



TO: Members of the General Assembly
FR: Tyler Ackerson, Legislative Liaison
DATE: January 7, 2026
RE: Overview - Nonnative Wine Manufacturer Licensing

BACKGROUND

Iowa law allows in-state wine manufacturers that ferment wine (native wineries) to sell the wine they make directly to Iowa wine retailers without having to use a wine wholesaler (commonly called self-distribution). These native wineries hold a class “A” wine permit, which Iowa law currently only allows to be issued to wineries with a premises in Iowa.

Buckel Family Wine LLC (Buckel), a Colorado-based winery, filed a lawsuit in U.S. District Court alleging that requiring an in-state premises in order to hold a class “A” wine permit, and thus have the ability to engage in self-distribution to Iowa wine retailers, was a violation of the dormant Commerce Clause of the U.S. Constitution.

U.S. District Court Judge Rebecca Goodgame Ebinger issued a decision in September 2024 agreeing with Buckel, citing the U.S. Supreme Court decision in *Granholm v. Heald*, which prohibits discrimination against out-of-state alcohol manufacturers to the benefit of in-state alcohol manufacturers. Judge Goodgame Ebinger ruled that the requirement for out-of-state wine manufacturers to have a premises in Iowa in order to be issued a class “A” wine permit is unconstitutional. She further ruled that class “A” wine permits can be issued to out-of-state wine manufacturers, however, the out-of-state wineries are limited to only self-distributing wine that they make to Iowa retailers. They cannot use the permit to wholesale other manufacturers’ wine or otherwise act as a wholesaler of wine.

PROPOSED CHANGES

Amend Iowa law to conform with the decision in the Buckel case. Clarify that class “A” wine permits can be issued to out-of-state wine manufacturers fermenting their own wine (defined in the bill as nonnative wine manufacturers), but self-distribution to Iowa retailers is limited to only the wine products manufactured via fermentation by the nonnative wine manufacturer.