

House File 2669 - Enrolled

House File 2669

AN ACT

RELATING TO THE SALE OF WINE, INCLUDING PRIVATE WINE SALES AND WINE AUCTION PERMITS, PROVIDING FEES, AND MAKING PENALTIES APPLICABLE.

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

Section 1. Section 123.32, subsection 1, paragraph b, Code 2024, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (11) A wine auction permit as provided in section 123.173C.

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

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

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

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

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

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

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

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

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

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

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

e. The applicant gives consent, as required by section 123.30, subsection 1, for a person to enter upon the premises of the wine auction without a warrant during normal business hours to inspect for violations of the provisions of this

chapter or ordinances and regulations that local authorities may adopt.

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

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

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

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

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

e. Any other information as required by the director.

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

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

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

c. A permittee shall ensure that each container of wine

to be sold at a wine auction is in the original, unopened container.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b. The rate of the wine gallonage tax is one dollar and seventy-five cents for each wine gallon. The same rate shall apply for the fractional parts of a wine gallon. The wine gallonage tax shall not be levied or collected on wine sold by one class "A" wine permittee to another class "A" wine

permittee or on wine that is sold by a class "A" wine permittee to a distributor outside of the state.

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

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

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

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

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

1. A person desiring to deliver wine subject to direct shipment within this state pursuant to [section 123.187](#), or to deliver wine shipped to or by a wine auction permittee pursuant to section 123.173C, shall submit an application for a wine carrier permit electronically, or in a manner prescribed by the director, which shall be accompanied by a fee in the amount of one hundred dollars.

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

c. A wine carrier permittee shall maintain records of

wine shipped which include the permit number and name of the wine manufacturer or wine auction permittee, quantity of wine shipped, recipient's name and address, and an electronic or paper form of signature from the recipient of the wine. Records shall be submitted to the department on a monthly basis in a form and manner to be determined by the department.

PAT GRASSLEY
Speaker of the House

AMY SINCLAIR
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2669, Ninetieth General Assembly.

MEGHAN NELSON
Chief Clerk of the House

Approved _____, 2024

KIM REYNOLDS
Governor