

House File 2780 - Reprinted

HOUSE FILE 2780

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2355)

(SUCCESSOR TO HSB 581)

(COMPANION TO SF 2469 BY

COMMITTEE ON WAYS AND MEANS)

(As Amended and Passed by the House April 23, 2026)

A BILL FOR

1 An Act relating to alcoholic beverage control by providing for
2 certificates of compliance and the issuance of class "A"
3 wine permits to nonnative wine manufacturers, permitting
4 cities to create social districts for the consumption of
5 alcoholic beverages, and providing fees.

6 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 123.30, subsection 5, paragraph a, Code
5 2026, is amended by adding the following new subparagraph:

6 NEW SUBPARAGRAPH. (4) A social district, if the holder of
7 the retail alcohol license is a participating licensee within a
8 social district and in compliance with the ordinance adopted
9 under section 414.34.

10 Sec. 5. Section 123.46, subsection 2, Code 2026, is amended
11 to read as follows:

12 2. a. A person shall not use or consume alcoholic liquor,
13 wine, or beer upon the public streets or highways. A person
14 shall not use or consume alcoholic liquor in any public
15 place except premises covered by a retail alcohol license.
16 A person shall not possess or consume alcoholic liquors,
17 wine, or beer on public school property or while attending a
18 public or private school-related function. A person shall not
19 be intoxicated in a public place. A person violating this
20 subsection is guilty of a simple misdemeanor.

21 b. Notwithstanding paragraph "a", a person may possess
22 or consume alcoholic liquor, wine, or beer upon the public
23 streets, highways, or public places within a social district
24 if the possession or consumption complies with the ordinance
25 adopted under section 414.34.

26 Sec. 6. Section 123.135, subsections 1, 2, and 3, Code 2026,
27 are amended to read as follows:

28 1. A manufacturer, brewer, bottler, importer, or vendor
29 of beer, or any agent thereof, desiring to ~~ship or sell beer,~~
30 ~~or~~ have beer brought into this state for resale by a class
31 "A" beer permittee, shall first make application for and be
32 issued a brewer's certificate of compliance by the director
33 for that purpose. The certificate of compliance expires at
34 the end of one year from the date of issuance and shall be
35 renewed for a like period upon application to the director

1 unless otherwise revoked for cause. Each completed application
2 for a certificate of compliance or renewal of a certificate
3 shall be submitted electronically, or in a manner prescribed
4 by the director, and shall be accompanied by a fee of two
5 hundred dollars payable to the department. Each holder of a
6 certificate of compliance shall furnish the information in
7 a manner the director requires. The holder of a brewer's
8 certificate of compliance may also hold a class "A" beer
9 permit.

10 2. At the time of applying for a certificate of compliance,
11 each applicant shall file with the department electronically,
12 or in a manner prescribed by the director, a list of all class
13 "A" beer permittees with whom it intends to do business and
14 ~~shall designate~~ a designation of the geographic area in which
15 its products are to be distributed by such permittee. The
16 listing of class "A" beer permittees and geographic area as
17 filed with the department shall be amended by the holder of
18 a certificate of compliance as necessary to keep the listing
19 current with the department.

20 3. All class "A" beer permit holders shall sell only those
21 brands of beer brought into the state which are manufactured,
22 brewed, bottled, shipped, or imported by a person holding a
23 current certificate of compliance. Any employee or agent
24 working for or representing the holder of a certificate of
25 compliance within this state shall submit electronically, or in
26 a manner prescribed by the director, the employee's or agent's
27 name and address with the department.

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

30 2. A class "A" wine permit allows the holder to manufacture
31 and sell, or sell at wholesale, in this state, wine. The
32 holder of a class "A" wine permit may manufacture in this state
33 wine having an alcoholic content greater than seventeen percent
34 by weight or twenty-one and twenty-five hundredths percent of
35 alcohol by volume for shipment outside this state. ~~All~~ Except

1 as provided in section 123.176A, all class "A" premises shall
2 be located within the state.

3 Sec. 8. Section 123.175, subsection 2, paragraph c, Code
4 2026, is amended to read as follows:

5 c. That the applicant is a citizen resident of the state
6 of Iowa or, if a corporation, that the applicant is authorized
7 to do business in the state. This paragraph does not apply if
8 the applicant is the state of Iowa or a state agency as defined
9 in section 669.2. The residency requirement of this paragraph
10 does not apply to a nonnative wine manufacturer under section
11 123.176A.

12 Sec. 9. NEW SECTION. 123.176A Nonnative wine manufacturers.

13 1. As used in this section, "*nonnative wine manufacturer*"
14 means a person who processes the fruit, vegetables, dandelions,
15 clover, honey, or any combination of these ingredients, by
16 fermentation into wines on a premises located outside of this
17 state.

18 2. A nonnative wine manufacturer licensed or permitted
19 pursuant to laws regulating alcoholic beverages in another
20 state may apply for and be issued a class "A" wine permit, as
21 provided in section 123.175, without being a resident of this
22 state.

23 3. A nonnative wine manufacturer holding a class "A" wine
24 permit may sell, or sell at wholesale, in this state, wine
25 that the nonnative wine manufacturer has itself manufactured
26 by fermentation on its out-of-state licensed or permitted
27 premises, provided the wine is properly registered with the
28 alcohol and tobacco tax and trade bureau of the United States
29 department of the treasury. Pursuant to section 123.177, such
30 sales shall only be made to persons holding a class "A" wine
31 permit or to persons holding a retail alcohol license.

32 4. A nonnative wine manufacturer shall not sell in this
33 state wine fermented by another manufacturer.

34 5. A nonnative wine manufacturer may ship wine in closed
35 containers to individual purchasers within this state by

1 obtaining a wine direct shipper permit pursuant to section
2 123.187.

3 6. A nonnative wine manufacturer that holds a class "A" wine
4 permit shall be deemed to have consented to the jurisdiction
5 of the department or any other agency or court in this state
6 concerning enforcement of this chapter and any related laws,
7 rules, or regulations. A permit holder shall allow the
8 department to perform an audit of manufacturing and sales
9 records upon request.

10 7. A violation of this section shall subject the permit
11 holder to the general penalties provided in this chapter and
12 shall constitute grounds for imposition of a civil penalty or
13 suspension or revocation of the permit pursuant to section
14 123.39.

15 Sec. 10. Section 123.177, subsection 2, Code 2026, is
16 amended to read as follows:

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

22 Sec. 11. Section 123.179, Code 2026, is amended to read as
23 follows:

24 **123.179 Wine permit and license fees.**

25 1. The annual permit fee for a class "A" wine permit ~~that~~
26 ~~is not issued to a native wine manufacturer~~ is seven hundred
27 fifty dollars, except the annual permit fee for a class "A"
28 wine permit issued to a native wine manufacturer as provided in
29 section 123.176 or a nonnative wine manufacturer as provided in
30 section 123.176A is one hundred dollars.

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

33 ~~3.~~ 2. The fee for a charity beer, spirits, and wine special
34 event license is one hundred dollars.

35 ~~4.~~ 3. The fee for a wine auction permit is one hundred

1 dollars.

2 Sec. 12. Section 123.180, subsections 1, 2, and 3, Code
3 2026, are amended to read as follows:

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

25 2. At the time of applying for a vintner's certificate
26 of compliance, each applicant shall file with the department
27 electronically, or in a manner prescribed by the director, a
28 list of all class "A" wine permittees with whom it intends
29 to do business. The listing of class "A" wine permittees as
30 filed with the department shall be amended by the holder of
31 the certificate of compliance as necessary to keep the listing
32 current with the department.

33 3. a. Except as provided in paragraph "b", all class
34 "A" wine permit holders shall sell only those brands of
35 wine brought into the state which are manufactured, bottled,

1 fermented, shipped, or imported by a person holding a
2 current vintner's certificate of compliance. An employee or
3 agent working for or representing the holder of a vintner's
4 certificate of compliance within this state shall register the
5 employee's or agent's name and address with the department
6 electronically, or register in a manner prescribed by the
7 director. ~~These names and addresses shall be filed with the~~
8 ~~department's copy of the certificate of compliance issued~~
9 ~~except that this provision does not require the listing of~~
10 ~~those persons who are employed on the premises of a bottling~~
11 ~~plant, or winery where wine is manufactured, fermented,~~
12 ~~or bottled in Iowa or the listing of those persons who are~~
13 ~~thereafter engaged in the transporting of the wine.~~

14 *b.* A class "A" wine permit holder may sell brands of wine
15 brought into the state which are not manufactured, bottled,
16 fermented, shipped, or imported by a person holding a current
17 vintner's certificate of compliance if the brands of wine were
18 purchased from a private sale pursuant to section 123.171,
19 subsection 4, or if authorized by the laws of another state.

20 Sec. 13. NEW SECTION. 414.34 **Social districts.**

21 1. As used in this section:

22 *a.* "*Marked container*" means a nonglass container that
23 identifies the retail alcohol licensee providing the alcoholic
24 liquor, beer, or wine in the container to the consumer within
25 the social district.

26 *b.* "*Retail alcohol licensee*" means the holder of a class "C"
27 or special class "C" license issued under section 123.30.

28 *c.* "*Social district*" means a defined area in which the
29 possession and consumption of alcoholic liquor, wine, and
30 beer is allowed on public streets, sidewalks, and other
31 public spaces within the boundaries of the district that are
32 consistent with this section.

33 2. A city may define an area by ordinance that designates a
34 social district for use by retail alcohol licensees.

35 3. An ordinance adopted pursuant to this section must

1 include all of the following:

2 *a.* A legal description or map of the district.

3 *b.* The days and hours the possession and consumption of
4 alcoholic liquor, wine, and beer are permitted on public
5 streets, sidewalks, and other public places within the
6 district.

7 *c.* Requirements for marked container use and identification.

8 *d.* Participation requirements for retail alcohol licensees
9 within the district.

10 *e.* Enforcement provisions and penalties for violations.

11 *f.* Procedures for the revocation or suspension of all of the
12 following:

13 (1) The participation of retail alcohol licensees for
14 violations.

15 (2) The social district itself for public safety concerns
16 or other matters.

17 4. An ordinance adopted by a city shall not be construed to
18 authorize any of the following:

19 *a.* Consumption of an alcoholic beverage in a motor vehicle
20 or on the public streets, sidewalks, and other public spaces
21 during the times when the ordinance is not in effect.

22 *b.* Possession or consumption of an alcoholic beverage in
23 a manner contrary to the provisions of chapter 123 except as
24 otherwise provided by an ordinance adopted pursuant to this
25 section.

26 *c.* A prohibition on any participating retail alcohol
27 licensee or other establishment located within the social
28 district from denying entry to the premises of the licensee or
29 establishment to persons who possess alcoholic beverages from
30 other participating retail alcohol licensees.