

CHAPTER 1078

FIREARMS AND AMMUNITION TRANSACTIONS — MERCHANT CATEGORY CODE REQUIREMENTS — FIREARM RECORDS OR REGISTRIES — VIOLATIONS AND ENFORCEMENT

H.F. 2464

AN ACT relating to merchant category codes for transactions involving firearms and ammunition, firearm registries and records, and providing civil penalties.

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

Section 1. NEW SECTION. **554H.1 Definitions.**

1. “Ammunition” means the same as defined in 18 U.S.C. §921.
2. “Covered entity” means an entity, or agent of an entity, that establishes a relationship with a retailer for the purpose of processing credit, debit, or prepaid transactions.
3. “Firearm” means the same as defined in 18 U.S.C. §921, and includes a shotgun, rifle, and antique firearm, as those terms are defined in 18 U.S.C. §921.
4. “Firearms retailer” means an individual or entity that is all of the following:
 - a. Physically located in the state.
 - b. Engaged in the lawful business of selling or trading firearms or ammunition.
5. “Merchant category code” means the code, approved by the international organization for standardization specifically for firearms retailers, that is assigned to a retailer based on the types of goods and services offered to a retailer’s customers.
6.
 - a. “Payment card network” means an entity that, directly or through a member, processor, or agent, provides proprietary services, infrastructure, software, or hardware that is used to authorize, clear, and settle credit, debit, or prepaid transactions.
 - b. “Payment card network” does not include an issuing financial institution that settles a credit, debit, or prepaid transaction with a retailer on behalf of a consumer.

Sec. 2. NEW SECTION. **554H.2 Merchant category codes.**

1. A payment card network shall not require, incentivize, or permit the use of a merchant category code in a manner that distinguishes a firearms retailer from other retailers.
2. A covered entity, or a covered entity’s agent, shall not assign a firearms retailer a merchant category code that distinguishes the firearms retailer from other retailers.

Sec. 3. NEW SECTION. **554H.3 Firearm registry or record.**

1. Except for records kept during the regular course of a criminal investigation or criminal prosecution, or as otherwise required by law, a person, unit of government, or governmental organization shall not knowingly and willfully keep or cause to be kept a record or registry of privately owned firearms or of the owners of privately owned firearms.
2. [This section](#) shall not be construed to prohibit an owner or an owner’s representative from maintaining a list of the owner’s privately owned firearms, or to prohibit a law enforcement agency from maintaining a list, registry, or record of firearms that have been stolen or reported stolen.

Sec. 4. NEW SECTION. **554H.4 Enforcement — penalties.**

1. The attorney general shall investigate reasonable alleged violations of [this chapter](#). As part of the investigation, and in accordance with the Iowa rules of civil procedure, the attorney general may issue a subpoena for the production of records. If a person, unit of government, or governmental organization refuses to comply, the attorney general may seek enforcement by the district court.
2. Any of the following may petition the attorney general to investigate an alleged violation of [this chapter](#):
 - a. A firearms retailer, or a customer who made a transaction at a firearms retailer whose business is the subject of any alleged violation of [section 554H.2](#).
 - b. An individual whose firearms ownership is the subject of any alleged violation of [section 554H.3](#).

3. Upon finding that a person is in violation of [this chapter](#), the attorney general shall provide written notice to the person, or to the registered agent of the person, determined to have committed the violation.

4. Upon receipt of notice under [subsection 2](#), the person shall have sixty calendar days to cease the violation.

5. If the violation persists after the expiration of the sixty-day period under [subsection 3](#), the attorney general shall bring civil action in district court to enjoin further violations by a person found to be in violation of [this chapter](#).

6. If a person knowingly or willfully fails to comply with an injunction issued under [subsection 4](#), after sixty calendar days of the date the person is served with the injunction, the attorney general shall petition the district court to impose civil penalties in an amount not to exceed one thousand dollars per violation of the injunction, taking into consideration the financial resources of the violator and the harm or risk of harm to the violator's rights under the second amendment to the Constitution of the United States and Article I, section 1A, of the Constitution of the State of Iowa.

7. It shall be a defense to a proceeding initiated pursuant to [this section](#) that the person made a good-faith determination that the person's action was required by law.

Approved April 19, 2024