

**DATE:** Wednesday, February 11, 2026

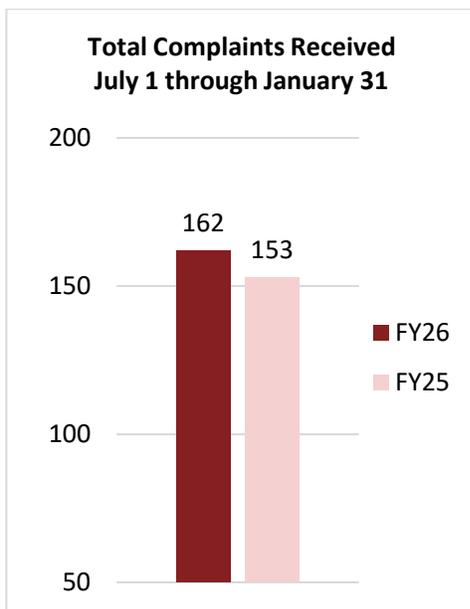
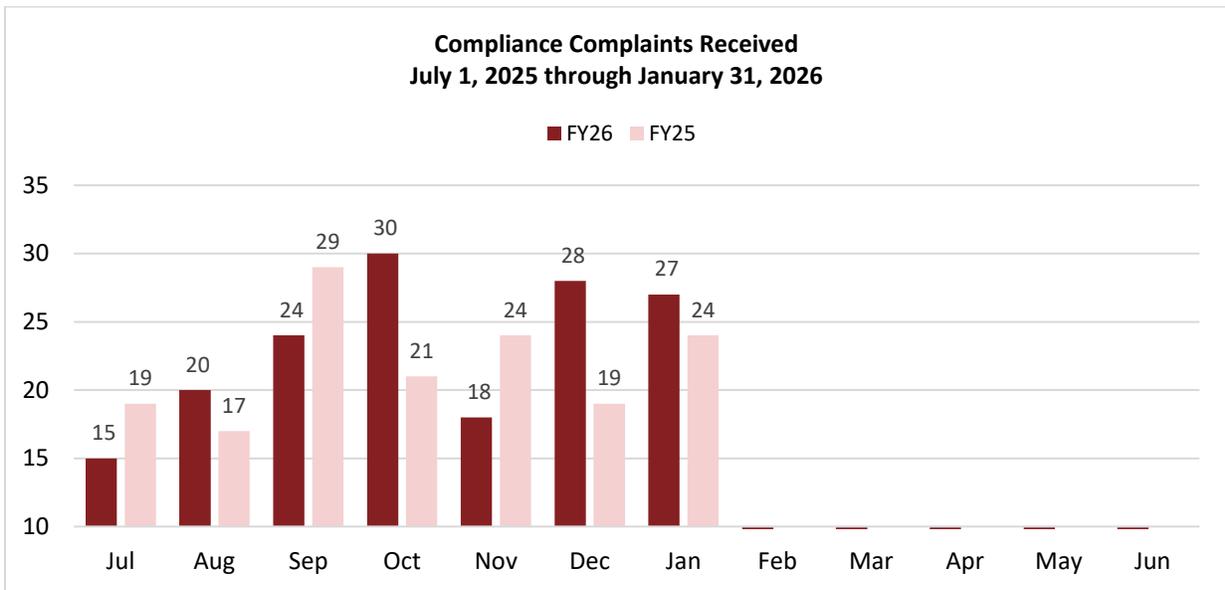
**FR:** Alcohol Regulation Unit – DeMario A. Luttrell, Bureau Chief

**RE:** State of Alcohol Regulation – For the Fiscal Year July 1 through January.

The January 2026 Regulatory Compliance Report reflects Fiscal Year summarized data.

## Compliance Complaints

A comparison of compliance complaints received in FY26 to FY25 is shown in the chart below.



**Top 5 Complaint Categories**  
Resulting in Investigations  
July 1, 2025 through January 31, 2026

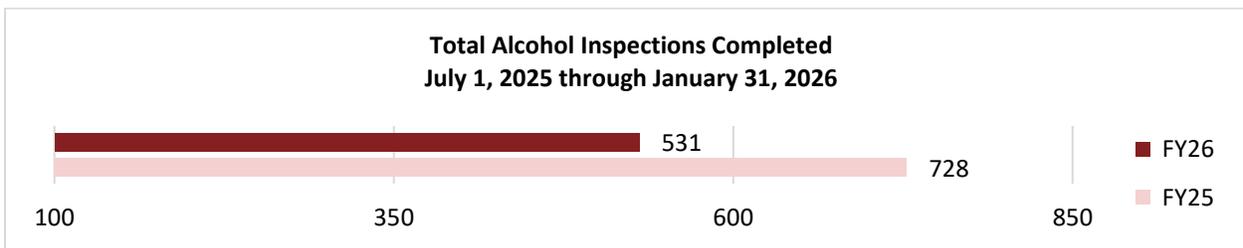
- Selling / Serving Underage Person (Alcohol)
- Bootlegging
- Criminal Activity
- Overservice
- Trade practice

# Alcohol Compliance Program

The Alcohol Compliance Program consists of inspections, investigations, and audits.

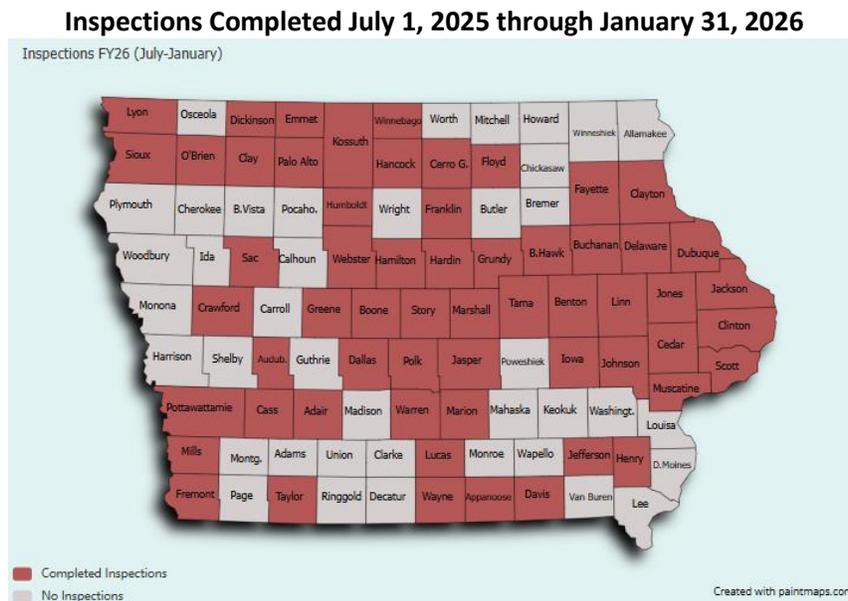
## Alcohol Inspections

A comparison of alcohol compliance inspections completed in FY26 to FY25 is shown in the charts below.

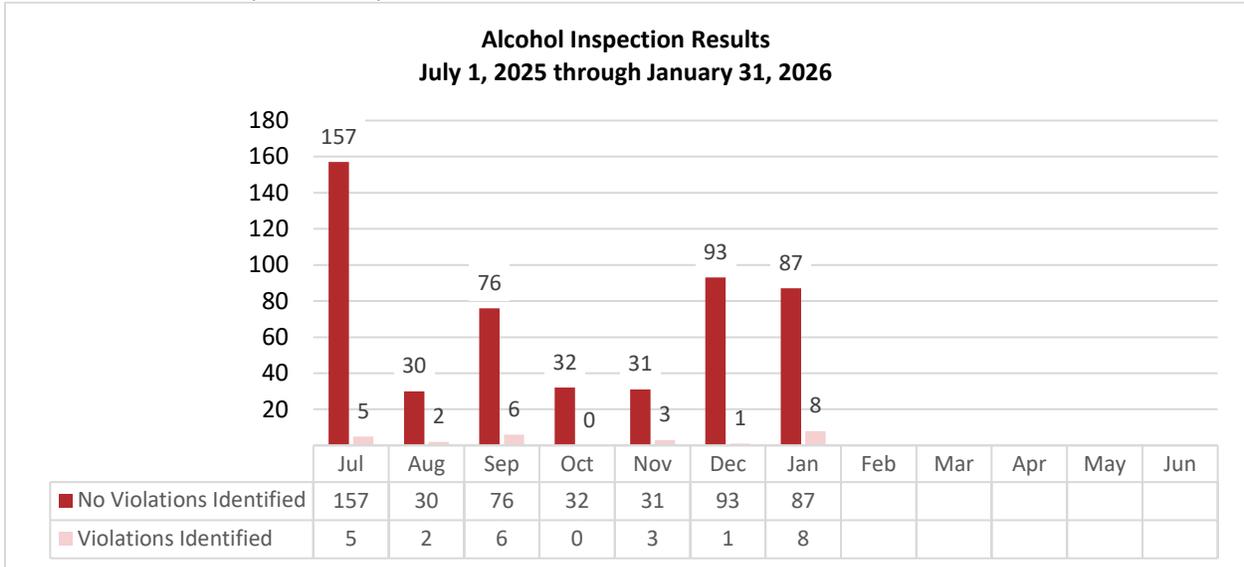


## Alcohol Inspections by County

In Fiscal Year 2026, 531 alcohol compliance inspections were conducted in 59 Iowa counties, detailed in the map below.



Alcohol compliance inspection results for Fiscal Year 2026 are shown in the chart below.

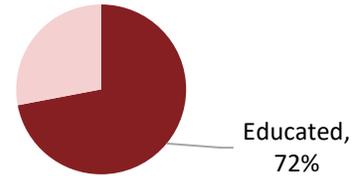


**Top 5 Violations Identified by Inspection**  
July 1, 2025 through January 31, 2026

- Cocktails To-Go
- Smokefree Air Act
- Refilling/Adulterating
- Bootlegging
- Good Moral Character

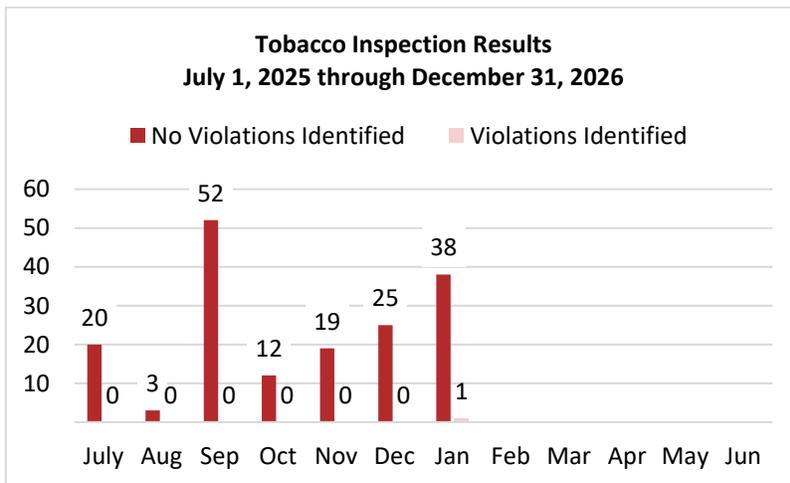
**Alcohol Inspection Violation Outcomes**  
July 1, 2025 through January 31, 2026

Submitted to Enforcement Actions, 28%



## Retail Tobacco Inspections

Retail tobacco compliance inspection results for Fiscal Year 2026 are shown in the chart below.



**Top Tobacco Violation Identified by Inspection**  
July 1, 2025 through January 31, 2026

- Display of Devices to Underage Persons

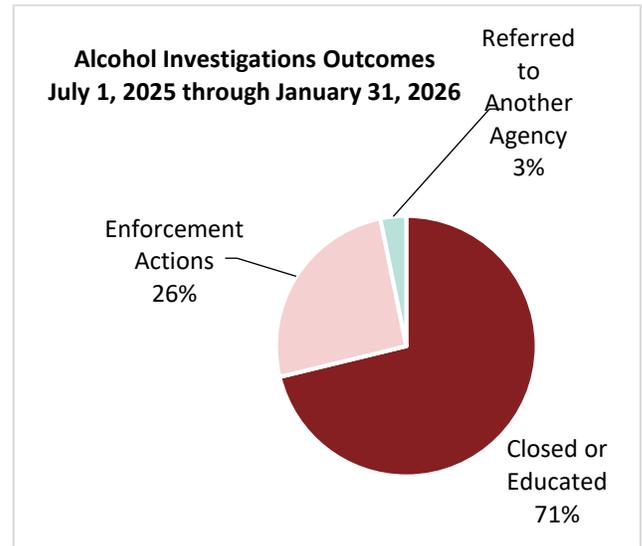
## Alcohol Investigations

### Investigations Completed

From July 1, 2025 through January 31, 2026, 125 investigations were completed as compared to 125 investigations completed from July 1, 2024 through January 31, 2025.

### Tax Compliance Partnership

Alcohol compliance investigations conducted by the Alcohol Regulation Unit resulted in Iowa Department of Revenue sales tax liability assessments in Fiscal Year 2026 totaling \$2,352,151.81. (Data provided by the Sales/Excise Tax Unit.)



## Alcohol Tax Audits

### Alcohol Tax Audit Program

The Tax Audit Program is a three-level system:

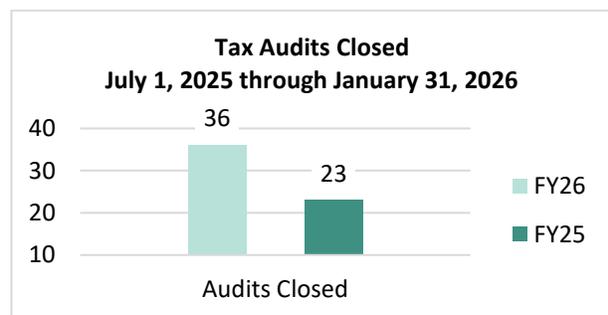
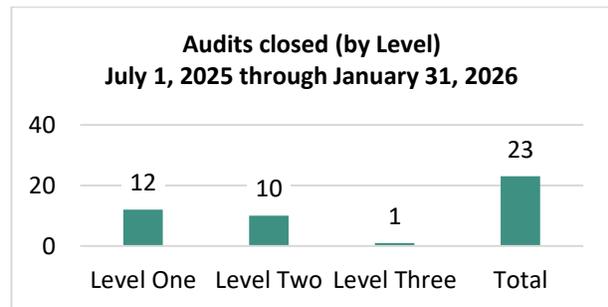
Level 1 – Three month’s records review

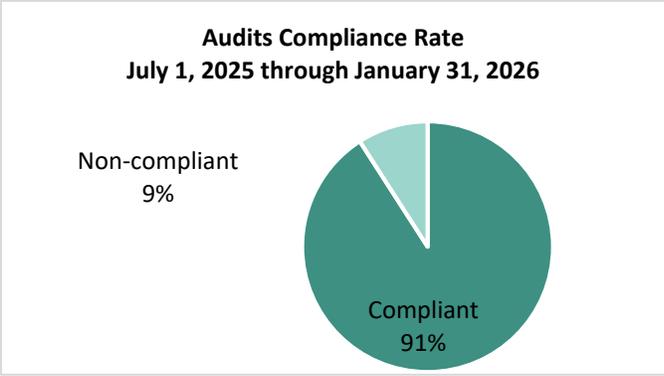
Level 2 – One year’s records review

Level 3 – More than 1 year’s records review

The three-level system allows focusing efforts on the more complex Level 2 and Level 3 audits. The Level 1 audits allow the Division to reach more licensees and permittees in the state. Audits closed by level for FY26 is shown in the chart to the right.

A comparison of audits closed for FY25 to FY26 is shown in the chart to the right.





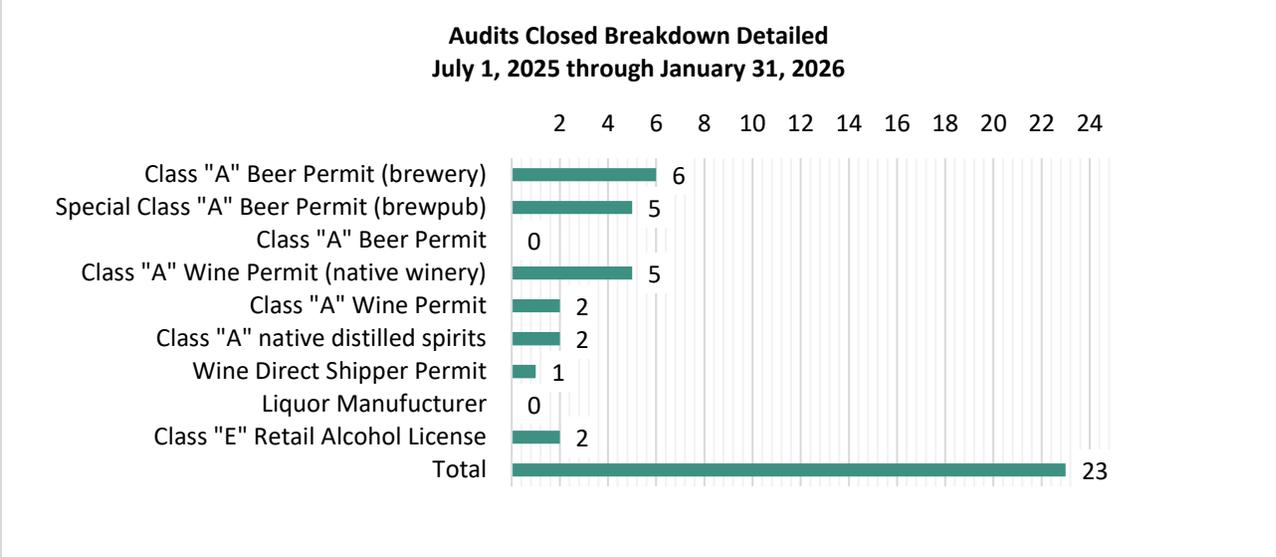
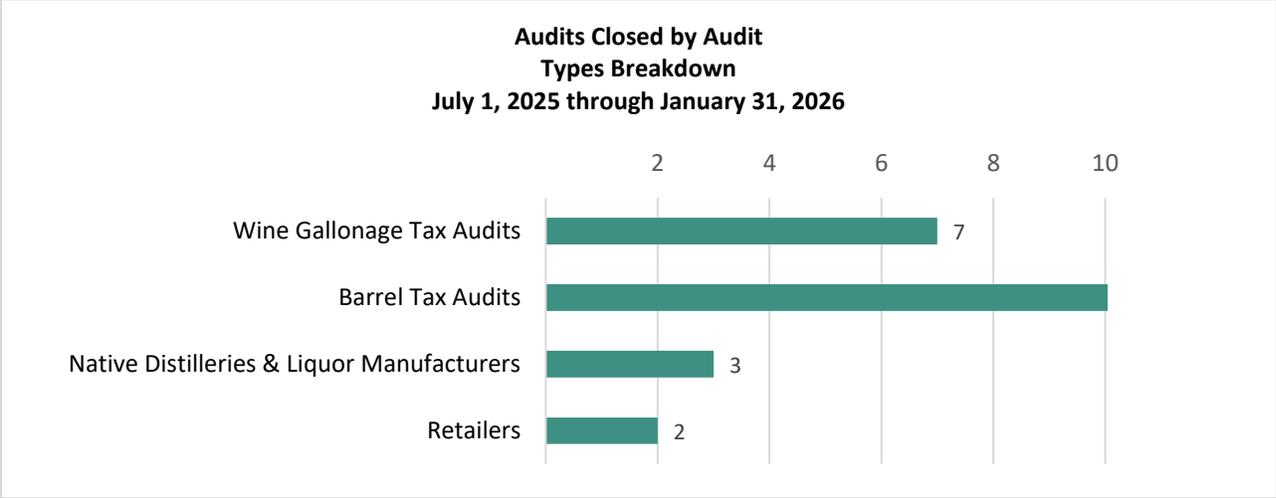
### Alcohol Tax Audits Compliance

Non-compliant is defined as audits where additional barrel, wine gallonage, and lowa sales tax liabilities are identified and assessed. All audits conducted incorporate education in laws, rules, and the reporting of gallons.

The compliance rate for Fiscal Year 2026 is shown in the chart to the right.

### Alcohol Tax Audits Closed by Types

Audits Closed by Audit Type for Fiscal Year 2026 are shown in the two charts below.

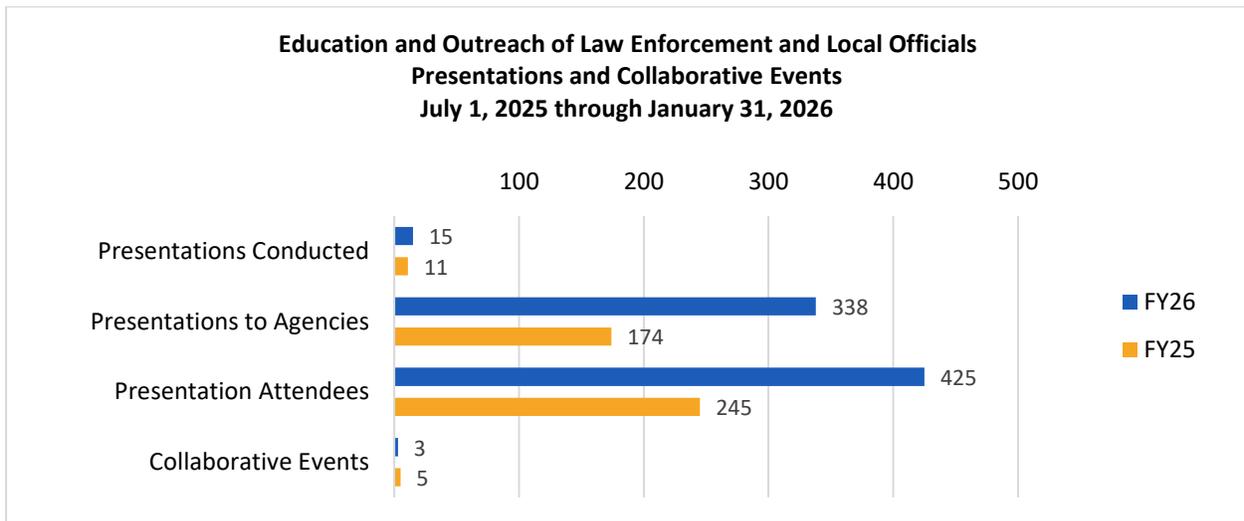


# Education and Outreach of Law Enforcement and Local Officials

## Presentations and Collaborative Enforcement/Education

The Education and Outreach Program is designed to address the educational needs of non-licensee stakeholders to include law enforcement, prosecutors, city and county clerks, and other local authorities. The program provides educational content to strengthen collaboration and best practices on topics specific to local authorities.

A comparison of Education and Outreach of Law Enforcement and Local Officials program results for FY26 to FY25 is shown in the chart below.

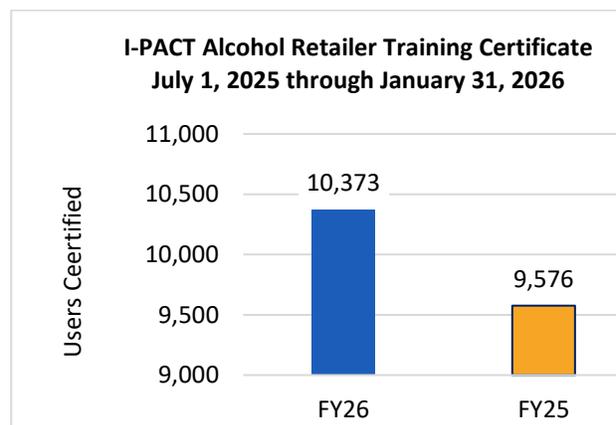


# Education and Outreach of Retailers

## I-PACT Alcohol Retailer Training Certification

A comparison of I-PACT Alcohol Retailer Training Certification results for the fiscal year is contained in the chart to the right.

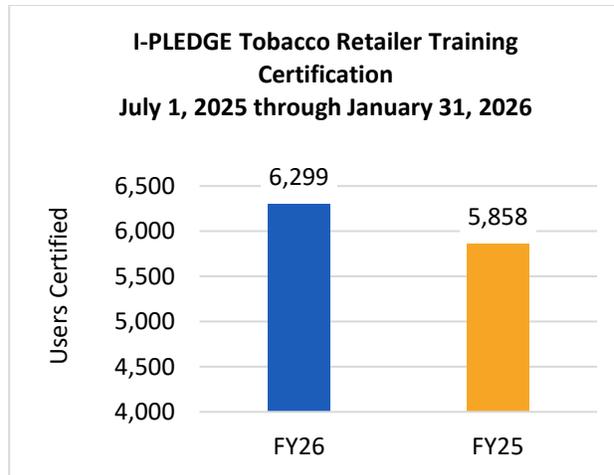
An increase of 797 users were certified in FY26 as compared to FY25.



## **I-PLEDGE Tobacco Retailer Training Certification**

A comparison of I-PLEDGE Tobacco Retailer Training Certification results for the fiscal year is contained in the chart to the right.

An increase of 441 users were certified in FY26 as compared to FY25.



BEFORE THE IOWA DEPARTMENT OF REVENUE  
HOOVER STATE OFFICE BUILDING  
DES MOINES, IOWA

<p>IN THE MATTER OF</p> <p>DIAGEO AMERICAS, INC. AND THE REVELTON DISTILLING COMPANY</p> <p>3 WTC   175 GREENWICH STREET NEW YORK, NY 10007</p> <p>ALCOHOL</p>	<p style="text-align: center;">DIRECTOR'S ORDER ON PETITION FOR RULEMAKING</p> <p style="text-align: center;">DOCKET NUMBER 1151084</p>
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Pursuant to a Petition for Rulemaking filed with the Iowa Department of Revenue (“Department”) by Diageo Americas, Inc. and the Revelton Distilling Company (“Petitioners”), and in accordance with Iowa Code section 17A.7 (2026) and Iowa Administrative Code rule 701–3.6 (2026), the Director issues the following ruling.

ISSUE

The Petition seeks a change to Iowa Administrative Code rule 701–1001.9. The change sought by Petitioners would allow products purchased as part of a barrel program to be split between multiple class “E” retail alcohol licensees. The rule currently restricts products purchased through a barrel program from being split between two or more class “E” retail alcohol licensees.

ANALYSIS AND CONCLUSIONS

**A. Legal Standard**

Iowa Code section 17A.7(1) allows interested parties to petition an agency to request the adoption, amendment, or repeal of a rule. Iowa Code chapter 17A restricts agency authority to adopt rules to those areas of law that have been delegated to it by the legislature. See Iowa Code § 17A.23(3), (4). The statute does not provide uniform requirements for the form and manner of making these requests, but rather allows each agency to adopt rules governing “the

form for petitions and the procedure for their submission, consideration, and disposition.” *Id.* § 17A.7(1).

The Department’s rules for rulemaking petitions are found in Iowa Administrative Code chapter 701–3, specifically in rule 701–3.6. The petition must provide the information required in rule 701–3.6(1)“c”. A critical element of this information is “a citation to any law deemed relevant to the department’s authority to take the action urged or to the desirability of that action.” *Id.*

In this case, Petitioners rely on Iowa Code sections 123.9 and 123.10 to request the rulemaking. These statutes grant the Director the authority to accept liquors and deliver them for sale to class “E” retail alcohol licensees, and to make rules regulating the furnishing of liquor to class “E” retail alcohol licensees. See Iowa Code §§ 123.9, 10. Because the Director has the statutory authority to effectuate the requested rulemaking, Petitioners’ argument in favor of the change may be considered.

#### **B. Argument by Petitioners**

The requested change affects what are known as “barrel programs.” Barrel programs are only available to class “E” retail alcohol licensees in Iowa. Iowa Admin. Code r. 701–1001.9. Class “E” retail alcohol licensees are licensed to purchase alcoholic liquor from the Department and to sell alcoholic liquor in original unopened containers at retail for off-premises consumption. Iowa Code § 123.30(3)“d”. Barrel programs are unique in that they allow suppliers to offer, through the Department, bottled contents of barrel-aged liquor products and the aging barrel to class “E” retailers. Iowa Admin. Code r. 701–1001.9. Barrel program products are generally specialty liquors, often made in limited quantities and intended for particular retailers to promote and sell them.

Petitioners point out that the barrel program in Iowa has been successful and allowed suppliers to promote “high-end products” and provide “rare and unique brands” to Iowa consumers. Pet. at 1. Though some retailers have difficulty selling an entire barrel, which typically produces around 24 cases of bottled liquor, they may be able to sell part of a barrel.

Petitioners assert that if barrel program products were able to be split among two or more retailers, there would be greater opportunity for suppliers to produce more specialty-liquor products and greater availability of those products to Iowa consumers. Pet. at 2. Petitioners contend that, should such growth in the program actually occur, there would also be additional revenue to the state. Pet. Attach. at 1.

### **C. Conclusion**

The current prohibition on splitting barrel program products serves to maintain the specialty nature of these limited-quantity offerings and to simplify administration and management of barrel-program sales. However, the Director finds merit in Petitioners' assertion that the current restriction may unnecessarily limit retailer participation in barrel programs, particularly for smaller retailers who cannot commit to purchasing an entire barrel.

Given the Director's clear authority to regulate this program, as well as the potential benefits to suppliers, class "E" retail alcohol licensees, consumers, and the State of Iowa that may result from increased flexibility in barrel program participation, a rulemaking on the subject sought by Petitioners will be instituted. The rulemaking process will provide an opportunity to explore whether modifications to rule 701-1001.9(4) can accommodate supplier and retailer interests while maintaining appropriate regulatory oversight of barrel-program products.

### ORDER

THEREFORE, based on the foregoing reasoning and applicable provisions of the law, the Petition for Rulemaking is granted.

Done at Des Moines, Iowa on this 12th day January, 2026

IOWA DEPARTMENT OF REVENUE

BY Mary Mosiman  
Mary Mosiman, Director



**Department of Revenue**

# **Alcohol Operations**

**Jared Longfield**

# Operations Update – Sales (State 1<sup>st</sup> Quarter)

SFY Q1

2025

Change from 2024

Dollars

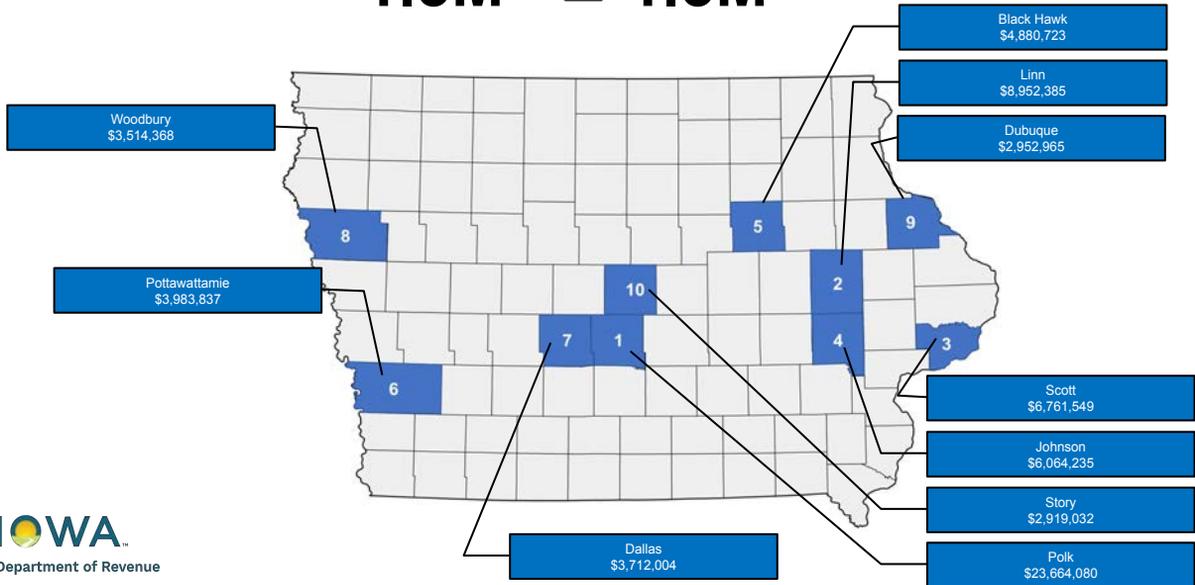
**\$105M ▼ \$3M**

Bottles

**7.6M ▼ 200K**

Gallons

**1.5M = 1.5M**



# Operations Update – Sales (State 2<sup>nd</sup> Quarter)

SFY Q2

2025

Change from 2024

Dollars

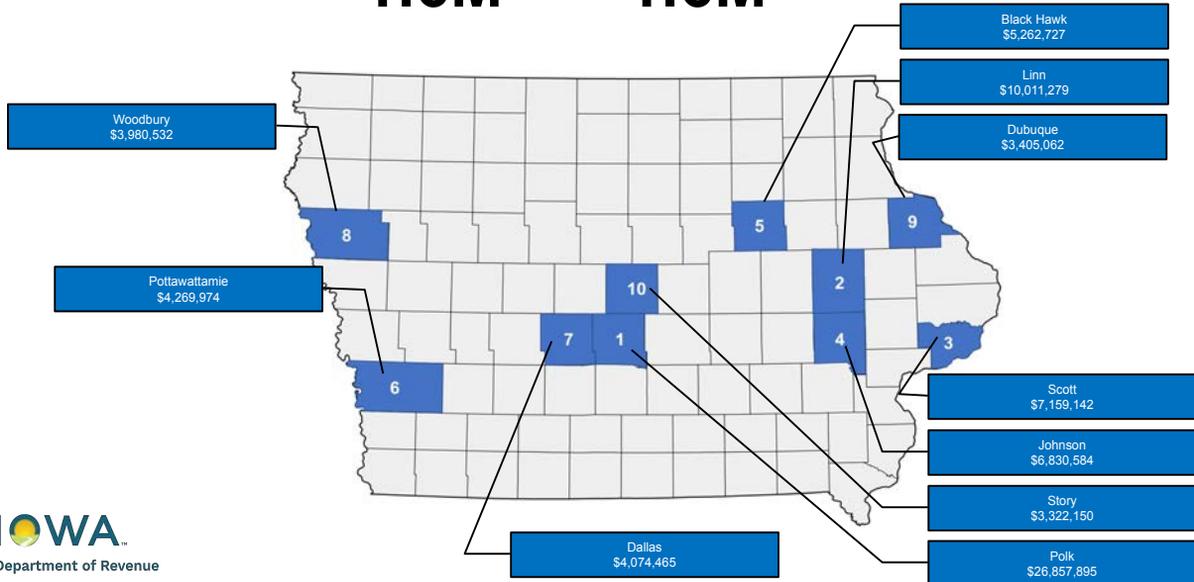
**\$116M ▼ \$8M**

Bottles

**8.1M ▼ 300K**

Gallons

**1.6M = 1.6M**



# Operations Update – Sales (Supplier SFYTD)

	Vendor Name	Total Sale
1	DIAGEO AMERICAS	\$53,971,630
2	SAZERAC COMPANY INC	\$48,223,373
3	Fifth Generation Distilled Spirits, Inc.	\$19,967,173
4	Jim Beam Brands	\$17,430,804
5	Heaven Hill Brands	\$16,539,315
6	PERNOD RICARD USA	\$15,570,802
7	Brown Forman Corp.	\$12,628,212
8	BACARDI USA INC	\$11,243,387
9	PROXIMO	\$9,041,043
10	LUXCO INC	\$8,881,213
11	E & J Gallo Winery	\$5,123,526
12	MOET HENNESSY USA	\$3,847,226
13	Campari America	\$3,746,408
14	Mast-Jagemeister US, Inc	\$3,086,080
15	OLE SMOKY DISTILLERY LLC	\$2,862,355
16	Park Street Imports	\$2,725,540
17	McCormick Distilling Co.	\$2,635,495
18	William Grant & Sons Inc	\$2,295,010
19	USDP / United States Distilled Products Co	\$2,239,378
20	CEDAR RIDGE VINEYARDS LL	\$2,138,002
21	REMY COINTREAU USA INC	\$1,663,153
22	Laird & Company	\$1,520,892
23	Kirin Beer & Spirits of America Inc / Four Roses Distillery	\$1,329,734
24	Intercontinental Packaging Company/Prestige Beverage	\$1,327,606
25	Blue Ox Spirits, Inc.	\$1,171,639

	Vendor Name	Total Sale
26	Infinium Spirits	\$1,159,975
27	Revelton Distilling Company	\$1,128,306
28	Leveck Corporation	\$927,618
29	Mhw LTD	\$744,217
30	MISA Imports Inc	\$743,749
31	MPL Brands NV Inc/ Patco Brands	\$496,356
32	DUNKEL CORPORATION / Iowa Distilling	\$452,201
33	Tequilas Premium, Inc	\$436,782
34	Mississippi River Distilling Company LLC	\$397,394
35	GoAmericaGo Beverages LLC / WhistlePig	\$395,415
36	WESTERN SPIRITS BEVERAGE	\$395,140
37	DISARONNO INTERNATIONAL	\$389,706
38	Edrington Group USA LLC	\$377,914
39	Mach Flynt Inc.	\$354,224
40	AIKO IMPORTERS INC	\$338,874
41	CONSTELLATION BRANDS INC	\$321,116
42	DEHNER DISTILLERY	\$301,120
43	CHATHAM IMPORTS INC	\$272,445
44	STOLI GROUP	\$259,744
45	Ciroc Spirits LLC	\$254,289
46	Foundry Distilling Company, LLC	\$227,785
47	W J Deutsch & Sons LTD	\$215,836
48	The Bardstown Bourbon Company LLC	\$195,837
49	S&B Farms Distillery	\$189,603
50	Sovereign Brands, LLC	\$170,886

**Total Sales State Fiscal Year to Date : \$262,365,528**

# Operations Update – Gallons (Supplier SFYTD)

Vendor Name		Gallons	Vendor Name		Gallons
1	SAZERAC COMPANY INC	874,216	26	DEHNER DISTILLERY	12,971
2	DIAGEO AMERICAS	539,753	27	Infinium Spirits	11,507
3	Heaven Hill Brands	332,666	28	Kirin Beer & Spirits of America Inc / Four Roses Distillery	10,236
4	Fifth Generation Distilled Spirits, Inc.	272,395	29	REMY COINTREAU USA INC	9,100
5	LUXCO INC	252,783	30	Revelton Distilling Company	8,914
6	Jim Beam Brands	215,598	31	Mach Flynt Inc.	6,841
7	PERNOD RICARD USA	166,174	32	DUNKEL CORPORATION / Iowa Distilling	5,780
8	PROXIMO	117,726	33	MPL Brands NV Inc/ Patco Brands	5,582
9	BACARDI USA INC	110,641	34	Mhw LTD	4,987
10	Brown Forman Corp.	91,942	35	Mississippi River Distilling Company LLC	3,984
11	McCormick Distilling Co.	78,187	36	WESTERN SPIRITS BEVERAGE	3,440
12	E & J Gallo Winery	67,811	37	John Ernest Distillery, Inc.	3,333
13	Laird & Company	54,404	38	DISARONNO INTERNATIONAL	3,211
14	USDP / United States Distilled Products Co	53,425	39	Foundry Distilling Company, LLC	2,835
15	Blue Ox Spirits, Inc	43,758	40	STOLI GROUP	2,775
16	Leveck Corporation	35,500	41	CONSTELLATION BRANDS INC	2,155
17	Campari America	31,807	42	AIKO IMPORTERS INC	2,092
18	Park Street Imports	27,056	43	Ciroc Spirits LLC	2,000
19	Mast-Jagemeister US, Inc	26,326	44	S&B Farms Distillery	1,781
20	OLE SMOKY DISTILLERY LLC	26,301	45	JINRO AMERICA INC	1,698
21	Intercontinental Packaging Company/Prestige Beverage Group	22,969	46	Freixenet Mionetto USA, Inc	1,696
22	MOET HENNESSY USA	20,794	47	Swell Liquor LLC	1,595
23	William Grant & Sons Inc	17,482	48	Mack & Schuhle, Inc.	1,544
24	CEDAR RIDGE VINEYARDS LLC	14,344	49	CHATHAM IMPORTS INC	1,535
25	MISA Imports Inc	13,552	50	Charles Jacquin Et Cie	1,468
<input type="checkbox"/> <b>Total Gallons Sold Fiscal Year to Date: 3,620,672</b>					

# Operations Update – Gallons (Brand SFYTD)

## Top 50 Brands by Total Gallons Sold

	Description	Total Gallons
1	Titos Handmade Vodka	280,813
2	Black Velvet	178,072
3	Hawkeye Vodka	104,748
4	Fireball Cinnamon Whiskey	98,317
5	Fireball Cinnamon Whiskey Mini Sleeve	77,190
6	Fris Danish Vodka	71,955
7	Captain Morgan Original Spiced	68,988
8	Captain Morgan Original Spiced Barrel	66,054
9	Platinum 7x Vodka	56,752
10	McCormick 80prf Vodka PET	52,816
11	Crown Royal	49,471
12	Jack Daniels Old #7 Black Label	48,474
13	Crown Royal Regal Apple	46,020
14	Svedka 80prf	42,470
15	Blue Ox Vodka	39,566
16	Barton Vodka	38,127
17	Smirnoff 80prf PET	36,506
18	Jim Beam	35,459
19	Malibu Coconut	34,173
20	Jameson	34,048
21	Admiral Nelson Spiced	32,770
22	Fireball Cinnamon Whiskey PET	31,760
23	Absolut Swedish Vodka 80prf	31,325
24	Tortilla Gold DSS	27,961
25	Seagrams 7 Crown	27,426

	Description	Total Gallons
26	Bacardi Superior	27,257
27	Five O'Clock Vodka	26,679
28	Kirkland Signature American Vodka	25,133
29	Black Velvet Toasted Caramel	23,935
30	Fleischmanns 80prf Vodka	22,420
31	Jose Cuervo Especial Reposado	22,419
32	McCormick 80prf Vodka	21,185
33	Dr McGillicuddys Cherry	21,082
34	Barton Naturals Vodka	21,078
35	Crown Royal Peach	20,724
36	Five Star	20,722
37	Smirnoff 80prf	20,617
38	Makers Mark	20,116
39	Nikolai Vodka	20,009
40	Hawkeye Vodka PET	19,609
41	Jose Cuervo Especial Silver	19,409
42	Members Mark Vodka	17,754
43	Fireball Cinnamon Whiskey Mini Dispenser	17,566
44	Crown Royal Blackberry	17,006
45	Jagermeister Liqueur	16,481
46	Paul Masson Grande Amber Brandy VS	16,412
47	Grey Goose	16,257
48	Patron Silver	14,590
49	New Amsterdam 80prf	14,507
50	Fireball Cinnamon Whiskey Party Bucket	14,324

**Total Gallons Sold By Brand: 2,108,552**

07/01/2025 ≤ Date ≤ 02/18/2025

# Operations Update – Sales (Brand SFYTD)

## Top 50 Brands by Total Sales

	Description	Total Sale	Description	Total Sale	
1	Titos Handmade Vodka	\$19,711,897	26	Baileys Original Irish Cream	\$1,576,400
2	Black Velvet	\$7,030,252	27	Svedka 80prf	\$1,564,460
3	Fireball Cinnamon Whiskey	\$6,230,272	28	Platinum 7x Vodka	\$1,554,720
4	Crown Royal	\$5,989,822	29	Bacardi Superior	\$1,552,321
5	Crown Royal Regal Apple	\$5,717,501	30	Admiral Nelson Spiced	\$1,482,449
6	Jack Daniels Old #7 Black Label	\$5,563,106	31	McCormick 80prf Vodka PET	\$1,457,122
7	Captain Morgan Original Spiced	\$4,960,901	32	Hennessy VS Flask	\$1,387,208
8	Jameson	\$4,177,176	33	Smirnoff 80prf	\$1,372,799
9	Captain Morgan Original Spiced Barrel	\$3,963,075	34	Crown Royal Chocolate	\$1,330,630
10	Fireball Cinnamon Whiskey Mini Sleeve	\$3,925,651	35	Seagrams 7 Crown	\$1,310,515
11	Patron Silver	\$2,861,141	36	Bulleit Bourbon	\$1,299,915
12	Jim Beam	\$2,853,525	37	Cedar Ridge Bourbon	\$1,292,830
13	Hawkeye Vodka	\$2,746,856	38	Dr McGillicuddys Cherry	\$1,273,380
14	Crown Royal Peach	\$2,576,985	39	Tanqueray Gin	\$1,267,395
15	Makers Mark	\$2,553,858	40	Rumple Minze Peppermint Schnapps Liqueur	\$1,256,211
16	Crown Royal Blackberry	\$2,244,202	41	Kahlua Coffee	\$1,210,589
17	Malibu Coconut	\$2,133,649	42	Blue Ox Vodka	\$1,043,477
18	Absolut Swedish Vodka 80prf	\$2,127,654	43	Black Velvet Toast Caramel	\$970,648
19	Fris Danish Vodka	\$1,998,626	44	Ketel One	\$934,961
20	Jose Cuervo Especial Reposado	\$1,915,075	45	Fireball Cinnamon Whiskey Mini Dispenser	\$891,895
21	Fireball Cinnamon Whiskey PET	\$1,894,713	46	Barton Vodka	\$865,164
22	Smirnoff 80prf PET	\$1,821,790	47	Rum Chata	\$797,587
23	Jose Cuervo Especial Silver	\$1,734,745	48	Evan Williams Black	\$793,203
24	Grey Goose	\$1,699,558	49	Tortilla Gold DSS	\$777,880
25	Jagermeister Liqueur	\$1,666,373	50	New Amsterdam 80prf	\$765,629

**Total Sales by Brand: \$130,127,792**

07/01/2025 ≤ Date ≤ 02/18/2026

# Operations Update – Gallons (Iowa Distillers SFYTD)

## Top 50 Native Distillers by Total Gallons Sold

	Description	Total Gallons	Description	Total Gallons	
1	Gotcha Vodka	10,349	26	Private First Class	403
2	Cedar Ridge Bourbon	9,206	27	Revelton Single Barrel Bourbon Whiskey	396
3	Revelton Mulberry Gin	4,957	28	Cedar Ridge Quintessential American Single Malt	392
4	Saints n Sinners Apple Pie	2,285	29	Butchers Block Vodka	365
5	Don Agave Gold	1,988	30	Cedar Ridge Malted Rye	353
6	Prairie Fire Cinnamon Whiskey	1,807	31	Century Farms Bourbon - Personalized	351
7	Foundry Whiskey Custom	1,800	32	Slipknot Iowa Whiskey No. 9	351
8	Gotcha Silver Rum	1,560	33	Revelton Private Whiskey Barrel Selection	339
9	Don Agave Silver	1,291	34	IDC Straight Bourbon	319
10	Revelton Whiskey and Cream Liqueur	1,166	35	Cedar Ridge Double Barrel Bourbon Whiskey	317
11	Bagger Vodka	1,023	36	Mullets	306
12	Sir Winston Peach	957	37	Prairie Fire Cinnamon Whiskey Mini PET	305
13	Iowish Cream Salted Caramel	868	38	Iowa State 1858 Vodka	292
14	Iowish Cream Liqueur	827	39	Revelton American Gin	285
15	Revelton Honey Whiskey	825	40	Cedar Ridge Sir Maple Bourbon Whiskey	283
16	Cedar Ridge Barrel Proof	741	41	Cask Strength Private Barrel Bourbon	262
17	River Pilot Vodka	545	42	173 Craft Distillery Premium Vodka	254
18	Revelton Vodka	540	43	Foundry Vodka	241
19	Rocket Fuel	512	44	173 Craft Distillery Honey Lemon Flavored Gin	236
20	CM Unrestricted Wheated Straight Bourbon	506	45	Zone Vodka	218
21	Cody Road Barrel Old Fashioned	492	46	Saints n Sinners Apple Pie Mini PET	206
22	Gotcha Blended Whiskey	477	47	Cedar Ridge Double Barrel Straight Rye Whiskey	193
23	Cody Road Bourbon	472	48	Revelton Single Barrel Bourbon Barrel Pick - Md	187
24	Gotcha Gin	455	49	173 Craft Distillery Premium Gin	164
25	Prairie Fire Cinnamon Whiskey PET	406	50	Cedar Ridge Anniversary Edition	157

**Top 50 Native Distillers Gallons Sold: 53,229**

07/01/2025 ≤ Date ≤ 02/18/2026

# Operations Update – Sales (Iowa Distillers SFYTD)

## Top 50 Native Distillers by Total Sales

Description	Total Sale	Description	Total Sale
1 Cedar Ridge Bourbon	\$1,292,830	26 Bagger Vodka	\$47,388
2 Revelton Mulberry Gin	\$654,334	27 Private First Class	\$41,824
3 Gotcha Vodka	\$209,628	28 Revelton Vodka	\$40,288
4 Saints n Sinners Apple Pie	\$146,651	29 Blonde Fatale Bottled in Bond Malt Whiskey	\$37,856
5 Revelton Whiskey and Cream Liqueur	\$131,063	30 Slipknot Iowa Whiskey No. 9 Reserve	\$37,578
6 Prairie Fire Cinnamon Whiskey	\$129,533	31 Revelton Single Barrel Bourbon Barrel Pick - Mid	\$36,738
7 Cedar Ridge Barrel Proof	\$122,855	32 Gotcha Silver Rum	\$34,840
8 Foundry Whiskey Custom	\$108,100	33 River Pilot Vodka	\$34,070
9 Revelton Honey Whiskey	\$107,599	34 Cedar Ridge Double Barrel Straight Rye Whiskey	\$33,750
10 Sir Winston Peach	\$99,017	35 Revelton American Gin	\$32,265
11 Cedar Ridge Quintessential American Single Malt	\$82,358	36 Cedar Ridge Anniversary Edition	\$31,332
12 Iowish Cream Salted Caramel	\$72,056	37 Revelton Simple Majority Rye	\$29,784
13 Iowish Cream Liqueur	\$68,690	38 Slipknot No.9 Iowa Whiskey - The Brown	\$28,875
14 Cody Road Bourbon	\$68,104	39 173 Craft Distillery Honey Lemon Flavored Gin	\$28,782
15 Revelton Single Barrel Bourbon Whiskey	\$66,454	40 Cedar Ridge Amontillado Sherry Finished Bourbon	\$28,704
16 Don Agave Gold	\$65,378	41 Iowa State 1858 Vodka	\$28,236
17 Cody Road Barrel Old Fashioned	\$62,883	42 Prairie Fire Cinnamon Whiskey PET	\$27,648
18 Cask Strength Private Barrel Bourbon	\$59,130	43 SOOH 173 Craft Distillery Single Barrel Bourbon	\$26,286
19 CM Unrestricted Wheated Straight Bourbon	\$57,488	44 Rocket Fuel	\$25,768
20 Cedar Ridge Double Barrel Bourbon Whiskey	\$57,000	45 Prairie Fire Cinnamon Whiskey Mini PET	\$25,633
21 Slipknot Iowa Whiskey No. 9	\$56,032	46 Butchers Block Vodka	\$24,949
22 Cedar Ridge Malted Rye	\$51,790	47 Cedar Ridge Private Barrel Straight Rye Whiskey	\$24,885
23 Don Agave Silver	\$49,568	48 Cedar Ridge Bottled in Bond Bourbon	\$23,550
24 Cedar Ridge Sir Maple Bourbon Whiskey	\$47,817	49 Templeton Rye 6YR Special Reserve	\$22,620
25 IDC Straight Bourbon	\$47,589	50 Templeton Rye Double Oak	\$21,420

**Total Sales for Top 50 Native Distillers: \$4,689,011**

07/01/2025 ≤ Date ≤ 02/18/2026

# Operations Update (SFY Quarter 1)

## The Supplier Scorecard: JUL - SEP 2025

**All Vendors Average Score: 96.96%**

### Bill of Lading

Codes Listed:

39,849

Codes Received:

41,244

Codes Accepted %:

96.62%

Cases on BOL:

3,621,938

Cases Received:

3,626,020

Cases Accepted %:

99.89%

**Bill of Lading Score:**

98.26%

**Receiving Report Score:**

99.82%

**Delivery Score:**

90.61%

**Load Performance Score:**

99.13%

### Receiving Report

Codes Listed:

41,050

Codes Received:

40,961

Codes Accepted %:

99.78%

Cases on PO:

3,562,270

Cases Received:

3,557,323

Cases Accepted %:

99.86%

### Delivery

On Time:

4,611

Not on Time:

330

On Time %:

90.61

### Load Performance

Pallets on Truck:

59,861

Rework:

521

Performance %:

99.13%

# Operations Update (SFY Quarter 2)

## The Supplier Scorecard: OCT - DEC 2025

**All Vendors Average Score: 96.67%**

### Bill of Lading

Codes Listed:

40,100

Codes Received:

41,967

Codes Accepted %:

95.55%

Cases on BOL:

3,658,739

Cases Received:

3,661,154

Cases Accepted %:

99.93%

**Bill of Lading Score:**

97.74%

**Receiving Report Score:**

98.84%

**Delivery Score:**

90.64%

**Load Performance Score:**

99.46%

### Receiving Report

Codes Listed:

42,653

Codes Received:

41,664

Codes Accepted %:

97.68%

Cases on PO:

3,591,289

Cases Received:

3,590,893

Cases Accepted %:

99.99%

### Delivery

On Time:

4,679

Not on Time:

329

On Time %:

90.64

### Load Performance

Pallets on Truck:

59,046

Rework:

321

Performance %:

99.46%

# Operations Update (Warehouse Capacity)

## Space Utilization with Inventory Totals:

LOCATION	UTILIZATION	LOCATIONS	USED	EMPTY	QUANTITY	CASES	BOTTLES
BULK01	89.6%	578	518	60	1,200,134	114,135	0
CAGE	41.4%	70	29	41	2,254	572	16
CAPFFLR	94.4%	1,403	1,325	78	687,440	60,452	6,848
CAPFRACK	83.2%	1,944	1,618	326	75,676	8,373	6,470
DISPLAY	100.0%	2	2	0	78	0	78
QUAR	50.0%	4	2	2	21,509	1,947	26
RACKS	83.5%	3,912	3,268	644	1,353,994	131,903	25
SPCL	69.4%	124	86	38	2,008	266	41

76.5% As of 2/16/2026

71.6% 2/17/2025

## Warehouse Capacity (Monthly YoY):

	JUL	AUG	SEP	OCT	NOV	DEC	6 mo AVG
FY 2026	72.0%	76.7%	72.6%	73.4%	81.0%	77.5%	75.5%
FY 2025	74.7%	80.0%	75.4%	82.6%	84.8%	81.4%	79.8%
FY 2024	79.2%	80.4%	78.7%	80.1%	80.4%	80.1%	79.8%

DELIST

	JAN	FEB	MAR	APR	MAY	JUN	12 mo AVG
FY 2026	76.5%	76.5%	68.0%	69.0%	65.0%	64.0%	72.7%
FY 2025	71.6%	73.8%	73.8%	77.8%	73.2%	72.1%	76.8%
FY 2024	82.3%	81.3%	74.5%	74.4%	75.5%	73.0%	78.3%

DELIST

# Operations Update (Inventory Metrics - February)

## The Stock Status Report

Inventory Metrics by Supplier (New Levels Applied - Delist)

**FEBRUARY**

*This week & Change*

As of: 2/10/2026

<b>Total Items Listed:</b>	<b>3,397 +42</b>	<b>this week</b>	<b>last week</b>	<b>change</b>
<b>Total Out of Stock:</b>	<b>359 +26</b>	10.57%	10.00%	<b>0.57%</b>
<b>Total Over Max:</b>	<b>877 -105</b>	25.17%	29.27%	<b>-4.10%</b>
<b>Total Under Min:</b>	<b>772 -181</b>	22.63%	28.41%	<b>-5.78%</b>

Rank <i>Out, Over, Under</i>	Supplier	Total Items Listed	Out of Stock	Overmax	Under Min	Total
1	Sazerac	543	77	193	113	<b>383</b>
2	Diageo	300	47	93	73	<b>213</b>
3	Beam	245	6	40	82	<b>128</b>
4	Pernod	179	23	21	62	<b>106</b>
5	LUXCO	165	9	32	44	<b>85</b>
6	Bacardi	119	8	30	30	<b>68</b>
7	ParkStreet	101	16	29	22	<b>67</b>
8	MHW	83	12	30	21	<b>63</b>
9	Heaven Hill	160	14	23	22	<b>59</b>
10	Brown Forman	78	12	25	14	<b>51</b>
11	Proximo	115	14	30	7	<b>51</b>
12	William Grant	60	9	12	13	<b>34</b>
13	E&J GALLO	131	1	9	20	<b>30</b>
14	USDP	68	1	16	10	<b>27</b>
15	Fifth Gen - Tito's	10	0	3	3	<b>6</b>

# Operations Update (Monthly Meetings)

## Strengthening Relationships

- Biweekly / Monthly Touch Base Meetings
  - Going great! Still need to get others into the que.
  - Involve logistics folks!
  - Broker and Supplier attend.



SAZERAC



luxco



JOHNSON BROTHERS  
· SINCE 1953 ·



PROXIMO

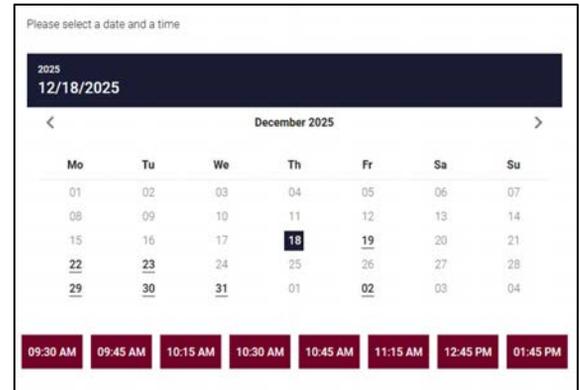
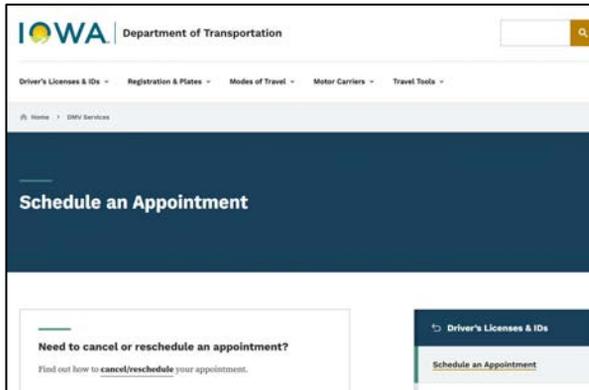
### Typical Agenda

1. Meeting Overview
  - Hot Topics
  - Any items from last meeting that need addressed
2. Performance Review (Data-Driven)
  - Review of Key Performance Indicators (KPIs) from the previous period (e.g., on-time delivery, quality defect rates, cost adherence)
  - Discussion of any issues or successes related to past performance
3. Operational Updates
  - Demand Forecasting: Current and future demand forecasts
  - Inventory Management: Current stock levels and any potential adjustments needed
  - Logistics: Any updates or changes in shipping and receiving processes
4. Strategic & Commercial Topics
  - Marketing/BMI/Seasonal: Key terms and conditions for any upcoming projects/releases
  - Pricing: Review of current pricing structures and potential opportunities for cost reduction - any changes?
  - New Product Lines: Introduction to new products, target markets, and samples or samples requests
  - Innovation: Discussion of opportunities for innovation, process improvement, and strategic alignment
5. Open Discussion and Q&A
  - Time for both parties to raise new topics or ask questions
6. Action Items and Next Steps
  - Summarize all agreed-upon actions
  - Assign owners and deadlines for each action item
  - Schedule the next meeting / reschedule if there is a conflict

# Operations Update (Automated Schedule)

## Automating Inbound Scheduling Project (Summer 2026)

- Automate the scheduling system!
- Supplier picks date/time of delivery after receiving their PO.
- Supplier will be able to change and delete as needed.
- Inbound delivery information is sent to D365 (State) and JDA (RUAN) for scheduling.
- Increases visibility of inbound shipping.
- Leverages reporting tools in D365 and JDA.
- Provides data points for suppliers based on shipping metrics.
- Increases oversight and reduces management of manual systems.



# Operations Update (NABCA “Connect”)

## INTRODUCTION.

*In alignment with NABCA Chairwoman Kathie Durbin’s theme, “**CONNECT, RESPECT, ELEVATE**,” during the recent NABCA January Board of Directors Meeting, the Industry Advisory Committee established **CONNECT Pairings** .*

Given the equal number of Board (18 Control jurisdictions) and Committee Members (15 Suppliers and three Trade Associations), a rare opportunity exists to pair one member of each group with a representative of the other for the purpose of enhancing communication and making stronger connections.



**WILLIAM GRANT & SONS**  
INDEPENDENT FAMILY DISTILLERS SINCE 1887

**INITIAL PAIRINGS.** Based on a random selection, a drawing was held during the NABCA IAC Meeting, held on Wednesday, January 7<sup>th</sup>. The following are the initial pairings that will apply for the first half of 2026 (January 1<sup>st</sup> – June 30<sup>th</sup>):

## CONNECT Pairings

	CONTROL STATE	IAC MEMBER
1	ALABAMA	BACARDI
2	IDAHO	ADSA
3	IOWA	WILLIAM GRANT
4	MAINE	GALLO
5	MOCO	REMY
6	MICHIGAN	MOET
7	MISSISSIPPI	CAMPARI
8	MONTANA	DISCUS
9	NEW HAMPSHIRE	PROXIMO
10	NORTH CAROLINA	HEAVEN HILL
11	OHIO	PERNOD RICARD
12	OREGON	BROWN FORMAN
13	PENNSYLVANIA	SUNTORY
14	UTAH	DIAGEO
15	VERMONT	CONSTELLATION
16	VIRGINIA	LUXCO
17	WEST VIRGINIA	SAZERAC
18	WYOMING	WINE INSTITUTE



# New Items (RUAN Updates)

RUAN plays a vital role to the State of Iowa in the delivery of spirits to all 99 counties on a weekly basis in all weather conditions without interruption. Strategically, the partnership is critical to servicing the customers and, in the end, every Iowan. The Alcohol Operation is responsible to its customers to provide best in class service and customer support. RUAN is a key piece to achieving this goal. The drivers, and the warehouse for that matter, engage with the State of Iowa customers directly daily and it is important that we manage customer expectations and respond to requests.

**Deliveries:**

44,272

**Picks:**

2,908,823

**Miles Driven:**

1,086,687

**Orders  
Processed:**

72,758

**Cases:**

1,539,146

**On Time  
Delivery %:**

99.5%

# Calendar Items

Broker Supplier Meeting	February 18, 2026 at 10:00 am, Ankeny Boardroom
Alcohol Beverage Commission Quarterly Meeting	February 26, 2026 at 1:00 pm, Ankeny Boardroom
RUAN Annual Inventory of the Warehouse	April 2026
MODEX 2026	April 13-15, 2026 in Atlanta
Alcohol Beverage Commission Quarterly Meeting	May or June, Ankeny Boardroom
Broker Supplier Meeting	May 12, 2026 at 1:00 pm, Ankeny Boardroom
Broker Supplier Meeting	July 14, 2026 at 1:00 pm, Ankeny Boardroom
Broker Supplier Meeting	October 13, 2026 at 1:00 pm, Ankeny Boardroom



**Department of Revenue**

# **Alcohol Financials**

**Steve French**  
**Chief Financial Officer**

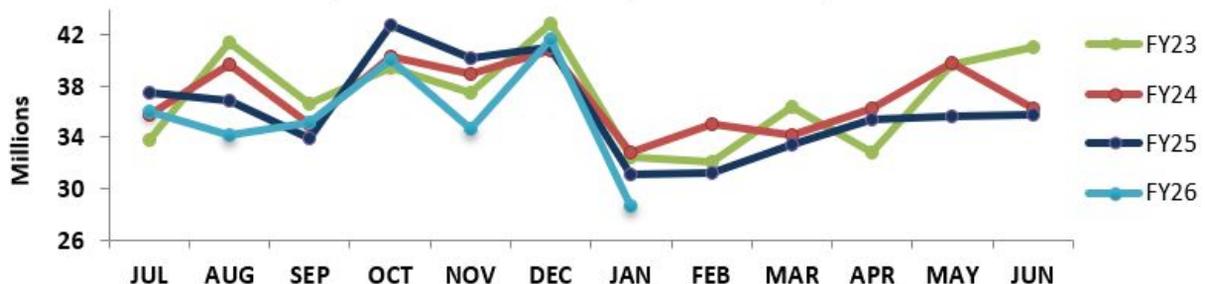
## Fiscal Year Sales Comparison Year to Date - January

Category	FY 2026	FY 2025	% Change	Amt Change
Liquor Sales	\$250,348,236	\$263,340,285	-4.93%	(\$12,992,049)
Split Case Fee	\$1,332,001	\$1,467,492	-9.23%	(\$135,491)
Bottle Dep and Sur	\$3,488,182	\$3,371,515	3.46%	\$116,667
<b>Total Revenue</b>	<b>\$255,168,419</b>	<b>\$268,179,292</b>	<b>-4.85%</b>	<b>(\$13,010,872)</b>
Deliveries	44,272	44,315	-0.10%	(43)
Orders	72,758	75,250	-3.31%	(2,492)
Cases	1,539,146	1,573,387	-2.18%	(34,241)
Bottles	17,807,895	18,254,103	-2.44%	(446,208)
Picks	2,903,823	3,060,367	-5.12%	(156,544)
Bailment	165,267,135	173,843,614	-4.93%	(8,576,479)
Reversion (Proceeds)	76,706,542	81,315,008	-5.67%	(4,608,466)

### Number of Sales Days Comparison

Year to Date -1

### Liquor Sales Revenue per Month by FY



# FY26 Inflows – Actuals / Projected / Budget

	<b>FY26 Actuals</b>	<b>FY26 Projected</b>	<b>FY26 BUDGET</b>
Liquor Sales Revenue	250,348,236	415,000,000	409,304,000
Split Case Fee	1,332,001	2,214,001	2,240,000
Bottle Deposit/Surcharge	3,488,182	5,713,182	5,376,000
Wine Tax	3,760,693	6,860,693	7,000,000
License Fees	8,756,480	15,756,480	15,250,000
Native Wine Tax - IEDA	72,416	150,416	185,000
Native Beer Tax - IEDA	92,456	182,456	214,000
Beer Tax - GF	6,159,845	11,719,845	12,600,000
	<u>274,010,309</u>	<u>457,597,073</u>	<u>452,169,000</u>

# FY26 Outflows – Actuals / Projected / Budget

	<b>FY26 Actuals</b>	<b>FY26 Projected</b>	<b>FY26 BUDGET</b>
Reversion Transfer - General Fund (GF)	59,250,000	96,500,000	96,348,720
Sub Abuse Transfer (7% sales) - (GF)	17,456,542	29,050,000	28,651,280
Iowa Economic Development Transfer	1,000,000	2,000,000	2,090,000
City and County Payments	1,507,777	3,217,777	3,500,000
Bottle Deposit & Surcharge	1,937,232	3,204,232	3,279,600
License & Liquor Refunds	360,521	520,521	214,850
Bailment	165,267,135	273,900,000	270,140,640
Capital Projects	86,150	600,000	2,500,000
	<u>246,865,357</u>	<u>408,992,530</u>	<u>406,725,090</u>

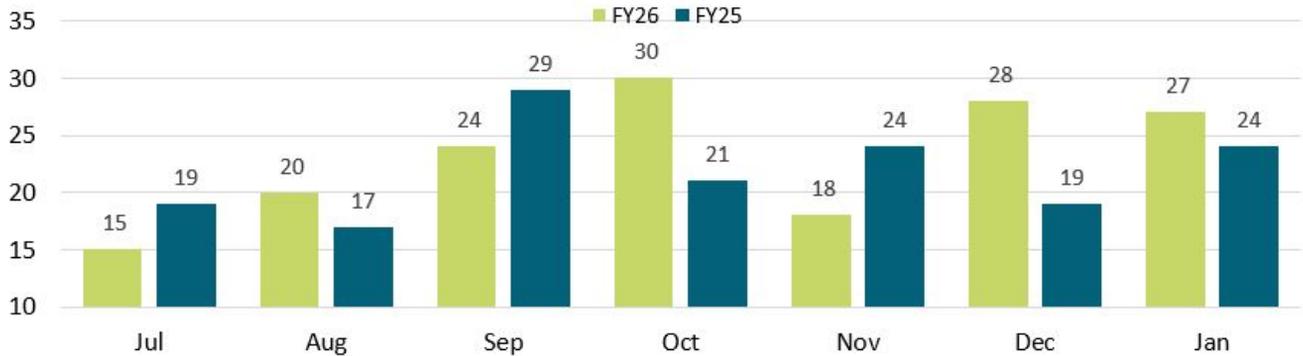


**Department of Revenue**

# **Alcohol Regulation**

**DeMario Luttrell**

# Compliance Complaints Received



## Top 5 Complaint Categories Resulting in Investigations

- Selling / Serving Underage Person (Alcohol)
- Bootlegging
- Illegal Activity on Licensed Premises
- Overservice
- Trade Practice

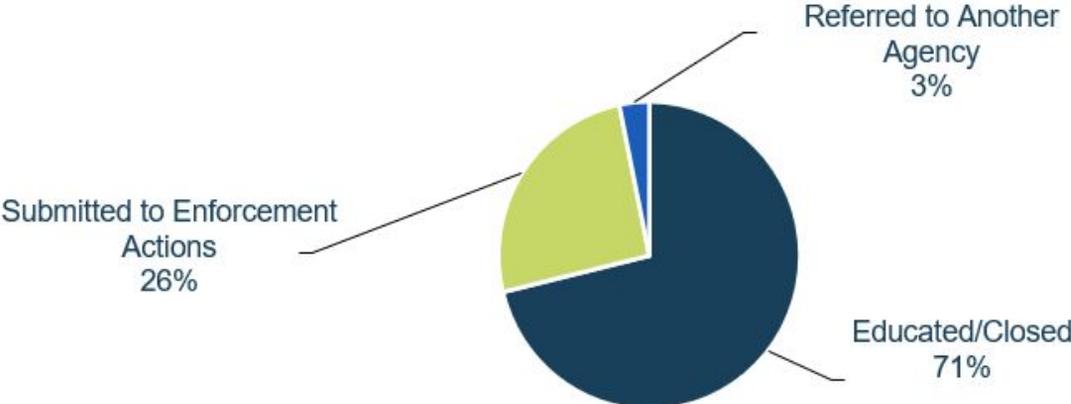
# Alcohol Investigations

From July 1, 2025 to January 31, 2026, **125** investigations were completed.

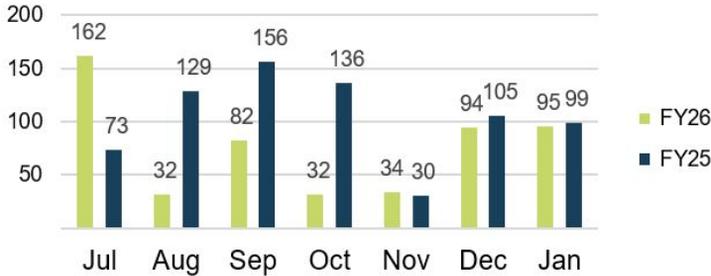
Investigations conducted by the Alcohol Regulation Unit resulted in Iowa Department of Revenue sales tax liability assessments in FY26 totaling **\$2,352,152**.

Approximately **20%** of investigations were joint investigations with law enforcement.

## Alcohol Investigation Outcomes



## Alcohol Inspections Completed by Month



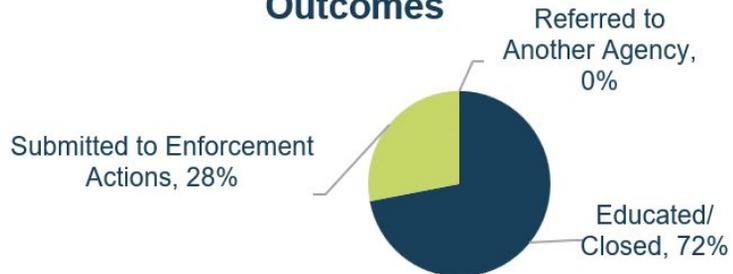
Inspections FY26 (July-January)



## Top 5 Violations Identified by Inspection

- Cocktails To-Go
- Smokefree Air Act
- Refilling/Adulterating
- Bootlegging
- Good Moral Character

## Alcohol Inspection Violation Outcomes



# Underage Alcohol Enforcement Program

**Total agencies with signed 28E agreement: 53**

**Agencies pending signature: 11**

**Checks submitted YTD: 109**

- Compliant: 93
- Non-Compliant: 14
- Unable to Complete: 2

**37 New Counties Added in FY26**



# Law Enforcement Education & Outreach

## Law Enforcement Presentations and Outreach

- Iowa Law Enforcement Academy: 150 Recruits
- Iowa State Patrol Academy: 50 Recruits
- Western Iowa Tech Police Academy: 18 Recruits
- Cedar Rapids Police Academy: 15 Recruits
- Altoona Police Department: 50 Officers
- Urbandale Police Department: 45 Officers
- Centerville Police Department: 20 Officers
- Johnston Police Department: 10 Officers
- GTSB Impaired Driving Task Force
- AC4C State Partnership
- Ames Police Quarterly Bar Meeting
- D.A.R.E. Iowa Training
- Iowa State Fair Police

## Upcoming initiatives

- RAGBRAI - Townhall meetings with law enforcement across Iowa
- Urbandale PD training (3 training sessions)
- Ankeny Police Department (3 training sessions)
- Independence Police Department training
- GTSB Annual Conference (June 2026)/2-day breakout sessions



**Iowa State Patrol Academy/Camp Dodge**



**Centerville Police Department Training**

# Future Initiatives

- Spring/Summer Special Events
- Increase partnerships with law enforcement
- Additional law enforcement training/educational opportunities
- Additional funding to support underage compliance program
- Proactive program to address overservice



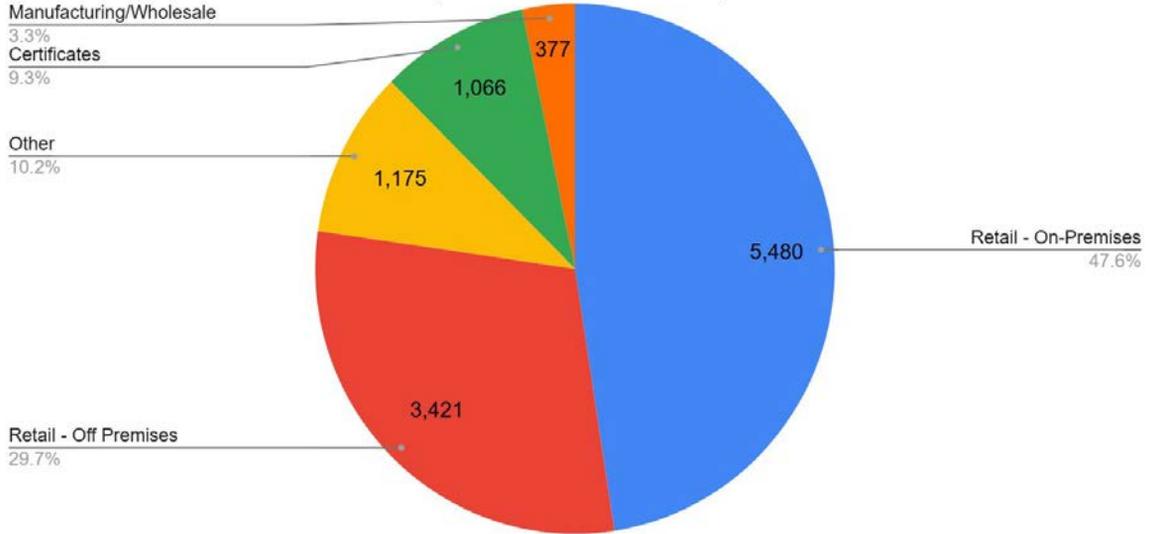
**Department of Revenue**

# **Licensing Update**

**Kevan Irvine**

# All Licenses, Permits, Certificates

(Active Licenses as of 2/18/26)



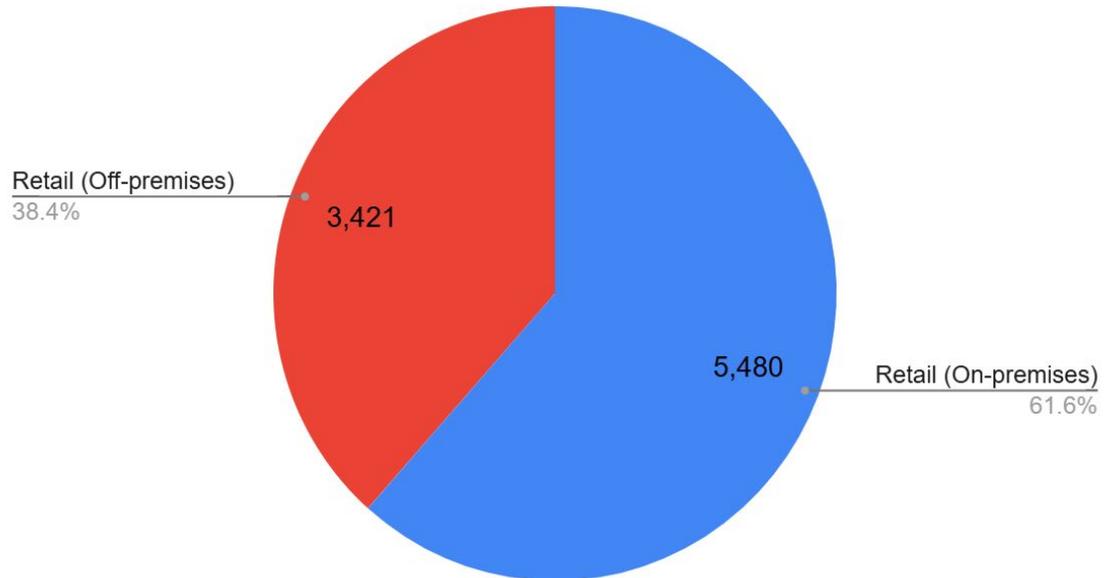
Total Licenses Active as of 2/18/26

	February, 2026
<b>Retail - On-Premises</b>	5,480
<b>Retail - Off Premises</b>	3,421
<b>Other</b>	1,175
<b>Certificates</b>	1,066
<b>Manufacturing/Wholesale</b>	377
<b>Total</b>	<b>11,519</b>

Other: Broker (SP), Alcohol Carrier (AC), Wine Direct Shipper (DS)  
Charity Auction/Event (CE)

# On-premise vs. Off-premises Retail Alcohol Licenses

(Active Licenses as of 2/18/26)

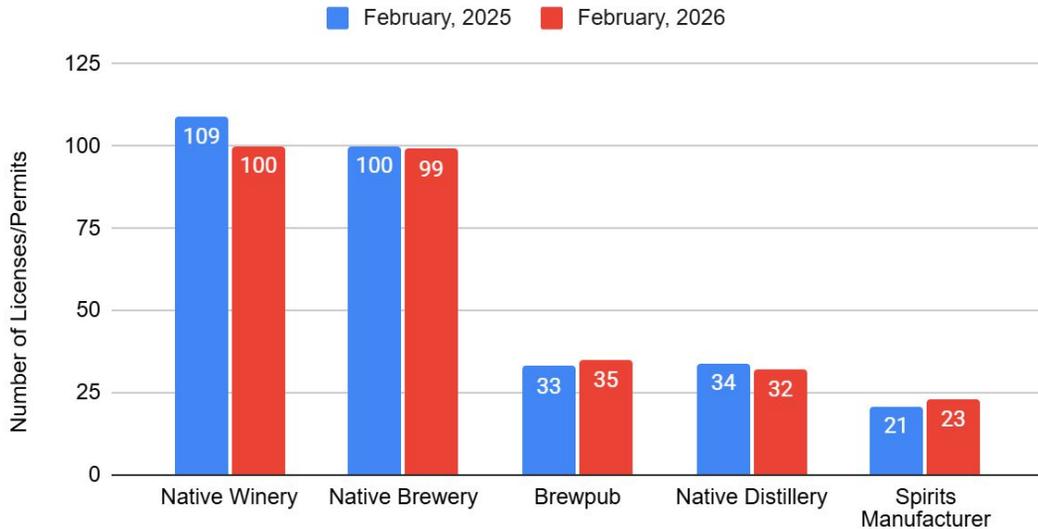


On-premise vs. Off-premises Retail Alcohol Licenses  
(Active as of 2/18/26)

	February, 2026
Retail (On-premises)	5,480
Retail (Off-premises)	3,421
<b>Total</b>	<b>8,901</b>

# Alcoholic Beverage Manufacturing in Iowa

(Active Licenses/Permits as of 2/18/26)



Alcoholic Beverage Manufacturing in Iowa (Active Licenses/permits)  
(As of 2/18/26)

	February, 2025	February, 2026	% Change
<b>Native Winery</b>	109	100	-8.3%
<b>Native Brewery</b>	100	99	-1.0%
<b>Brewpub</b>	33	35	6.1%
<b>Native Distillery</b>	34	32	-5.9%
<b>Spirits Manufacturer</b>	21	23	9.5%
<b>Totals</b>	297	289	

Special Events (36-hr, 5-day, and 14-day licenses issued in 2026 as of 2/18/26):

	March, 2025	February, 2026
36-hr	22	9
5-day	140	58
14-day	7	10
<b>Totals</b>	<b>169</b>	<b>77</b>



**Department of Revenue**

# **Legislative Update**

**Tyler Ackerson**

Legislative Update - Iowa Alcoholic Beverages Commission Meeting 2/26/26

Bill Number	Title	Description	Committee	Subcommittee	Floor Manager	Senate Status	House Status	Notes
<a href="#">SSB3168</a>	A bill for an act relating to transferring alcoholic beverages between the premises of certain retail alcohol licensees with identical ownership.	- Allows a licensee authorized to sell alcoholic liquor in original, unopened containers to transfer liquor between licensed premises with identical ownership  - Requires a licensee to keep specific records related to the transfer, maintain the records for three years from the date of the transfer, and have the records accessible and open to inspection pursuant to section 123.30(1)  - Removes the ability for retailers to make deliveries of consumer orders containing alcohol to identically-owned licensed premises	Commerce	Koelker, Bisignano, and Dickey		Passed full committee		
<a href="#">SF2138</a>	A bill for an act relating to prohibited activities in the administration of alcoholic beverage control by the department of revenue, and including effective date provisions.(Formerly SSB 3037.)	Department's bill			S: Green	Eligible for debate		
<a href="#">SF2140</a>	A bill for an act relating to alcoholic beverage control, including certificates of compliance and the issuance of class "A" wine permits to nonnative wine manufacturers, and providing fees. (Formerly SSB 3036.)	Department's bill	Ways and Means	Green, Sweeney, and Townsend		Passed subcommittee; in full committee		
<a href="#">SF2291</a>	A bill for an act concerning the beer barrel tax.(Formerly SSB 3062.)	- Reduces the beer barrel tax on beer manufactured in an "American brewery," as defined, to \$0.06/gallon  - "Foreign import beer," as defined, would remain taxed at a rate of \$0.19/gallon	Ways and Means	Dawson, Bisignano, and Boussetlot				
<a href="#">HSB690</a>	A bill for an act concerning the beer barrel tax, and including effective date provisions.	- Reduces the beer barrel tax on beer manufactured in an "American brewery," as defined, to \$0.06/gallon  - "Foreign import beer," as defined, would remain taxed at a rate of \$0.19/gallon  - Has a contingent effective date. The bill becomes effective upon publication in the Iowa Administrative Bulletin by the Department director that the TTB has adopted regulations providing for, or has otherwise approved, the difference in state beer barrel tax rates enacted by the bill. The Department must also provide a copy of the notice to the Iowa Code Editor prior to publication in the IAB.	Ways and Means	Windschitl, Gjerde and Lundgren				
<a href="#">HF2200</a>	A bill for an act relating to prohibited activities in the administration of alcoholic beverage control by the department of revenue, and including effective date provisions.(Formerly HSB 587.)	Department's bill			H: Jones		Eligible for debate	
<a href="#">HF2325</a>	A bill for an act permitting a city to create social districts allowing for the possession or consumption of alcoholic beverages in certain public places.(Formerly HF 2074.)	- Allows cities to establish by ordinance social districts where alcoholic liquor, wine, and beer can be consumed within the borders of the district, including on streets and public places  - Prescribes the required elements of the ordinance creating the social district			H: Collins		Eligible for debate	

Bill Number	Title	Description	Committee	Subcommittee	Floor Manager	Senate Status	House Status	Notes
<a href="#">HF2354</a>	A bill for an act providing for the direct shipment of alcoholic liquor, providing fees, and including effective date provisions. (Formerly HF 993, HF 761, HF 140.)	<ul style="list-style-type: none"> <li>- Creates a new alcoholic liquor direct shipper license, allowing in- or out-of-state liquor manufacturers who meet certain manufacturing requirements to ship alcoholic liquor directly to Iowans 21 or older.</li> <li>- Amount of product that can be shipped in a calendar year is tied to a production cap.                             <ul style="list-style-type: none"> <li>* &lt; 150,000 proof gallons annually = unlimited amount</li> <li>* &gt; 150,000 proof gallons annually = 9 liters per person per year</li> </ul> </li> <li>- All products to be directly shipped must be registered with the Department. Tax imposed on directly-shipped liquor products is 50% of the wholesale price indicated when the product was registered with the Department.</li> <li>- Modifies the wine carrier permit to an alcoholic beverage carrier permit. All liquor products directly shipped must be shipped using an alcoholic beverage carrier permittee.</li> <li>- Also allows manufacturer's license and class "A" native distilled spirits license holders to ship their products to other states pursuant to the laws of those other states.</li> <li>- The bill has a delayed effective date of January 1, 2027.</li> </ul>	Ways and Means					
<a href="#">HF2355</a>	A bill for an act relating to alcoholic beverage control, including certificates of compliance and the issuance of class "A" wine permits to nonnative wine manufacturers, and providing fees. (Formerly HSB 581.)	Department's bill	Ways and Means					

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Bill Number	Title	Description	Committee	Subcommittee	Floor Manager	Senate Status	House Status	Notes
<a href="#">HF2403</a>	A bill for an act repealing the state monopoly on the importation of alcoholic liquor, and including effective date and applicability provisions.	<p>- Repeals Iowa Code section 123.22. This section:</p> <ul style="list-style-type: none"> <li>* Establishes the control model for the distribution of spirits and gives the State exclusive importation rights for alcoholic liquor</li> <li>* Provides limits on the amount of alcoholic liquor a person can import for personal consumption</li> <li>* Prohibits the manufacture, sale, keeping for sale, or possession of alcoholic liquor except as provided in chapter 123</li> <li>* Prohibits the owning or keeping of alcoholic liquor with intent to violate any provision of chapter 123</li> <li>* Prohibits the manufacturing, ownership, sale, or possession of any manufactured or compounded mixture or substance not in liquid form that could be converted into a beverage, and possession of any instrument intended for use and capable of being used in the manufacture of alcoholic liquor</li> <li>* Prohibits the ownership or possession of any material used exclusively in the manufacture of alcoholic liquor, or with intent to use it in the manufacture of alcoholic liquors</li> <li>* Allows for the manufacture of alcohol for industrial and nonbeverage purposes</li> <li>* Allows a person to manufacture, sell, or transport ingredients and devices other than alcohol for the making of homemade wine or beer</li> </ul> <p>- Requires the Department to submit legislation to the General Assembly for the 2027 session to replace the control model. The legislation must provide for the disposal of associated warehouses or other state infrastructure determined to be no longer necessary due to repeal of the control model.</p> <p>- Delayed effective date of July 1, 2027. However, the provision of the bill requiring development of legislation by the Department is effective upon enactment.</p>	State Government	Lundgren, Baeth and Hora			Passed full committee	Amended in committee to require a study.
<a href="#">HF2509</a>	A bill for an act modifying the time periods alcoholic beverages may be sold, dispensed, or consumed at commercial service airports.(Formerly HF 2281.)	Allows alcohol to be served between 2-6am provided it is served at a "commercial service airport" as defined in federal law and occurs beginning one hour prior to the first scheduled commercial passenger flight			H: Hora		Eligible for debate	
<a href="#">HF2647</a>	A bill for an act relating to transferring alcoholic beverages between the premises of certain retail alcohol licensees with identical ownership.(Formerly HSB 712.)	<ul style="list-style-type: none"> <li>- Allows a licensee authorized to sell alcoholic liquor in original, unopened containers to transfer liquor between licensed premises with identical ownership</li> <li>- Requires a licensee to keep specific records related to the transfer, maintain the records for three years from the date of the transfer, and have the records accessible and open to inspection pursuant to section 123.30(1)</li> <li>- Removes the ability for retailers to make deliveries of customer orders containing alcohol to identically-owned licensed premises</li> </ul>			H: Wilz		Eligible for debate	
<a href="#">HF2648</a>	A bill for an act modifying the number of class "C" retail alcohol licenses or special class "C" retail native wine licenses allowed for a native winery.(Formerly HSB 710.)	Increases the number of retail alcohol licenses a native winery can obtain from 2 to 3.			H: Lundgren		Eligible for debate	



**Department of Revenue**

# **Admin Rules Update**

**Maddie Cutler**

### Regulatory Analysis

Notice of Intended Action to be published: subrule 1001.9(4)  
“Barrel Programs”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 123.10

State or federal law(s) implemented by the rulemaking: Iowa Code section 123.10(3)

### *Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

February 24, 2026  
2:30 to 3:30 p.m.

Via videoconference call  
[meet.google.com/uo-zdhk-ikb](https://meet.google.com/uo-zdhk-ikb)

Persons who wish to make oral comments at the public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend the public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact the Department of Revenue and advise of specific needs.

### *Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Madelyn Cutler  
Department of Revenue  
Hoover State Office Building  
P.O. Box 10457  
Des Moines, Iowa 50306-3457  
Phone: 515.724.2924  
Email: [madelyn.cutler@iowa.gov](mailto:madelyn.cutler@iowa.gov)

### *Purpose and Summary*

The purpose of this proposed rulemaking is to update a subrule related to management of special order barrel program products available for sale by the Department. The proposed amendment to subrule 1001.9(4) would allow products purchased as part of a special order barrel program to be split between two or more class “E” retail alcohol licensees, which the subrule currently prohibits. This rulemaking is being proposed in response to a petition for rulemaking submitted by two alcoholic liquor suppliers.

### *Analysis of Impact*

#### 1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

No classes of persons have been identified that bear the costs of the proposed rulemaking.

- **Classes of persons that will benefit from the proposed rulemaking:**

Retailers, suppliers, and the State of Iowa will all benefit from the proposed rulemaking. Alcoholic liquor sales have the potential to increase State revenue due to the broader audience of class “E” licensees having an opportunity to purchase barrel program products by splitting them with one

or more other class “E” licensees. On-premises licensed establishments and consumers would also benefit by this proposed rulemaking by seeing an increase in availability of these desired barrel program products in the marketplace.

**2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

**• Quantitative description of impact:**

The exact effect on State revenue cannot be determined for this rulemaking; however, sales of these products have the potential to increase State revenue due to the broader audience of class “E” licensees having an opportunity to purchase these products by splitting them with one or more other class “E” licensees.

**• Qualitative description of impact:**

The proposed rulemaking reduces a restrictive and burdensome regulation that may unnecessarily limit class “E” licensee participation in barrel programs, particularly for smaller class “E” licensees that cannot commit to purchasing an entire barrel. This amendment will benefit suppliers by offering, through the Department, more barrel-aged alcoholic liquor products to a larger population of class “E” licensees. A broader audience of class “E” licensees would then have the opportunity to offer more of these unique and popular products to their interested customers.

**3. Costs to the State:**

**• Implementation and enforcement costs borne by the agency or any other agency:**

There are no costs to the agency for implementing the rulemaking beyond those that would otherwise be required to administer the related statutes.

**• Anticipated effect on State revenues:**

In fiscal year 2025, there was \$2,511,684.43 in sales for special ordered barrel products. The barrel program products were each sold to one class “E” licensee with presumably better financial means, since the average barrel was sold for \$9,316.31. While the exact effect on State revenue cannot be determined, sales of these products have the potential to increase State revenue due to the broader audience of class “E” licensees having an opportunity to purchase these barrel program products by splitting them with other class “E” licensees.

**4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking reduces a restrictive and burdensome regulation that may unnecessarily limit class “E” licensee participation in barrel programs, particularly for smaller class “E” licensees that cannot commit to purchasing an entire barrel. This amendment will offer a broader audience of class “E” licensees the opportunity to purchase more of these unique and popular products for their interested customers. Without this rulemaking, fewer class “E” licensees would have the means to participate in purchasing barrel program products. There are no known costs associated with this rulemaking.

**5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The proposed rulemaking is not costly or intrusive.

**6. Alternative methods considered by the agency:**

• **Description of any alternative methods that were seriously considered by the agency:**

The Department considered leaving subrule 1001.9(4) in its current form and not amending the subrule.

• **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The Department finds that the current restriction may unnecessarily limit retailer participation in barrel programs, particularly for smaller retailers that cannot commit to purchasing an entire barrel. The rulemaking process will provide an opportunity to explore whether modifications to subrule

1001.9(4) can accommodate supplier and retailer interests while maintaining appropriate regulatory oversight of barrel program products.

#### *Small Business Impact*

**If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:**

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

**If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?**

The proposed rulemaking provides a substantial benefit to small businesses. Class "A" native distilled spirits licensees and liquor manufacturer licensees would have the potential to offer, through the Department, more barrel-aged alcoholic liquor products to a larger population of class "E" licensees. Additionally, the proposed rulemaking reduces a restrictive and burdensome regulation that may unnecessarily limit class "E" licensee participation in barrel programs, particularly for smaller class "E" licensees that cannot commit to purchasing an entire barrel. By allowing barrel program products to be split between two or more class "E" licensees, the financial obligation is split among all of the licensees purchasing the product, thus creating less of a financial burden.

#### *Text of Proposed Rulemaking*

ITEM 1. Amend subrule 1001.9(4) as follows:

**1001.9(4)** Products purchased as part of a barrel program must be sold and delivered to the class "E" retail alcohol licensee that placed the special order. Barrel program products ~~must not~~ may be split between two or more class "E" retail alcohol licensees in a manner prescribed by the director.



**Department of Revenue**

# **Legal Update**

**John Lundquist**



Department of Revenue

**Thank you!**

Questions?