



Kim Reynolds *Governor of Iowa*
Adam Gregg *Lieutenant Governor*
Stephen Larson *Administrator*

September 2, 2022

To: Iowa Native Distilleries

From: Lolani Lekkas, Public Service Manager 2, Alcoholic Beverages Division

Re: Senate File 2374 – Native Distilleries - Removal of 100,000 Proof Gallon Limit

The transition provisions in Senate File 2374 authorize the Iowa Alcoholic Beverages Division (ABD) to implement legislative changes upon enactment. ABD has begun implementing changes provided in Senate File 2374 that do not require modifications to ABD's eLAPS licensing system or the Iowa Department of Revenue's GovConnectIowa system.

Therefore, effective September 2, 2022, the 100,000 proof gallon manufacturing limit on Iowa Native Distilleries has been removed. All Iowa Native Distilleries may apply for a class C retail alcohol license at the site of native distillery manufacturing.

Important notes:

- **A native distillery may be granted not more than 2 class C retail alcohol licenses at the site(s) of native distillery manufacturing.**
- **A native distillery may not apply for a class C license that is not at the site of native distillery manufacturing. (Example: at a 5 day event in the town square)**
- **All alcoholic liquor sold and served by the class C license at the site of native distillery manufacturing must be purchased from a class E license holder. (**This includes your own native distilled spirits.**)**
- **The nine liters per person per day bottle sales must be sold under the native distillery (ND) license at the native distillery. (These are your bottles that you are electronically transferring through ABD and are likely selling at your gift shop with a separate cash register.)**
- **The class C license may sell all types of alcoholic liquor by the bottle, but those bottles must be purchased through a class E. (Do not electronically transfer your bottles through ABD and sell them out of the class C license.)**

If you have questions, please contact our Native Manufacturer's Unit

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or refer to our website at <https://abd.iowa.gov>