

House File 2642 - Reprinted

HOUSE FILE 2642
BY COMMITTEE ON NATURAL
RESOURCES

(SUCCESSOR TO HSB 713)

(As Amended and Passed by the House March 12, 2026)

A BILL FOR

- 1 An Act relating to the use of water, including beneficial use in
- 2 the context of water allocation and the disposal of wastewater
- 3 from distillery operations.
- 4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 455B.171, Code 2026, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 18A. "On-site native distillery operation"
4 means land where there is located an operating native distillery
5 issued a class "A" native distilled spirits license by the
6 department of revenue pursuant to section 123.43A.

7 Sec. 2. NEW SECTION. **455B.172B On-site native distillery**
8 **operations.**

9 1. The department shall adopt by rule pursuant to chapter 17A
10 standards for the disposal of wastewater from an on-site native
11 distillery operation. These standards shall provide for but are
12 not limited to disposal by all of the following:

13 a. By land application if all of the following apply:

14 (1) The volume of wastewater produced by the on-site native
15 distillery operation is less than one thousand five hundred
16 gallons per day.

17 (2) The application rate does not exceed thirty thousand
18 gallons per acre per year.

19 (3) The application rate does not exceed one thousand five
20 hundred gallons per acre per day.

21 (4) The standards for land application are consistent with
22 the rules for land application of septage adopted to implement
23 section 455B.172.

24 b. At a publicly owned treatment works or other wastewater
25 treatment system with the permission of the owner of the
26 treatment works.

27 c. Through a subsurface absorption system in conformance
28 with applicable regulations of the United States environmental
29 protection agency.

30 d. Through a disposal system that meets all of the following
31 requirements:

32 (1) The disposal system is located on the same site as the
33 on-site native distillery operation.

34 (2) The disposal system is constructed in conformance with a
35 permit issued by the department.

1 (3) For a disposal system that discharges wastewater into a
2 water of the United States, the system is operated in conformance
3 with a national pollutant discharge elimination system permit
4 issued by the department under section 455B.197.

5 Sec. 3. Section 455B.261, subsection 4, Code 2026, is amended
6 by striking the subsection.

7 Sec. 4. Section 455B.265, subsection 1, Code 2026, is amended
8 to read as follows:

9 1. In its consideration of applications for permits, the
10 department shall give priority in processing to persons in the
11 order that the applications are received, ~~except where~~ when
12 the application of this processing priority system prevents the
13 prompt approval of routine applications or ~~where~~ when the public
14 health, safety, or welfare will be threatened by delay. If
15 the department determines after investigation that the diversion,
16 storage, or withdrawal is consistent with the principles and
17 policies of beneficial use and ensuring conservation, the
18 department shall grant a permit. The determination of beneficial
19 use shall not be based on categories of uses. An application
20 for a permit shall be approved or denied within ninety
21 days from the date that the department receives the complete
22 application. A renewal permit shall be approved or denied by the
23 department within thirty days from the date that the department
24 receives a complete application for renewal. If the applicant
25 requests an extension of the time allotted, the department
26 may approve the request to allow the applicant more time to
27 submit additional information to resolve a contested or complex
28 application. Regardless of the request in the application,
29 and subject to appeal, the director or the department may
30 determine the duration and frequency of withdrawal and the
31 quantity of water to be diverted, stored, or withdrawn pursuant
32 to the permit. Each permit granted after July 1, 1986, shall
33 include conditions requiring routine conservation practices, and
34 requiring implementation of emergency conservation measures after
35 notification by the department.