

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
2 in the context of water allocation and the disposal of
3 wastewater 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
5 distillery issued a class "A" native distilled spirits license
6 by the 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
10 17A standards for the disposal of wastewater from an on-site
11 native distillery operation. These standards shall provide for
12 but are 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
2 into a water of the United States, the system is operated in
3 conformance with a national pollutant discharge elimination
4 system permit issued by the department under section 455B.197.

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

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

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32 water to be diverted, stored, or withdrawn pursuant to the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

H.F. 2642

1 after notification by the department.