

**House Study Bill 629 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON BLOOMINGDALE)

**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, Code 2024, is amended by adding the  
6 following new subsection:

7 NEW SUBSECTION. 4. Notwithstanding subsection 1, a  
8 person of legal age may conduct private wine sales without a  
9 certificate, permit, or license, subject to the requirements  
10 of this subsection. Except for wine manufactured pursuant  
11 to subsection 2, a person may sell wine from the person's  
12 private collection in an original, unopened container to either  
13 a class "A" wine permittee for purposes of resale or a wine  
14 auction permittee under section 123.173C for resale by means  
15 of an auction. A class "A" wine permittee or wine auction  
16 permittee involved in the sale of wine by a person under this  
17 subsection shall ensure that each bottle of wine purchased has  
18 a permanently affixed label stating that the wine was acquired  
19 from a private collection.

20 Sec. 3. NEW SECTION. 123.173C Wine auction permit.

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

24 2. The department shall not issue a wine auction permit to  
25 an applicant unless the applicant complies with the application  
26 requirements of subsection 3, and unless all of the following  
27 requirements are met:

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

29 b. The applicant is a citizen of the state of Iowa or, if  
30 the applicant is a corporation, the applicant is authorized to  
31 do business in the state.

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

33 d. If the applicant holds a class "A" wine permit, the  
34 applicant has held the permit for a period of not less than two  
35 years.

1 e. The premises where the applicant intends to use the  
2 permit constitutes a safe and proper place or building and  
3 conforms to all applicable laws, ordinances, resolutions,  
4 and health and fire regulations. A permittee shall not have  
5 or maintain any interior access to residential or sleeping  
6 quarters unless the director grants permission in the form of a  
7 living quarters permit.

8 f. The applicant gives consent, as required by section  
9 123.30, subsection 1, for a person to enter upon the premises  
10 of the wine auction without a warrant during normal business  
11 hours to inspect for violations of the provisions of this  
12 chapter or ordinances and regulations that local authorities  
13 may adopt.

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

17 a. The name and address of the applicant or, if the  
18 applicant is a corporation, limited liability company, or  
19 other legal entity, the names and addresses of all officers,  
20 directors, and persons owning or controlling ten percent  
21 or more of the capital stock of the entity and who have a  
22 financial interest, by way of loan, ownership, or otherwise,  
23 in the entity.

24 b. The location and name of the owner of the premises  
25 where the applicant intends to conduct wine auctions and, if  
26 the applicant is not the owner of the premises, whether the  
27 applicant is the lessee of the premises.

28 c. As required by the director, and in such form and  
29 containing such information as the director may require, a  
30 description of the premises where the applicant intends to  
31 conduct wine auctions, including a depiction of the premises,  
32 and, if applicable, the number of square feet of interior floor  
33 space of the retail sales area of the premises.

34 d. Whether any person specified in paragraph "a" has ever  
35 been convicted of any offense against the laws of the United

1 States, or any state, territory, or political subdivision  
2 thereof.

3 e. Any other information as required by the director.

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

6 a. A permittee shall not offer wines owned by the permittee  
7 at auction.

8 b. If a person, within or outside of the state, ships wine  
9 from a private collection to a wine auction permittee to be  
10 sold at auction, the permittee shall ensure that each bottle of  
11 wine so acquired is permanently affixed with a label stating  
12 that the wine was acquired from a private collection.

13 c. A permittee shall ensure that each container of wine  
14 to be sold at a wine auction is in the original, unopened  
15 container.

16 d. A permittee is responsible for the storage of all wines  
17 that are to be offered at auction at the licensed premises, and  
18 for the subsequent shipment and delivery of all wines sold at  
19 auction to the purchasers of the wines.

20 e. A permittee is responsible for the payment of all  
21 applicable taxes for wines sold at auction pursuant to section  
22 123.183.

23 5. Notwithstanding any other provision of this chapter,  
24 a class "A" wine permittee or a retail alcohol licensee, not  
25 including a native wine manufacturer, may purchase wine offered  
26 at an auction pursuant to this section and may resell wine  
27 purchased at auction in accordance with the requirements of  
28 the licensee's or permittee's license or permit. The licensee  
29 or permittee shall ensure that each wine resold is in the  
30 original, unopened container, and, if applicable, permanently  
31 affixed with a label stating that the wine was acquired from a  
32 private collection.

33 6. A wine auction permit is valid for a period of one year  
34 pursuant to section 123.35, subsection 1. A wine auction  
35 permit shall allow the permittee to conduct no more than

1 twenty-four wine auctions during the one-year period of the  
2 wine auction permit.

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

4 8. Any violation of the requirements of this chapter or  
5 rules adopted pursuant to this chapter shall subject the wine  
6 auction permit holder to the general penalties provided in this  
7 chapter and shall constitute grounds for imposition of a civil  
8 penalty, suspension of the permit, or revocation of the permit  
9 after notice and opportunity for a hearing pursuant to section  
10 123.39 and chapter 17A.

11 Sec. 4. Section 123.180, subsection 3, Code 2024, is amended  
12 to read as follows:

13 3. a. All Except as provided in paragraph "b", all class  
14 "A" wine permit holders shall sell only those brands of  
15 wine which are manufactured, bottled, fermented, shipped, or  
16 imported by a person holding a current vintner's certificate of  
17 compliance. An employee or agent working for or representing  
18 the holder of a vintner's certificate of compliance within  
19 this state shall register the employee's or agent's name and  
20 address with the department. These names and addresses shall  
21 be filed with the department's copy of the certificate of  
22 compliance issued except that this provision does not require  
23 the listing of those persons who are employed on the premises  
24 of a bottling plant, or winery where wine is manufactured,  
25 fermented, or bottled in Iowa or the listing of those persons  
26 who are thereafter engaged in the transporting of the wine.

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

33 Sec. 5. Section 123.183, subsection 1, Code 2024, is amended  
34 to read as follows:

35 1. a. In addition to the annual permit fee to be paid by

1 each class "A" wine permittee, a wine gallonage tax shall be  
2 levied and collected from each class "A" wine permittee on all  
3 of the following:

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

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

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

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

12 b. The rate of the wine gallonage tax is one dollar and  
13 seventy-five cents for each wine gallon. The same rate shall  
14 apply for the fractional parts of a wine gallon. The wine  
15 gallonage tax shall not be levied or collected on wine sold  
16 by one class "A" wine permittee to another class "A" wine  
17 permittee or on wine that is sold by a class "A" wine permittee  
18 to a distributor outside of the state.

19 Sec. 6. Section 123.183, subsection 2, paragraph a, Code  
20 2024, is amended to read as follows:

21 a. Revenue collected ~~from the wine gallonage tax on wine~~  
22 ~~manufactured for sale and sold at wholesale in this state,~~  
23 ~~and on wine subject to direct shipment as provided in section~~  
24 ~~123.187 by a wine manufacturer licensed or permitted pursuant~~  
25 ~~to laws regulating alcoholic beverages in this state, pursuant~~  
26 ~~to subsection 1 shall be deposited in the wine gallonage tax~~  
27 fund as created in [this section](#).

28 Sec. 7. Section 123.184, Code 2024, is amended by adding the  
29 following new subsection:

30 NEW SUBSECTION. 3. Each wine auction permit holder shall  
31 make a report under oath to the department electronically,  
32 or in a manner prescribed by the director, on or before the  
33 tenth day of the calendar months of June and December, showing  
34 the exact number of gallons of wine and fractional parts of  
35 gallons sold and shipped pursuant to section 123.173C during

1 the preceding six-month calendar period. The report shall also  
2 state whatever reasonable additional information the director  
3 requires. The permit holder at the time of filing this report  
4 shall pay to the department the amount of tax due at the rate  
5 fixed in section 123.183. A penalty of ten percent of this  
6 amount shall be assessed and collected if the report required  
7 to be filed pursuant to this subsection is not filed and the  
8 tax paid within the time required by this subsection.

9

EXPLANATION

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

12       This bill relates to private wine sales and wine auction  
13 permits.

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

27       The bill authorizes a person, upon application to the  
28 department of revenue and receipt of a wine auction permit, to  
29 conduct a wine auction. A wine auction permit is valid for a  
30 period of one year and allows the permittee to conduct no more  
31 than 24 wine auctions during the one-year period. The fee for  
32 a wine auction permit is \$100. A wine auction permit may only  
33 be issued to an applicant who is of good moral character; is  
34 a citizen of the state of Iowa or authorized to do business  
35 in the state; does not hold a retail alcohol license; if the

1 applicant holds a class "A" wine permit, has held such permit  
2 for not less than two years; and gives consent for a person to  
3 enter upon the premises of the wine auction without a warrant  
4 during normal business hours to inspect for violations of the  
5 provisions of Code chapter 123 or ordinances and regulations  
6 that local authorities may adopt. The premises that the  
7 applicant intends to use for wine auctions must constitute a  
8 safe and proper place or building and conform to all applicable  
9 laws, ordinances, resolutions, and health and fire regulations.  
10 The bill prohibits an applicant from having or maintaining any  
11 interior access to residential or sleeping quarters unless the  
12 director of revenue grants permission in the form of a living  
13 quarters permit.

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

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

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

33 A violation of the requirements of the bill subjects the  
34 wine auction permit holder to the general penalties provided in  
35 Code chapter 123 and constitutes grounds for imposition of a



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

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

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