

## Red Tape Review Rule Report (Due: September 1, 20 24 )

<b>Department Name:</b>	Revenue (Alcoholic Beverages Division)	<b>Date:</b>	9/1/2024	<b>Total Rule Count:</b>	8
<b>IAC #:</b>	185	<b>Chapter/ SubChapter/ Rule(s):</b>	Chapter 8	<b>Iowa Code Section Authorizing Rule:</b>	Iowa Code section 123.10
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**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

**What is the intended benefit of the rule?**

Chapter 8 describes the rules related to the management of alcoholic liquor products available for sale by the Department. The rules are intended to help provide alcoholic liquor suppliers with stability, predictability, and transparency as to how their alcoholic liquor products can be sold in the State of Iowa.

**Is the benefit being achieved? Please provide evidence.**

To the extent the Department proposes to re-promulgate rules, the Department has determined that the rules aid alcoholic liquor suppliers in better understanding the requirements surrounding listing, delisting, and maintaining alcoholic liquor inventory in the State of Iowa. The evidence for the benefit of the rules is demonstrated by the greater transparency and specific guidance they provide alcoholic liquor suppliers in the text of the rules themselves within the additional details provided.

**What are the costs incurred by the public to comply with the rule?**

Rules that are dedicated to the shipment of alcoholic liquor product to the Department contain possible assessed special handling fees charged against the supplier. The fees do not exceed the Department’s actual cost to bring shipments into compliance when product does not meet necessary requirements outlined in rule. The Department’s actual cost is determined using the negotiated hourly rate of the third party the Department contracts with for warehousing services.

If a supplier does not want to be charged a special handling fee for shipment noncompliance, they have the option to pick up the product to bring the shipment into compliance on their own.

**What are the costs to the agency or any other agency to implement/enforce the rule?**

For the majority of the chapter, there are no costs to the agency of implementing these rules. The Department must have processes in place to list and sell alcoholic liquor products in the State of Iowa.

There are growing costs to the agency for product destruction. Suppliers may authorize the Department to destroy a delisted product in lieu of removal by the supplier from the Department’s warehouse. This option currently benefits suppliers because removing their delisted product from the Department’s warehouse may be more cost prohibitive than destruction. Currently, the Department accrues the cost of product destruction, including the gas, mileage, and the negotiated hourly rate of the third party the Department

contracts with for warehousing services to conduct the destruction. As the quantity of product cases to be destroyed accumulates, the costs to the agency grows.

**Do the costs justify the benefits achieved? Please explain.**

Yes, the rules are necessary to provide clear guidance on how to achieve compliance for alcoholic liquor products to be sold in the state. The cost of inaction or removal of these rules would be confusion about the processes involved for listing and selling alcoholic liquor products in the State of Iowa.

**Are there less restrictive alternatives to accomplish the benefit?  YES  NO**

**If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.**

The rules have been revised where possible to rescind unnecessary or obsolete language. The rules that will be re-promulgated have been determined to be necessary and reworded to provide clarity. There is no less restrictive alternative to achieve the benefit of additional certainty.

**Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]**

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Yes, Chapter 8 contains language that is outdated or unnecessary.

**RULES PROPOSED FOR REPEAL (list rule number[s]):**

None.

**RULES PROPOSED FOR RE-PROMULGATION (list rule number[s] or include rule text if available):**

- 8.1 is amended to comply with both 2023 Iowa Acts, Senate File 514, and 2024 Iowa Acts, Senate File 2385 and also provide clarity.
- 8.2 is amended to provide clarity, remove restrictive terms update obsolete language.
- 8.3 is amended to comply with 2024 Iowa Acts, Senate File 2385, and also to provide clarity, remove restrictive terms update obsolete language.
- 8.4 is amended to provide clarity, remove restrictive terms update obsolete language.
- 8.5 is amended to provide clarity, remove restrictive terms update obsolete language.
- 8.6 is amended to provide clarity, remove restrictive terms update obsolete language.
- 8.7 is amended to comply with 2024 Iowa Acts, Senate File 2385, and also to provide clarity, remove restrictive terms update obsolete language.
- 8.8 is amended to remove restrictive terms, otherwise re-promulgated in its entirety.

***\*For rules being re-promulgated with changes, you may attach a document with suggested changes.***

**METRICS**

<b>Total number of rules repealed:</b>	0
<b>Proposed word count reduction after repeal and/or re-promulgation</b>	176 words removed
<b>Proposed number of restrictive terms eliminated after repeal and/or re-promulgation</b>	53 terms removed

**ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?**

No.