilled spirits may be issued a class
18 "C" native distilled spirits liquor control license regardless
19 of whether the manufacturer is also a manufacturer of beer
20 pursuant to a class "A" beer permit or a manufacturer of native
21 wine pursuant to a class "A" wine permit.

22 Sec. 3. Section 137F.1, subsection 8, Code 2022, is amended
23 by adding the following new paragraph:

24 NEW PARAGRAPH. o. Premises covered by a current class "C"
25 native distilled spirits liquor control license as provided in
26 chapter 123.

27

EXPLANATION

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

30 This bill relates to native distilleries.

31 Code section 123.30 is amended to allow a holder of a class
32 "C" native distilled spirits liquor control license to sell
33 beer manufactured by a native brewery and native wine for
34 consumption on the premises of the licensee. A corresponding
35 change is made in Code section 123.43A concerning native

1 distilleries.

2 Code section 123.43A is also amended to allow native
3 distilleries the ability to sell not more than nine liters per
4 person per day of native distilled spirits on the premises
5 of the native distillery and to apply for a class "C" native
6 distilled spirits liquor control license. Under current law,
7 a native distillery that produces and manufactures more than
8 100,000 proof gallons of native distilled spirits on an annual
9 basis may sell no more than 1.5 liters per person per day and
10 is not authorized to apply for a class "C" native distilled
11 spirits liquor control license.

12 Code section 137F.1 is amended to provide that a food
13 establishment, subject to licensure under Code chapter 137,
14 does not include premises covered by a current class "C" native
15 distilled spirits liquor control license.