HOUSE FILE 2648
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2445)
(SUCCESSOR TO HSB 594)

(As Amended and Passed by the House March 19, 2024)
[ = New Language by the House

## A BILL FOR

An Act relating to [alcoholic beverage licenses, including native distilled spirits alternating proprietorships and] the issuance of five-day retail alcohol and native wine licenses, and providing fees.

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

Section 1. Section 123.34, subsection 3, paragraphs a and c, Code 2024, are amended to read as follows:

*a.* The director may issue five-day class "C", special class "C", class "D", and class "F" retail alcohol licenses, and five-day special class "C" retail native wine licenses.

*c.* The fee for the five-day retail alcohol license is one-eighth of the annual fee for that class of license, except that the fee for a five-day special class "C" retail native wine license is fifty dollars.

Sec. 2. Section 123.43A, subsection 6, Code 2024, is amended to read as follows:

6. *a.* Notwithstanding any provision of this chapter to the contrary or the fact that a person is the holder of a class "A" native distilled spirits license, a native distillery may be granted a class "C" retail alcohol license as defined in section 123.30 for the same premises licensed under a class "A" native distilled spirits license where the manufacturing of native distilled spirits occurs. A native distillery may be granted not more than two class "C" retail alcohol licenses. A ~~manufacturer of~~ native ~~distilled spirits~~ distillery may be issued a class "C" retail alcohol license regardless of whether the ~~manufacturer~~ native distillery is also a manufacturer of beer pursuant to a class "A" beer permit or a manufacturer of native wine pursuant to a class "A" wine permit.

*b.* Notwithstanding any provision of this chapter to the contrary or the fact that a person is the holder of a class "A" native distilled spirits license, a native distillery may be granted a five-day class "C" retail alcohol license as described in section 123.34 for premises other than the premises licensed under a class "A" native distilled spirits license where the manufacturing of native distilled spirits occurs. A native distillery may be granted not more than six five-day class "C" retail alcohol licenses during a calendar year. A native distillery may be issued a five-day class "C" retail alcohol license regardless of whether the native

distillery is also a manufacturer of beer pursuant to a class "A" beer permit or a manufacturer of native wine pursuant to a class "A" wine permit.

[Sec. 3. Section 123.43A, Code 2024, is amended by adding the following new subsection:

NEW SUBSECTION. 8. A manufacturer may use the space and equipment of another manufacturer for the purpose of manufacturing native distilled spirits, provided that such an alternating proprietorship arrangement is approved by the alcohol and tobacco tax and trade bureau of the United States department of the treasury. A separate class "A" native distilled spirits license shall be issued to each manufacturer, and each manufacturer shall be subject to the provisions of this chapter and the rules of the department. Notwithstanding subsection 6, not more than one class "C" retail alcohol license shall be issued to a premises with alternating proprietorships.]

Sec. 4. Section 123.45, subsection 3, Code 2024, is amended to read as follows:

3. *a.* A person engaged in the wholesaling of beer or wine may sell only disposable glassware, which is constructed of paper, paper laminated, or plastic materials and designed primarily for personal consumption on a one-time usage basis, to retailers for use within the premises of licensed establishments, for an amount which is greater than or equal to an amount which represents the greater of either the amount paid for the disposable glassware by the supplier or the amount paid for the disposable glassware by the wholesaler. ~~Also, notwithstanding~~

*b.* Notwithstanding any other provision of this chapter or the fact that a person is the holder of a class "A" beer permit, a native brewery may be granted ~~not more than two~~ a class "C" retail alcohol ~~licenses~~ license or ~~not more than two~~ a special class "C" retail alcohol ~~licenses~~ license, both as defined in section 123.30, for the same premises licensed under

a class "A" beer permit where the manufacturing of beer occurs. A native brewery may be granted not more than two class "C" retail alcohol licenses or two special class "C" retail alcohol licenses. A native brewery may be issued a class "C" retail alcohol license or a special class "C" retail alcohol license regardless of whether that person is also a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license or a manufacturer of native wine pursuant to a class "A" wine permit.

*c.* Notwithstanding any other provision of this chapter or the fact that a person is the holder of a class "A" beer permit, a native brewery may be granted a five-day class "C" or five-day special class "C" retail alcohol license as described in section 123.34 for premises other than the premises licensed under a class "A" beer permit where the manufacturing of beer occurs. A native brewery may be granted not more than six five-day class "C" or five-day special class "C" retail alcohol licenses during a calendar year. A native brewery may be issued a five-day class "C" or five-day special class "C" retail alcohol license regardless of whether the native brewery is also a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license or a manufacturer of native wine pursuant to a class "A" wine permit.

Sec. 5. Section 123.176, subsection 5, Code 2024, is amended to read as follows:

5. *a.* Notwithstanding any other provision of this chapter or the fact that a person is the holder of a class "A" wine permit, a person engaged in the business of manufacturing native wine may be granted a class "C" retail alcohol license or special class "C" retail native wine license as defined in section 123.30 for the same premises licensed under a class "A" wine permit where the manufacturing of native wine occurs. A manufacturer of native wine may be granted not more than two class "C" retail alcohol licenses or special class "C" retail native wine licenses. A manufacturer of native wine

may be issued a class "C" retail alcohol license or special class "C" retail native wine license regardless of whether the manufacturer is also a manufacturer of beer pursuant to a class "A" beer permit or a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license.

*b.* Notwithstanding any other provision of this chapter or the fact that a person is the holder of a class "A" wine permit, a person engaged in the business of manufacturing native wine may be granted a five-day class "C" retail alcohol license or five-day special class "C" retail native wine license as described in section 123.34 for premises other than the premises licensed under a class "A" wine permit where the manufacturing of native wine occurs. A manufacturer of native wine may be granted not more than six five-day class "C" retail alcohol licenses or five-day special class "C" retail native wine licenses during a calendar year. A manufacturer of native wine may be issued a five-day class "C" retail alcohol license or five-day special class "C" retail native wine license regardless of whether the manufacturer is also a manufacturer of beer pursuant to a class "A" beer permit or a manufacturer of native distilled spirits pursuant to a class "A" native distilled spirits license.