

CHAPTER 1114

ALCOHOLIC BEVERAGE CONTROL — PERMITS AND LICENSES — AUTHORITY TO DESIGNATE CITY SOCIAL DISTRICTS

H.F. 2780

AN ACT relating to alcoholic beverage control by providing for certificates of compliance and the issuance of class “A” wine permits to nonnative wine manufacturers, permitting cities to create social districts for the consumption of alcoholic beverages, and providing fees.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 123.3, subsection 40, paragraph c, Code 2026, is amended to read as follows:

c. Notwithstanding paragraph “e”, the applicant is a citizen of the United States and a resident of this state, or licensed to do business in this state in the case of a corporation. Notwithstanding paragraph “e”, in the case of a partnership, only one general partner need be a resident of this state. The residency requirements of this paragraph do not apply to an applicant for a class “A” wine permit issued to a nonnative wine manufacturer pursuant to section 123.176A.

Sec. 2. Section 123.23, subsection 1, Code 2026, is amended to read as follows:

1. Any manufacturer, distiller, or importer of alcoholic liquors ~~shipping, selling, or~~ having alcoholic liquors brought into this state for resale by the state department shall, as a condition precedent to the privilege of so trafficking in alcoholic liquors in this state, annually make application for and hold a distiller’s certificate of compliance which shall be issued by the director for that purpose. No A brand of alcoholic liquor brought into this state shall not be sold by the department in this state unless the manufacturer, distiller, or importer, and all other persons participating in the distribution of that brand in this state have has obtained a certificate. The certificate of compliance shall expire at the end of one year from the date of issuance and shall be renewed for a like period upon application to the director unless otherwise suspended or revoked for cause. Each completed application for a certificate of compliance or renewal shall be submitted electronically, or in a manner prescribed by the director, and shall be accompanied by a fee of two hundred dollars payable to the department. However, this subsection need not apply to a manufacturer, distiller, or importer who ~~ships or~~ sells in this state no more than eleven gallons or its case equivalent during any fiscal year as a result of “special orders” which might be placed, as defined and allowed by departmental rules adopted under this chapter.

Sec. 3. Section 123.23, subsection 5, Code 2026, is amended by striking the subsection.

Sec. 4. Section 123.30, subsection 5, paragraph a, Code 2026, is amended by adding the following new subparagraph:

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

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

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

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

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

1. A manufacturer, brewer, bottler, importer, or vendor of beer, or any agent thereof, desiring to ~~ship or sell beer, or~~ have beer brought into this state for resale by a class “A” beer permittee, shall first make application for and be issued a brewer’s certificate of compliance by the director for that purpose. The certificate of compliance expires at the end of one year from the date of issuance and shall be renewed for a like period upon application to the director unless otherwise revoked for cause. Each completed application for a certificate of compliance or renewal of a certificate shall be submitted electronically, or in a manner prescribed by the director, and shall be accompanied by a fee of two hundred dollars payable to the department. Each holder of a certificate of compliance shall furnish the information in a manner the director requires. The holder of a brewer’s certificate of compliance may also hold a class “A” beer permit.

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

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

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

2. A class “A” wine permit allows the holder to manufacture and sell, or sell at wholesale, in this state, wine. The holder of a class “A” wine permit may manufacture in this state wine having an alcoholic content greater than seventeen percent by weight or twenty-one and twenty-five hundredths percent of alcohol by volume for shipment outside this state. All Except as provided in section 123.176A, all class “A” premises shall be located within the state.

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

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

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

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

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

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

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

manufacturer.

5. A nonnative wine manufacturer may ship wine in closed containers to individual purchasers within this state by obtaining a wine direct shipper permit pursuant to section 123.187.

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

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

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

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

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

123.179 Wine permit and license fees.

1. The annual permit fee for a class “A” wine permit ~~that is not issued to a native wine manufacturer~~ is seven hundred fifty dollars, except the annual permit fee for a class “A” wine permit issued to a native wine manufacturer as provided in section 123.176 or a nonnative wine manufacturer as provided in section 123.176A is one hundred dollars.

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

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

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

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

1. A manufacturer, vintner, bottler, importer, or vendor of wine, or an agent thereof, desiring to ~~ship, sell, or~~ have wine brought into this state for sale at wholesale resale by a class “A” wine permittee shall first make application for and shall be issued a vintner’s certificate of compliance by the director for that purpose. The vintner’s certificate of compliance shall expire at the end of one year from the date of issuance and shall be renewed for a like period upon application to the director unless otherwise revoked for cause. Each completed application for a vintner’s certificate of compliance or renewal of a certificate shall be submitted electronically, or in a manner prescribed by the director, and shall be accompanied by a fee of two hundred dollars payable to the department. Each holder of a vintner’s certificate of compliance shall furnish the information required by the director in the form the director requires. ~~A vintner or wine bottler whose plant is located in Iowa and who otherwise holds a class “A” wine permit to sell wine at wholesale is exempt from the fee, but not the other terms and conditions.~~ The holder of a vintner’s certificate of compliance may also hold a class “A” wine permit.

2. At the time of applying for a vintner’s certificate of compliance, each applicant shall file with the department electronically, or in a manner prescribed by the director, a list of all class “A” wine permittees with whom it intends to do business. The listing of class “A” wine permittees as filed with the department shall be amended by the holder of the certificate of compliance as necessary to keep the listing current with the department.

3. a. Except as provided in paragraph “b”, all class “A” wine permit holders shall sell only those brands of wine brought into the state which are manufactured, bottled, fermented, shipped, or imported by a person holding a current vintner’s certificate of compliance. An employee or agent working for or representing the holder of a vintner’s certificate of compliance within this state shall register the employee’s or agent’s name and address with the department electronically, or register in a manner prescribed by the director. ~~These names and addresses shall be filed with the department’s copy of the~~

~~certificate of compliance issued except that this provision does not require the listing of those persons who are employed on the premises of a bottling plant, or winery where wine is manufactured, fermented, or bottled in Iowa or the listing of those persons who are thereafter engaged in the transporting of the wine.~~

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

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

1. As used in this section:

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

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

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

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

3. An ordinance adopted pursuant to this section must include all of the following:

a. A legal description or map of the district.

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

c. Requirements for marked container use and identification.

d. Participation requirements for retail alcohol licensees within the district.

e. Enforcement provisions and penalties for violations.

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

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

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

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

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

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

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

Approved May 15, 2026