

CHAPTER 1171

ADMINISTRATION OF ALCOHOLIC BEVERAGE CONTROL — ALCOHOLIC BEVERAGES COMMISSION AND DIRECTOR OF REVENUE PROHIBITED ACTIVITIES AND INTERESTS — RESTRICTIONS ON ACTIVITIES OF NONINSTITUTIONAL INVESTORS

H.F. 2200

AN ACT relating to activities in the administration of alcoholic beverage control by the department of revenue, and including effective date provisions.

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

Section 1. Section 123.3, Code 2026, is amended by adding the following new subsection:

NEW SUBSECTION. 5A. “Authorized noninstitutional investor” means a person who has an ownership interest in a business that manufactures, imports, bottles, sells at wholesale, or sells at retail alcoholic beverages, if the person meets all of the following criteria:

a. The ownership interest of the person does not exceed five percent of the entire ownership interest of the business that manufactures, imports, bottles, sells at wholesale, or sells at retail alcoholic beverages.

b. The person is not engaged as a director, officer, employee, broker, or agent of the business that manufactures, imports, bottles, sells at wholesale, or sells at retail alcoholic beverages.

Sec. 2. Section 123.5, subsection 3, Code 2026, is amended to read as follows:

3. Members of the commission shall be chosen on the basis of managerial ability and experience as business executives. Not more than two members of the commission may be the holder of or have an interest in a permit or license to manufacture alcoholic liquor, wine, or beer or to sell alcoholic liquor, wine, or beer at wholesale or retail directly or indirectly; individually; as a member of a partnership or an association; as a member, owner, or stockholder, except as an institutional investor, of a corporation or other entity; or as a relative to an individual by blood or marriage within the second degree, do any of the following:

a. Hold a permit or license to manufacture alcoholic beverages or sell alcoholic beverages at wholesale or retail.

b. Have an interest in the manufacture of or dealing in alcoholic beverages or in an enterprise or industry in which alcoholic beverages are required.

c. Receive a commission or profit on the purchase or sale of alcoholic beverages by any person.

d. Have an interest in or mortgage or deed of trust on any land or building where alcoholic beverages are manufactured for sale, offered for sale, or sold, or in any personal property used in the manufacture or sale of alcoholic beverages.

Sec. 3. Section 123.5, Code 2026, is amended by adding the following new subsections:

NEW SUBSECTION. 3A. In addition to the requirements of chapter 68B, members of the commission shall not directly or indirectly use the office of the member to influence, persuade, or induce any person to adopt their political views or to favor any particular candidate for an elective or appointive public office.

NEW SUBSECTION. 6. This section does not prohibit a commission member from lawfully purchasing and keeping alcoholic beverages in the possession of the commission member.

Sec. 4. Section 123.13, Code 2026, is amended by striking the section and inserting in lieu thereof the following:

123.13 Prohibitions — director and employees.

1. For purposes of this section, “director” means the director of revenue but does not

include the director's designee.

2. The requirements of this section are in addition to the requirements of chapter 68B.

3. The director shall not directly or indirectly; individually; as a member of a partnership or an association; as a member, owner, or stockholder, except as an institutional investor, of a corporation or other entity; or as a relative to an individual by blood or marriage within the second degree, do any of the following:

a. Have an interest in the manufacture of or dealing in alcoholic beverages or in an enterprise or industry in which alcoholic beverages are required.

b. Receive a commission or profit from the purchase or sale of alcoholic beverages by any person.

c. Have an interest in or mortgage or deed of trust on any land or building where alcoholic beverages are manufactured for sale, offered for sale, or sold, or in any personal property used in the manufacture or sale of alcoholic beverages.

4. An employee of the department shall not license, permit, or participate in the licensing or permitting of a person, business, or organization that requires a license or permit under the laws and rules governing alcoholic beverages, if the employee has an ownership interest related to that person, business, or organization, or is in a position to exercise any control over the purchasing of alcoholic beverages through a position of employment with the person, business, or organization.

5. An employee of the department shall not enforce any law or rule governing alcoholic beverages against a person, business, or organization that requires a license or permit under the laws and rules governing alcoholic beverages, if the employee has an ownership interest related to that person, business, or organization, or is in a position to exercise any control over the purchase of alcoholic beverages through a position of employment with the person, business, or organization.

6. The director or an employee of the department violating this section or any other provision of this chapter shall, in addition to any other penalties provided by law, be subject to disciplinary action up to and including discharge from employment.

7. This section does not prohibit the director or an employee of the department from lawfully purchasing and keeping alcoholic beverages in the possession of the director or the employee.

Sec. 5. NEW SECTION. 123.45A Authorized noninstitutional investor — ownership interest — exception.

1. Notwithstanding any other provision of law to the contrary, an authorized noninstitutional investor of a business engaged in the manufacturing, importing, bottling, selling at wholesale, or selling at retail of alcoholic beverages may directly or indirectly have an ownership interest in another licensee or permittee authorized under this chapter to sell at retail alcoholic beverages, if the person remains only an authorized noninstitutional investor of the licensee or permittee authorized under this chapter to sell at retail alcoholic beverages.

2. Any authorized noninstitutional investor of a business engaged in the manufacturing, importing, bottling, or selling at wholesale of alcoholic beverages that is also an authorized noninstitutional investor of another business holding a retail alcohol license issued under this chapter shall annually disclose the ownership interest to the department in a manner prescribed by the director. Notwithstanding chapter 22, the disclosure made under this subsection shall be kept confidential by the department.

Sec. 6. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Approved June 2, 2026