

**House File 2354 - Introduced**

HOUSE FILE 2354  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO HF 993)

(SUCCESSOR TO HF 761)

(SUCCESSOR TO HF 140)

**A BILL FOR**

1 An Act providing for the direct shipment of alcoholic liquor,  
2 providing fees, and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 123.28, subsection 5, Code 2026, is  
2 amended to read as follows:

3 5. This section does not affect the right of a retail  
4 alcohol license holder to purchase, possess, or transport  
5 alcoholic liquors subject to this chapter. In addition, this  
6 section does not impact the direct shipment of alcoholic liquor  
7 as regulated by section 123.42A.

8 Sec. 2. Section 123.32, subsection 1, paragraph b, Code  
9 2026, is amended by adding the following new subparagraph:

10 NEW SUBPARAGRAPH. (05) An alcoholic liquor direct shipper  
11 license as provided in section 123.42A.

12 Sec. 3. Section 123.32, subsection 1, paragraph b,  
13 subparagraph (10), Code 2026, is amended to read as follows:

14 (10) ~~A wine~~ An alcoholic beverage carrier permit as provided  
15 in section 123.188.

16 Sec. 4. Section 123.39, subsection 1, paragraph a,  
17 subparagraph (2), Code 2026, is amended to read as follows:

18 (2) The director may suspend a certificate of compliance, a  
19 class "D" retail alcohol license, a manufacturer's license, a  
20 broker's permit, an alcoholic liquor direct shipper license,  
21 a class "A" native distilled spirits license, a class "A" or  
22 special class "A" beer permit, a class "A" wine permit, a  
23 wine direct shipper's permit, or ~~a wine~~ an alcoholic beverage  
24 carrier permit for a period not to exceed one year, revoke the  
25 license, permit, or certificate, or impose a civil penalty not  
26 to exceed one thousand dollars per violation.

27 Sec. 5. Section 123.41, subsection 1, Code 2026, is amended  
28 to read as follows:

29 1. Each completed application to obtain or renew a  
30 manufacturer's license shall be submitted to the department  
31 electronically, or in a manner prescribed by the director, and  
32 shall be accompanied by a fee of three hundred dollars payable  
33 to the department. The director may in accordance with this  
34 chapter grant and issue to a manufacturer a manufacturer's  
35 license, valid for a one-year period after date of issuance,

1 which shall allow the manufacture, storage, and ~~wholesale~~  
2 ~~disposition~~ and sale of alcoholic liquors to the department and  
3 to customers outside of the state pursuant to the laws of that  
4 jurisdiction.

5 Sec. 6. Section 123.41, Code 2026, is amended by adding the  
6 following new subsection:

7 NEW SUBSECTION. 1A. A manufacturer of alcoholic liquor  
8 may ship alcoholic liquor in closed containers to individual  
9 purchasers inside this state by obtaining an alcoholic liquor  
10 direct shipper license pursuant to section 123.42A.

11 Sec. 7. NEW SECTION. **123.42A Direct shipment of alcoholic**  
12 **liquor — license and requirements.**

13 1. An alcoholic liquor manufacturer licensed or permitted  
14 pursuant to laws regulating alcoholic beverages in this state  
15 or another state may apply for an alcoholic liquor direct  
16 shipper license, as provided in this section. For the purposes  
17 of this section, an "*alcoholic liquor manufacturer*" means a  
18 business with an operating still which distills spirits, barrel  
19 matures spirits for a period of two years on the licensed  
20 premises of the distillery where matured, or blends or mixes  
21 spirits comprised solely of spirits distilled or barrel matured  
22 for a period of two years on the licensed premises of the  
23 distillery.

24 2. a. Only an alcoholic liquor manufacturer that holds an  
25 alcoholic liquor direct shipper license issued pursuant to this  
26 section is authorized to sell alcoholic liquor at retail for  
27 direct shipment to any person within this state. This section  
28 does not prohibit an authorized retail licensee or permittee  
29 from delivering alcoholic liquor pursuant to section 123.46A.

30 b. An alcoholic liquor manufacturer applying for an  
31 alcoholic liquor direct shipper license shall submit an  
32 application for the license electronically, or in a manner  
33 prescribed by the director, accompanied by a true copy of  
34 the manufacturer's current alcoholic beverage license or  
35 permit issued by the state where the manufacturer is primarily

1 located, a copy of the manufacturer's basic permit issued by  
2 the alcohol and tobacco tax and trade bureau of the United  
3 States department of the treasury, and documents filed by the  
4 manufacturer with the alcohol and tobacco tax and trade bureau  
5 of the United States department of the treasury that show the  
6 total number of proof gallons of distilled spirits produced and  
7 manufactured by the manufacturer for the preceding calendar  
8 year.

9     *c.* An application submitted pursuant to paragraph "b" shall  
10 be accompanied by a license fee in the amount of twenty-five  
11 dollars.

12     *d.* A license issued pursuant to this section may be renewed  
13 annually by submitting a renewal application with the director  
14 in a manner prescribed by the director, accompanied by the  
15 twenty-five dollar license fee.

16     3. The direct shipment of alcoholic liquor pursuant to this  
17 section is subject to all of the following requirements and  
18 restrictions:

19     *a.* Alcoholic liquor shall only be shipped to a resident of  
20 this state who is at least twenty-one years of age, for the  
21 resident's personal use and consumption and not for resale as  
22 follows:

23         (1) An alcoholic liquor direct shipper licensee may sell  
24 and ship alcoholic liquor to any person who is at least  
25 twenty-one years of age for personal use and not for resale if  
26 the licensee produces in, or imports into, the United States  
27 one hundred fifty thousand proof gallons or fewer of distilled  
28 spirits per calendar year.

29         (2) An alcoholic liquor direct shipper licensee may sell and  
30 ship up to nine liters of alcoholic liquor per calendar year to  
31 any person who is at least twenty-one years of age for personal  
32 use and not for resale if the licensee produces in, or imports  
33 into, the United States more than one hundred fifty thousand  
34 proof gallons of distilled spirits per calendar year.

35     *b.* Alcoholic liquor subject to direct shipping shall be

1 properly registered with the federal alcohol and tobacco tax  
2 and trade bureau, and manufactured on the licensed premises of  
3 the alcoholic liquor direct shipper licensee.

4 *c.* Alcoholic liquor subject to direct shipping shall be  
5 properly registered with the department. Products which are  
6 not listed for sale by the department must be registered  
7 electronically with the department for direct shipping. This  
8 registration must include the name of the manufacturer, the  
9 name of the brand, the standard of fill, the wholesale price,  
10 and other information as requested by the department. The  
11 registration shall be updated as necessary to ensure the  
12 department possesses an accurate, current registration.

13 *d.* All containers of alcoholic liquor shipped directly to a  
14 resident of this state shall be conspicuously labeled with the  
15 words "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER  
16 REQUIRED FOR DELIVERY" or shall be conspicuously labeled with  
17 alternative wording preapproved by the director.

18 *e.* All containers of alcoholic liquor shipped directly  
19 to a resident of this state shall be shipped by a holder of  
20 an alcoholic beverage carrier permit as provided in section  
21 123.188.

22 *f.* Shipment of alcoholic liquor pursuant to this subsection  
23 does not require a refund value for beverage container control  
24 purposes under chapter 455C.

25 4. An alcoholic liquor direct shipper licensee shipping  
26 alcoholic liquor to this state shall remit the following amount  
27 to the department in a manner as directed by the department:

28 *a.* For alcoholic liquor that is listed for sale by the  
29 department, an amount equivalent to fifty percent of the listed  
30 wholesale price.

31 *b.* For alcoholic liquor that is not listed for sale by  
32 the department, an amount equivalent to fifty percent of  
33 the wholesale price as registered with the department under  
34 subsection 3.

35 5. Each alcoholic liquor direct shipper licensee shall make

1 a report under oath to the department electronically, or in a  
2 manner prescribed by the director, on or before the tenth day  
3 of each month, which includes all of the following information:

4     *a.* The products and quantities shipped directly to residents  
5 of this state in the preceding month.

6     *b.* The name and address of the individuals to whom the  
7 alcoholic liquor was sold in each sale.

8     *c.* The wholesale price of the alcoholic liquor sold.

9     *d.* The purchase price of the alcoholic liquor sold and  
10 the amount of taxes charged to the individual purchasing the  
11 alcoholic liquor.

12     *e.* The alcoholic beverage carrier permittee who delivered  
13 the shipment.

14     *f.* All documents filed by the alcoholic liquor direct  
15 shipper licensee with the alcohol and tobacco tax and trade  
16 bureau of the United States department of treasury for the  
17 preceding month, including all production, storage, and  
18 processing reports.

19     6. The license holder at the time of filing the report as  
20 required by subsection 5 shall pay to the department the amount  
21 as required pursuant to subsection 4. The department shall  
22 assess and collect a civil penalty of ten percent of the amount  
23 due if the report required to be filed pursuant to this section  
24 and the amount required to be paid as provided by subsection  
25 4 is not filed and the amount paid within the time required by  
26 this section.

27     7. An alcoholic liquor direct shipper licensee shall be  
28 deemed to have consented to the jurisdiction of the department  
29 or any other agency or court in this state concerning  
30 enforcement of this section and any related laws, rules, or  
31 regulations. A license holder shall allow the department to  
32 perform an audit of shipping records upon request.

33     8. A violation of this section shall subject the licensee  
34 to the general penalties provided in this chapter and shall  
35 constitute grounds for imposition of a civil penalty or

1 suspension or revocation of the license pursuant to section  
2 123.39.

3 Sec. 8. Section 123.43A, subsection 2, Code 2026, is amended  
4 to read as follows:

5 2. A native distillery shall not sell more than nine  
6 liters per person per day, of native distilled spirits on  
7 the premises of the native distillery. However, a native  
8 distillery ~~shall not directly~~ may ship native distilled spirits  
9 ~~for sale at retail~~ manufactured by the native distillery in  
10 closed containers to individual purchasers inside the state by  
11 obtaining an alcoholic liquor direct shipper license pursuant  
12 to section 123.42A. The native distillery shall maintain  
13 records of individual purchases of native distilled spirits at  
14 the native distillery for three years.

15 Sec. 9. Section 123.43A, subsection 7, Code 2026, is amended  
16 to read as follows:

17 7. A native distillery may sell the native distilled spirits  
18 it manufactures to customers outside the state, pursuant to the  
19 laws of that jurisdiction.

20 Sec. 10. Section 123.46A, subsection 5, Code 2026, is  
21 amended to read as follows:

22 5. Nothing in this section shall impact the direct shipment  
23 of alcoholic liquor as regulated by section 123.42A or the  
24 direct shipment of wine as regulated by section 123.187.

25 Sec. 11. Section 123.173C, subsection 4, paragraphs b and d,  
26 Code 2026, are amended to read as follows:

27 *b.* A person, within or outside of the state, who desires  
28 to ship wine from a private collection to a wine auction  
29 permittee to be sold at auction shall do so through a holder of  
30 ~~a wine~~ an alcoholic beverage carrier permit. The wine auction  
31 permittee shall ensure that each bottle of wine so acquired  
32 is permanently affixed with a label stating that the wine was  
33 acquired from a private collection.

34 *d.* A permittee is responsible for the storage of all wines  
35 that are to be offered at auction at the licensed premises,

1 and for the subsequent shipment and delivery of all wines sold  
2 at auction to the purchasers of the wines. Shipment of wine  
3 pursuant to this paragraph shall only be done by a holder of a  
4 ~~wine~~ an alcoholic beverage carrier permit.

5 Sec. 12. Section 123.187, subsection 3, paragraph d, Code  
6 2026, is amended to read as follows:

7 *d.* All containers of wine shipped directly to a resident of  
8 this state shall be shipped by a holder of ~~a wine~~ an alcoholic  
9 beverage carrier permit as provided in [section 123.188](#).

10 Sec. 13. Section 123.188, subsections 1, 2, and 4, Code  
11 2026, are amended to read as follows:

12 1. A person desiring to deliver alcoholic liquor subject to  
13 direct shipment within this state pursuant to section 123.42A,  
14 wine subject to direct shipment within this state pursuant to  
15 section 123.187, or ~~to deliver~~ wine shipped to or by a wine  
16 auction permittee pursuant to [section 123.173C](#), shall submit  
17 an application for ~~a wine~~ an alcoholic beverage carrier permit  
18 electronically, or in a manner prescribed by the director,  
19 which shall be accompanied by a fee in the amount of one  
20 hundred dollars.

21 2. The director may in accordance with [this chapter](#) issue a  
22 ~~wine~~ an alcoholic beverage carrier permit which shall be valid  
23 for one year from the date of issuance unless it is sooner  
24 suspended or revoked for a violation of [this chapter](#).

25 4. The delivery of alcoholic liquor or wine pursuant to this  
26 section ~~shall be~~ is subject to the following requirements and  
27 restrictions:

28 *a.* ~~A wine~~ An alcoholic beverage carrier permittee shall not  
29 deliver alcoholic liquor or wine to any person under twenty-one  
30 years of age, or to any person who either is or appears to be in  
31 an intoxicated state or condition.

32 *b.* ~~A wine~~ An alcoholic beverage carrier permittee shall  
33 obtain valid proof of identity and age prior to delivery,  
34 and shall obtain the signature of an adult as a condition of  
35 delivery.



1 information on the name of the manufacturer, the name of  
2 the brand, the standard of fill, the wholesale price, and  
3 other information as requested by the department. The bill  
4 also requires each licensee to make a monthly report to the  
5 department that lists the products and quantities shipped  
6 directly to residents of this state in the preceding month,  
7 the name and address of the individuals to whom the alcoholic  
8 liquor was sold in each sale, the wholesale price of the  
9 alcoholic liquor sold, the purchase price and taxes charged  
10 of the alcoholic liquor sold, the alcoholic beverage carrier  
11 permittee who delivered each shipment, and documents filed by  
12 the licensee with the alcohol and tobacco tax and trade bureau  
13 of the United States department of treasury for the preceding  
14 month, including all production, storage, and processing  
15 reports.

16 Finally, the bill requires a licensee to remit an amount  
17 to the department depending on whether the alcoholic liquor  
18 shipped is listed for sale by the department. If the alcoholic  
19 liquor is listed for sale by the department, the permittee  
20 shall remit to the department an amount equivalent to 50  
21 percent of the wholesale price paid by the department for  
22 the alcoholic liquor. If the alcoholic liquor is not listed  
23 for sale by the department, the permittee shall remit to  
24 the department an amount equivalent to 50 percent of the  
25 wholesale price of the alcoholic liquor as registered with  
26 the department. The bill provides that a civil penalty of 10  
27 percent of the amount due shall be assessed and collected if  
28 the amount required to be paid to the department as provided  
29 by the bill is not paid within the time required. Generally,  
30 moneys collected by the department under Code chapter 123 for  
31 the issuance of permits and licenses, and other moneys and  
32 receipts received by the department from any other source under  
33 the Code chapter, are deposited in the beer and liquor control  
34 fund (Code section 123.17). Civil penalties imposed and  
35 collected by the department under the Code chapter are credited

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1 to the general fund of the state.

2 The bill allows a manufacturer of alcoholic liquor and a  
3 native distillery to ship alcoholic liquor or native distilled  
4 spirits, as applicable, to individual purchasers inside this  
5 state by obtaining an alcoholic liquor direct shipper license  
6 as established in the bill.

7 The bill replaces the wine carrier permit under current law  
8 with an alcoholic beverage carrier permit to provide for the  
9 direct shipment of alcoholic liquor as provided by the bill.

10 The bill takes effect January 1, 2027.