



Department of Revenue

Kim Reynolds, Governor
Chris Cournoyer, Lt. Governor

Mary Mosiman, Director

MINUTES

October 8, 2025 - 10:00 AM
Alcohol & Tax Divisions, Ankeny Regional Office
1918 SE Hulsizer Road, Ankeny
Dial In Number: 571-317-3112
Access Code: 604-707-405

Commission Members Present

Andrea Chase, Chairperson

Sara Winkleman, Vice Chairperson

Kevin Kimle, Secretary

Tim Fevold, Member

Department Staff Present

Mary Mosiman, Director

Sam Hoerr, Alcohol & Tax Operations Division Administrator

Spencer Morehouse, Compliance Division Administrator

Jared Longfield, Bureau Chief Operations

Tyler Ackerson, Executive Officer

DeMario Luttrell, Bureau Chief Regulatory Compliance

Jon Mader, Financial Services Division

Kevan Irvine, Bureau Chief Licensing

Sara Jacobson, DOM-DOIT

Jerika Pellington, Executive Officer

Abigail Sills, Attorney

Harpreet Mahal, Attorney

Amy Serck, Administrative Support Assistant

Joscelind Clemons, Administrative Assistant

Lauren Connelly, Program Planner

Emily Olive, Executive Officer

Guests Present

Kyle Doyle, Iowa Distilling Company

Dawn Pasquariello, Ruan

Scott Petersen, Ruan

Tatum Moyer, Ruan

Ryan Brown, Ruan

Elizabeth Johnson, RSM LLP

Stephen Larson, RSM LLP

Department Staff Present (via telephone)

Scherael Thurston-Shell, Compliance Officer

Matt Wharff, Maintenance Repairs Supervisor

Monica Lunstrom, Program Planner

Sarah Cain, Program Planner

Brenda Emelo, Executive Assistant

Alana Stamas, General Counsel Supervisor

Todd Kroll, DOM-DOIT

Chet Eginoire, Public Service Manager

Erin Verduyn, Program Planner

Karlee Payne, Information Specialist

Afef Chelbi, Accountant

Meredith Michaud, Investigator

Nicole Scebold, Management Analyst

Guests Present (via telephone)

John Lundquist, Assistant Attorney General

Jessica Dunker, Iowa Restaurant Association

Jeremy Thompson, Sazerac

Tom Perrick, American Distilled Spirits Alliance

John Fordyce, Assistant Attorney General

Madison Grady, DISCUS

Greg King, Coastal Pacific Wine & Spirits

Christie Jensen, Iowa Winegrowers Association
Heather Hackbarth, Department of Management
Jennifer Husmann, AC4C
Kris Rankin, AC4C
Leah Cawley, Ruan
Tom Perrick, American Distilled Spirits Alliance
2 unidentified caller

CALL TO ORDER

Chairperson Chase called the meeting to order at 10:00 AM. Roll was taken and a quorum was met.

APPROVAL OF AGENDA

MOTION: A motion was made by Commissioner Kimle and seconded by Commissioner Fevold to approve the agenda for today's (October 8, 2025) meeting. The motion was approved unanimously.

APPROVAL OF MINUTES

MOTION: A motion was made by Commissioner Winkleman and seconded by Commissioner Kimle to approve the minutes from the June 5, 2025 meeting. The motion was approved unanimously.

PUBLIC COMMENT

Steve Larson of RSM LLP introduced Elizabeth Johnson of RSM LLP. She then explained that RSM LLP is a global accounting firm working in tax and consulting. They are building a task force to work in all parts of the liquor industry in Iowa.

ROLLOUT 5 UPDATE

Chairperson Chase wanted to reiterate that the commission will continue to work with the State to ensure the best business practices possible and if any member wanted to have a one on one meeting with staff that is possible. Director Mary Mosiman began this update by noting this is the final rollout within the new revenue system. The planned go live date for the licensing system is November 3. This will include alcohol licensing. Video tutorials will be available after the launch to help customers understand what steps they need to take to apply for a license.

STATUS UPDATE

Division Administrator Sam Hoerr began this portion of the meeting by noting that Spencer Morehouse is now the Division Administrator of Compliance. He then mentioned that a member of the National Alcohol Beverage Control Association (NABCA) would be coming to Iowa in November to meet with staff to help them better understand all the data available to them that can assist in decision making.

Jared Longfield, Bureau Chief of Operations started his part by reminding the commission of the roles and responsibilities of the alcohol operations division. He then moved into reporting that through the first quarter of FY26 and calendar year 2025, the downward trend of sales, gallons and volume continues. The next items he covered were the category breakdown of inventory and new listings. As of August, there were 3,115 products listed with the largest category being whiskeys. Suppliers are able to change prices at the beginning of each month, however, there have been very few changes resulting in prices remaining consistent throughout the year. Distillery visits continue and are currently 74% complete. Warehouse improvements are being made with the goal of preserving the warehouse for use as a long term option.

Jon Mader with the Financial Services Division then presented on the financials through August since the September amounts were completed the day before. There was one less selling day during this time period compared to the previous year which does account for a larger amount change than what would normally be seen. The split case fee amount continues its downward trend since the \$1 charge implementation while bottle deposit and surcharge continue an upward trend. Cases, bottles and picks continue to show a negative change year over year while for the first time deliveries and orders are showing a negative change in the same time frame. He then noted that the bailment paid to vendors is about \$2.5 million behind the previous year and the reversion amount for FY26 is approximately 3% behind that for FY25.

The projected FY27 budget numbers were based on the continuing downward trend of liquor sales revenue. The beer tax number is the only one that shows a slight increase after a decrease in the actual number from FY24 to FY25. The reversion goal for FY25 was met with a \$143 million transfer. The FY26 and FY27 goals are currently estimated at \$125 million. The Health and Human Services transfer of \$1 million is going away starting in FY26. The headwinds of consumers changing drinking habits as well as shifting to ready to made drinks continue and will be monitored.

Regulatory Compliance Bureau Chief DeMario Luttrell began his portion of the update by discussing the number and type of complaints that have been received in the first quarter of FY26. There were 53 complaints received which is down from 65 the previous year while the top complaint type remains selling and serving to underage patrons. There will be a new outlet within the GovConnect Iowa system for public citizens and law enforcement to submit complaints starting next month. There were 53 investigations completed from July 1 to September 30 compared to 48 in the same time period the year before. 68% of those investigations were closed out and educated rather than forwarded to Administrative Actions. Completed investigations averaged 68 days to complete which is well within the unit's goal of having investigations completed within six months. During the first quarter of FY26, investigations have yielded over \$638,000 in sales tax liability.

So far the unit has completed 276 inspections in 28 counties, which is on track to meet the goal of inspections in all 99 counties by the end of the fiscal year. During October the unit will be active in at least 11 new counties. There is still a 95% compliance rate and of the violations found, half were educated rather than being forwarded to Administrative Actions. Education and outreach will continue to happen as requests come in and time allows. The first year of the underage alcohol enforcement program saw partnerships with 67 agencies in 40 counties and over 1200 compliance checks completed and funded. There was a 86% pass rate, which is good for the first year. Over time it is hoped that the pass rate will be at 90% which would be similar to the longstanding tobacco enforcement program. The goal for year two is to highlight the value of this partnership with local agencies and continue to expand participation.

Spencer Morehouse, Compliance Division Administrator, provided an update on licensing. He began by introducing Kevan Irvine who will take over as Bureau Chief of Licensing. As of September 19, there were 11,952 active licenses which is up 72 from the previous commission meeting. There was an increase of 86 new retailer license holders from the previous meeting bringing the current total to 9,277. There has been a decrease in the number of native licenses since June with native wineries having the largest decrease with six no longer being active. There has been an increase of 61 special event licenses issued so far in 2025 compared to the same time in 2024. As of September 19, there were 58 native manufacturer 5 day retail licenses issued compared to six at the time of the previous meeting.

Legislative Liaison Tyler Ackerson informed the commission that he did not have an update at this time due to the legislative agenda for the upcoming session being worked on. He will have a more comprehensive update at the next meeting.

John Lundquist, Assistant Attorney General, notified the commission that he had just argued the Beecher Liquor case concerning progressive penalties for underage sales at the Iowa Supreme Court. It is hoped that there will be a ruling on that by the end of the year or early next year. The oral argument submission on the declaratory order judiciary review in the 4M case was submitted to the district court.

NEW BUSINESS NEXT MEETING DATE

The next Commission meeting date in February will be determined after coordinating schedules. Information will be posted on the Department's website.

ADJOURNMENT

MOTION: A motion was made by Commissioner Winkleman and seconded by Commissioner Fevold to adjourn the meeting. The motion was approved unanimously.

The meeting adjourned at 10:46 AM.



Commissioner Kevin Kimle, Secretary