

**House File 2449 - Introduced**

HOUSE FILE 2449  
BY COMMITTEE ON STATE  
GOVERNMENT

(SUCCESSOR TO HSB 629)

**A BILL FOR**

1 An Act relating to the sale of wine, including private wine  
2 sales and wine auction permits, providing fees, and making  
3 penalties applicable.

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

1 Section 1. Section 123.32, subsection 1, paragraph b, Code  
2 2024, is amended by adding the following new subparagraph:  
3 NEW SUBPARAGRAPH. (11) A wine auction permit as provided in  
4 section 123.173C.

5 Sec. 2. Section 123.171, subsection 3, Code 2024, is amended  
6 to read as follows:

7 3. Notwithstanding [subsection 1](#), an individual of legal  
8 age may import into the state without a certificate, permit,  
9 or license an amount of wine not to exceed nine liters per  
10 calendar month that the individual personally obtained outside  
11 the state or, in the case of wine personally obtained outside  
12 the United States, a quantity which does not exceed the amount  
13 allowed by federal law governing the importation of alcoholic  
14 beverages into the United States for personal consumption.  
15 Wine imported pursuant to [this subsection](#) shall be for personal  
16 consumption in a private home or other private accommodation  
17 and only if the wine is not sold other than as provided in  
18 subsection 4, exchanged, bartered, dispensed, or given in  
19 consideration of purchase for any property or services or in  
20 evasion of the requirements of [this chapter](#).

21 Sec. 3. Section 123.171, Code 2024, is amended by adding the  
22 following new subsection:

23 NEW SUBSECTION. 4. Notwithstanding subsection 1, a  
24 person of legal age may conduct private wine sales without a  
25 certificate, permit, or license, subject to the requirements  
26 of this subsection. Except for wine manufactured pursuant  
27 to subsection 2, a person may sell wine from the person's  
28 private collection in an original, unopened container to either  
29 a class "A" wine permittee for purposes of resale or a wine  
30 auction permittee under section 123.173C for resale by means  
31 of an auction. A class "A" wine permittee or wine auction  
32 permittee involved in the sale of wine by a person under this  
33 subsection shall ensure that each bottle of wine purchased has  
34 a permanently affixed label stating that the wine was acquired  
35 from a private collection.

1     Sec. 4. NEW SECTION. 123.173C Wine auction permit.

2     1. Upon application to the department and receipt of a wine  
3 auction permit, an authorized person may conduct a wine auction  
4 subject to the requirements of this section.

5     2. The department shall not issue a wine auction permit to  
6 an applicant unless the applicant complies with the application  
7 requirements of subsection 3, and unless all of the following  
8 requirements are met:

9     a. The applicant is a person of good moral character.

10    b. The applicant is a citizen of the state of Iowa or, if  
11 the applicant is a corporation, the applicant is authorized to  
12 do business in the state.

13    c. The applicant does not hold a retail alcohol license.

14    d. The premises where the applicant intends to use the  
15 permit constitutes a safe and proper place or building and  
16 conforms to all applicable laws, ordinances, resolutions,  
17 and health and fire regulations. A permittee shall not have  
18 or maintain any interior access to residential or sleeping  
19 quarters unless the director grants permission in the form of a  
20 living quarters permit.

21    e. The applicant gives consent, as required by section  
22 123.30, subsection 1, for a person to enter upon the premises  
23 of the wine auction without a warrant during normal business  
24 hours to inspect for violations of the provisions of this  
25 chapter or ordinances and regulations that local authorities  
26 may adopt.

27    3. An application for a wine auction permit must include  
28 all of the following information and shall be submitted  
29 electronically, or in a manner prescribed by the director:

30    a. The name and address of the applicant or, if the  
31 applicant is a corporation, limited liability company, or  
32 other legal entity, the names and addresses of all officers,  
33 directors, and persons owning or controlling ten percent  
34 or more of the capital stock of the entity and who have a  
35 financial interest, by way of loan, ownership, or otherwise,

1 in the entity.

2 *b.* The location and name of the owner of the premises  
3 where the applicant intends to conduct wine auctions and, if  
4 the applicant is not the owner of the premises, whether the  
5 applicant is the lessee of the premises.

6 *c.* As required by the director, and in such form and  
7 containing such information as the director may require, a  
8 description of the premises where the applicant intends to  
9 conduct wine auctions, including a depiction of the premises,  
10 and, if applicable, the number of square feet of interior floor  
11 space of the retail sales area of the premises.

12 *d.* Whether any person specified in paragraph "a" has ever  
13 been convicted of any offense against the laws of the United  
14 States, or any state, territory, or political subdivision  
15 thereof.

16 *e.* Any other information as required by the director.

17 4. A wine auction conducted by a wine auction permittee must  
18 comply with the following requirements:

19 *a.* A permittee shall not offer wines owned by the permittee  
20 at auction.

21 *b.* A person, within or outside of the state, who desires to  
22 ship wine from a private collection to a wine auction permittee  
23 to be sold at auction shall do so through a holder of a wine  
24 carrier permit. The wine auction permittee shall ensure that  
25 each bottle of wine so acquired is permanently affixed with  
26 a label stating that the wine was acquired from a private  
27 collection.

28 *c.* A permittee shall ensure that each container of wine  
29 to be sold at a wine auction is in the original, unopened  
30 container.

31 *d.* A permittee is responsible for the storage of all wines  
32 that are to be offered at auction at the licensed premises,  
33 and for the subsequent shipment and delivery of all wines sold  
34 at auction to the purchasers of the wines. Shipment of wine  
35 pursuant to this paragraph shall only be done by a holder of a

1 wine carrier permit.

2 e. A permittee is responsible for the payment of all  
3 applicable taxes for wines sold at auction pursuant to section  
4 123.183.

5 5. Notwithstanding any other provision of this chapter,  
6 a class "A" wine permittee or a retail alcohol licensee, not  
7 including a native wine manufacturer, may purchase wine offered  
8 at an auction pursuant to this section and may resell wine  
9 purchased at auction in accordance with the requirements of  
10 the licensee's or permittee's license or permit. The licensee  
11 or permittee shall ensure that each wine resold is in the  
12 original, unopened container, and, if applicable, permanently  
13 affixed with a label stating that the wine was acquired from a  
14 private collection.

15 6. A wine auction permit is valid for a period of one year  
16 pursuant to section 123.35, subsection 1. A wine auction  
17 permit shall allow the permittee to conduct no more than  
18 twenty-four wine auctions during the one-year period of the  
19 wine auction permit.

20 7. Any violation of the requirements of this chapter or  
21 rules adopted pursuant to this chapter shall subject the wine  
22 auction permit holder to the general penalties provided in this  
23 chapter and shall constitute grounds for imposition of a civil  
24 penalty, suspension of the permit, or revocation of the permit  
25 after notice and opportunity for a hearing pursuant to section  
26 123.39 and chapter 17A.

27 Sec. 5. Section 123.179, Code 2024, is amended by adding the  
28 following new subsection:

29 NEW SUBSECTION. 4. The fee for a wine auction permit is one  
30 hundred dollars.

31 Sec. 6. Section 123.180, subsection 3, Code 2024, is amended  
32 to read as follows:

33 3. a. All Except as provided in paragraph "b", all class  
34 "A" wine permit holders shall sell only those brands of  
35 wine which are manufactured, bottled, fermented, shipped, or

1 imported by a person holding a current vintner's certificate of  
2 compliance. An employee or agent working for or representing  
3 the holder of a vintner's certificate of compliance within  
4 this state shall register the employee's or agent's name and  
5 address with the department. These names and addresses shall  
6 be filed with the department's copy of the certificate of  
7 compliance issued except that this provision does not require  
8 the listing of those persons who are employed on the premises  
9 of a bottling plant, or winery where wine is manufactured,  
10 fermented, or bottled in Iowa or the listing of those persons  
11 who are thereafter engaged in the transporting of the wine.

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

18 Sec. 7. Section 123.183, subsection 1, Code 2024, is amended  
19 to read as follows:

20 1. a. In addition to the annual permit fee to be paid by  
21 each class "A" wine permittee, a wine gallonage tax shall be  
22 levied and collected from each class "A" wine permittee on all  
23 of the following:

24 (1) All wine manufactured for sale and sold in this state  
25 at wholesale and on all.

26 (2) All wine imported into this state for sale at wholesale  
27 and sold in this state at wholesale. A wine gallonage tax  
28 shall also be levied and collected on the

29 (3) The direct shipment of wine pursuant to [section 123.187](#).

30 (4) The sale of wine at auction pursuant to [section 123.173C](#)  
31 to a retail alcohol license holder.

32 b. The rate of the wine gallonage tax is one dollar and  
33 seventy-five cents for each wine gallon. The same rate shall  
34 apply for the fractional parts of a wine gallon. The wine  
35 gallonage tax shall not be levied or collected on wine sold

1 by one class "A" wine permittee to another class "A" wine  
2 permittee or on wine that is sold by a class "A" wine permittee  
3 to a distributor outside of the state.

4 Sec. 8. Section 123.183, subsection 2, paragraph a, Code  
5 2024, is amended to read as follows:

6 a. Revenue collected ~~from the wine gallonage tax on wine~~  
7 ~~manufactured for sale and sold at wholesale in this state,~~  
8 ~~and on wine subject to direct shipment as provided in section~~  
9 ~~123.187 by a wine manufacturer licensed or permitted pursuant~~  
10 ~~to laws regulating alcoholic beverages in this state, pursuant~~  
11 to subsection 1 shall be deposited in the wine gallonage tax  
12 fund as created in [this section](#).

13 Sec. 9. Section 123.184, Code 2024, is amended by adding the  
14 following new subsection:

15 NEW SUBSECTION. 3. Each wine auction permit holder shall  
16 make a report under oath to the department electronically,  
17 or in a manner prescribed by the director, on or before the  
18 tenth day of the calendar months of June and December, showing  
19 the exact number of gallons of wine and fractional parts of  
20 gallons sold and shipped pursuant to section 123.173C during  
21 the preceding six-month calendar period. The report shall also  
22 state whatever reasonable additional information the director  
23 requires. The permit holder at the time of filing this report  
24 shall pay to the department the amount of tax due at the rate  
25 fixed in section 123.183. A penalty of ten percent of this  
26 amount shall be assessed and collected if the report required  
27 to be filed pursuant to this subsection is not filed and the  
28 tax paid within the time required by this subsection.

29 Sec. 10. Section 123.188, subsection 1, Code 2024, is  
30 amended to read as follows:

31 1. A person desiring to deliver wine subject to direct  
32 shipment within this state pursuant to [section 123.187](#), or to  
33 deliver wine shipped to or by a wine auction permittee pursuant  
34 to section 123.173C, shall submit an application for a wine  
35 carrier permit electronically, or in a manner prescribed by the

1 director, which shall be accompanied by a fee in the amount of  
2 one hundred dollars.

3 Sec. 11. Section 123.188, subsection 4, paragraph c, Code  
4 2024, is amended to read as follows:

5 c. A wine carrier permittee shall maintain records of  
6 wine shipped which include the permit number and name of the  
7 wine manufacturer or wine auction permittee, quantity of wine  
8 shipped, recipient's name and address, and an electronic  
9 or paper form of signature from the recipient of the wine.  
10 Records shall be submitted to the department on a monthly basis  
11 in a form and manner to be determined by the department.

12 EXPLANATION

13 The inclusion of this explanation does not constitute agreement with  
14 the explanation's substance by the members of the general assembly.

15 This bill relates to private wine sales and wine auction  
16 permits.

17 The bill authorizes a person to conduct private wine sales  
18 from the person's private collection for wine in an original,  
19 unopened container to either a class "A" wine permittee for  
20 purposes of resale, or to a wine auction permittee under  
21 the bill for resale at a wine auction. A class "A" wine  
22 permittee or wine auction permittee who purchases wine from  
23 a private collection shall ensure that each bottle of wine  
24 has a permanently affixed label stating that fact. The bill  
25 authorizes a class "A" wine permit holder to sell brands of  
26 wine which are not manufactured, bottled, fermented, shipped,  
27 or imported by a person holding a current vintner's certificate  
28 if the brands of wine were purchased from a private sale and  
29 meet the labeling requirements under the bill.

30 The bill authorizes a person, upon application to the  
31 department of revenue and receipt of a wine auction permit, to  
32 conduct a wine auction. A wine auction permit is valid for a  
33 period of one year and allows the permittee to conduct no more  
34 than 24 wine auctions during the one-year period. The fee for  
35 a wine auction permit is \$100. A wine auction permit may only

1 be issued to an applicant who is of good moral character; is  
2 a citizen of the state of Iowa or authorized to do business  
3 in the state; does not hold a retail alcohol license; and  
4 gives consent for a person to enter upon the premises of the  
5 wine auction without a warrant during normal business hours  
6 to inspect for violations of the provisions of Code chapter  
7 123 or ordinances and regulations that local authorities may  
8 adopt. The premises that the applicant intends to use for wine  
9 auctions must constitute a safe and proper place or building  
10 and conform to all applicable laws, ordinances, resolutions,  
11 and health and fire regulations. The bill prohibits an  
12 applicant from having or maintaining any interior access to  
13 residential or sleeping quarters unless the director of revenue  
14 grants permission in the form of a living quarters permit.

15 The bill sets forth the information required to be included  
16 for a wine auction permit application.

17 The bill requires a wine auction conducted by a wine auction  
18 permittee to comply with the following requirements: (1) a  
19 permittee shall not offer wines owned by the permittee at  
20 auction, (2) wine from a private collection is permanently  
21 affixed with a label stating that fact, (3) a permittee  
22 shall ensure that each container of wine to be sold is in the  
23 original, unopened container, (4) a permittee is responsible  
24 for the storage of all wines that are to be offered at auction  
25 and for their subsequent shipment by a holder of a wine carrier  
26 permit and delivery, and (5) a permittee is responsible for the  
27 payment of all applicable taxes for wines sold at auction.

28 The bill authorizes a class "A" wine permittee or a retail  
29 alcohol licensee, not including a native wine manufacturer,  
30 to purchase wine offered at an auction and resell wine  
31 purchased at auction in accordance with the requirements of  
32 the licensee's or permittee's license or permit, subject to  
33 applicable label requirements.

34 A violation of the requirements of the bill subjects the  
35 wine auction permit holder to the general penalties provided in

1 Code chapter 123 and constitutes grounds for imposition of a  
2 civil penalty, suspension of the permit, or revocation of the  
3 permit after notice and opportunity for a hearing. A person  
4 who violates any of the provisions of the bill, or who makes a  
5 false statement concerning any material fact in submitting an  
6 application for a permit, is guilty of a serious misdemeanor.  
7 A serious misdemeanor is punishable by confinement for no more  
8 than one year and a fine of at least \$430 but not more than  
9 \$2,560.

10 The bill levies a wine gallonage tax on the sale of wine at  
11 auction to a retail alcohol license holder. The rate of the  
12 wine gallonage tax is \$1.75 per gallon. Revenue collected is  
13 deposited in the wine gallonage tax fund.

14 The bill requires each wine auction permit holder to make a  
15 biannual report under oath to the department of revenue showing  
16 the exact number of gallons of wine and fractional parts of  
17 gallons sold and shipped during the preceding six-month period,  
18 and whatever reasonable additional information the director  
19 requires. The permittee at the time of filing the report must  
20 pay to the department of revenue the amount of tax due. A  
21 penalty of 10 percent is assessed and collected if the report  
22 is not filed and the tax paid within the time required.

23 Under the bill, a person desiring to deliver wine shipped  
24 to or by a wine auction permittee shall submit an application  
25 for a wine carrier permit accompanied by a fee of \$100. A wine  
26 auction permittee shall maintain records of wine shipped as  
27 prescribed by the bill.