



Department of Revenue

Kim Reynolds, Governor
Chris Cournoyer, Lt. Governor

Mary Mosiman, Director

MINUTES

June 4, 2026 - 1:00 PM

Alcohol & Tax Divisions, Ankeny Regional Office

1918 SE Hulsizer Road, Ankeny

Dial In Number: 224-501-3412

Access Code: 897-594-397

Commission Members Present

Andrea Chase, Chairperson

Sara Winkleman, Vice Chairperson

Kevin Kimle, Secretary

Tim Fevold, Member

Joel Nelson, Member

Department Staff Present

Mary Mosiman, Director

Sam Hoerr, Alcohol & Tax Operations Division Administrator

Steve French, Chief Financial Officer

Jared Longfield, Bureau Chief Operations

Tyler Ackerson, Executive Officer

DeMario Luttrell, Bureau Chief Regulatory Compliance

Kevan Irvine, Bureau Chief Licensing

Amy Serck, Administrative Support Assistant

Lauren Connelly, Program Planner

Sara Jacobson, DOM-DOIT

Chuck Crabtree, Management Analyst

Madelyn Cutler, Executive Officer

Nicole Scebold, Management Analyst

Monica Lundstrom, Program Planner

Jake Freund, Public Service Supervisor

Erin Verduyn, Program Planner

Guests Present

Stuart Ozer, Red Boot Distilling

Dawn Pasquariello, Ruan

Tyler Ludwig, Insight

Department Staff Present (via telephone)

Spencer Morehouse, Compliance Division Administrator

Matt Wharff, Maintenance Repairs Supervisor

Sarah Cain, Program Planner

Brenda Emelo, Executive Assistant

Karlee Payne, Information Specialist

Afef Chelbi, Accountant

Amy Cannon, Accounting Technician

Alex Janssen, Storekeeper

Darina Petkova, Public Service Executive

Emily Olive, Executive Officer

Jason Muir, Facilities Maintenance Coordinator

Jon Mader, Public Service Manager

Julie Sheehy, Accounting Technician

Kerry Carlsadon, Attorney

Robin Anderson, Public Service Executive

Stephanie Clark, Accounting Technician

Wade Chappellear, Accountant

Guests Present (via telephone)

John Lundquist, Assistant Attorney General

Tom Perrick, American Distilled Spirits Alliance

Heather Hackbarth, Department of Management

Jennifer Husmann, AC4C

Leah Cawley, Ruan

Stephen Larson, RSM LLP

Elizabeth Johnson, RSM LLP

Andy Deloney, DISCUS

Scott Petersen, Ruan

Brian Gullaume, House Democrats

John Fordyce, Assistant Attorney General

David Adelman, Iowa Wholesale Beer Distributors

Emma Hodges, Cornerstone Government Affairs

Lynn Walding, Diageo

Scott Petersen, Ruan

CALL TO ORDER

Chairperson Chase called the meeting to order at 1:00 PM. Roll was taken and a quorum was met. The Chairperson then gave Commissioner Nelson an opportunity to introduce himself to those present.

APPROVAL OF AGENDA

MOTION: A motion was made by Commissioner Fevold and seconded by Commissioner Winkleman to approve the agenda for today's (June 4, 2026) 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 October 8, 2025 meeting. The motion was approved unanimously.

PUBLIC COMMENT

None

DIRECTOR'S COMMENTS

Director Mary Moisman opened her comments by thanking the Commission members for serving and giving multiple perspectives to issues facing the Department of Revenue Alcohol Divisions. She then took a moment to thank the staff for the work they do each day.

Deputy Director and Division Administrator Sam Hoerr noted that he has now been in the Division Administrator role for one year. He noted that the legislative session last year was busier than anticipated, however, the department was able to get their items passed and help on other items as needed.

STATUS UPDATE

Jared Longfield, Bureau Chief of Operations, opened the update by showing the commissioners some of what fiscal year 2026 has looked like so far in terms of numbers. Compared to fiscal year 2025 overall sales are down, however, they are still on track to meet the overall goal for the fiscal year. Overall volume is down in fiscal year 26 compared to fiscal year 25. The top ten counties in terms of sales remain the same year over year, with Dallas county continuing to move up as it grows. At this time there are 1,918 retail locations purchasing weekly in Iowa and the top 50 of those are producing approximately 34% of sales. There is a mix of privately and publicly held businesses within that list. Consumers continue to purchase liquor at various price points and from various categories. Premiumization is still occurring in a majority of categories.

Ruan continues to provide effective management of the warehouse through managing the velocity of products which then leads to increased picking times. Other processes that have helped improve the capacity of the warehouse include: better minimum/maximum strategies, overmax control and changes in the delist process. There has also been additional racking put into place as well as a third wrapper has been installed. The error rate for picks done by Ruan in the warehouse maintains around 3% which is excellent considering that it is all done by hand. In terms of deliveries, they maintain a 99% on time rate while averaging 230 miles per route five days a week. The current number of listed items in the warehouse is just over 3,300. There has been an increase in the number of canned cocktails and ready to drink items listed. The Products team holds monthly meetings with suppliers to be able to communicate issues from both sides and reach outcomes to minimize those issues. The control state scorecard helps both sides see and note possible areas of concern and or improvement in real time. The automated inbound scheduling project is projected to go live in three months. Suppliers will be able to choose the date and time of their delivery once they have a purchase order. They will also be able to change dates and times as needed. Once they have made their choice, that information will then be sent to both the State and Ruan.

Division Administrator Steve French began his remarks by noting that through April, year to date sales are at \$347.8 million which are ahead of budget by \$5.7 million, however, they are still lagging behind the same period last year by \$15.7 million. Year to date proceeds through April were at \$109 million, \$5.7 million more than budgeted, but still behind last year by \$7

million. These differences can be correlated to economic impacts and the changes in drinking habits. Bailment expenses through April were at \$232 million and above budget by \$3.1 million. The amount was still less than the same period a year ago by \$10.4 million. He noted that as sales decrease so do bailment expenses and vice versa. Year to date operating expenses through April remain aligned with budget expectations. Through the majority of fiscal year 2026, liquor revenues have continued the downward trend seen in fiscal year 2025 as consumption habits have changed resulting in \$15.7 million less in sales.

Other revenue sources for the department have begun to mirror the decrease seen in consumption habits. There are a few increases, however, the decreases in beer and wine revenue have been larger than what was projected. These appear to be correlated to the change in consumption habits and will continue to be monitored in the future. The State fiscal year 2026 reversion budget goal of \$125 million is expected to be achieved with \$96.5 million being reverted directly to the general fund and \$29.1 million transferred to the substance abuse general fund. \$1 million of the \$2 million fiscal year 2026 obligation to the Iowa Economic and Development Agency has been fulfilled.

Regulatory Compliance Bureau Chief DeMario Luttrell started his comments by looking at the complaints his unit receives. Given the number of complaints that are entered on the portal there is confidence that the public, industry and law enforcement are using it. Mr. Luttrell has now added an indicator to allow him to track how many complaints are being sent to other agencies to be able to monitor if the portal is being used appropriately. Once spring started the number of complaints began to pick up with 34 in March and 38 in both April and May. As of June 1, there have been 290 complaints for the fiscal year, which means that this year will pass last fiscal year's amount of 299 and end over 300. This means that fiscal year 2026 will have the most complaints since 2021 when regulatory compliance was tasked with enforcing the Governor's Covid-19 proclamation for bars and restaurants. The top categories for types of complaints continue to remain consistent.

Through April there were 210 investigations completed and another 29 were done in May. The unit is on track to surpass last fiscal year's total of 255 investigations. On average, it takes 44 days to complete an investigation since moving to a new reporting system. The most complex investigations are averaging 74 days to complete. Referrals to the tax unit for non-filing from alcohol investigations have resulted in nearly \$2.6 million in tax liability this fiscal year. Last

fiscal year this amount was just over \$2 million. 69% of the investigations were able to be closed by the unit, while 29% were submitted to Enforcement Actions for violation review and 2% were referred to another agency.

There have been 1,376 inspections completed through the end of May for the fiscal year which is on track to slightly exceed the yearly goal of 1,500. May saw the highest amount of inspections with 263. All 99 counties have had inspections which is another yearly goal. There has been a consistent 95% compliance rate within the inspections. Of the 5% of violations that are found, 82% are corrected through onsite education and real time corrections. Only 18% are sent to Enforcement Actions for further action. When the unit is conducting alcohol inspections, they will also check for tobacco compliance if the establishment holds a permit. Top violations found during inspections include infusing and failure to display their license. Summer months bring about numerous opportunities for inspections to be completed at fairs, festivals and other alcohol focused events. Mr. Luttrell has started a calendar detailing these types of events in order to expand regulatory efforts at them.

The Underage Alcohol Program is in its second year and there has been an increase of eight more agreements signed than last year. At this time, 24 of the 75 law enforcement agencies with agreements have submitted checks. The current compliance rate is 88.61% with 553 checks done. It is estimated that another 700 will be completed before the end of the month. The first year of the program gave an 86% baseline compliance rate and it is hoped that each subsequent year will improve on that. In April, funding was approved through the Governor's Traffic Safety Bureau and the National Highway Traffic Safety Administration for year three of the program. Other education opportunities done by the unit include expansion of the law enforcement outreach efforts through presentations and trainings. This year there has been a doubling of presentations, law enforcement agencies reached and total attendees. This can be attributed to word of mouth through work in the field, relationships built through the underage program and presentations at large events such as the Governor's Traffic Safety Bureau annual conference. Currently, that conference is occurring and in addition to an education booth staff are presenting twice on overservice incidents and how to properly investigate them.

Kevan Irvine, Licensing Bureau Chief, opened his remarks by noting that in March, April and May there had been 5,501 new, renewal or amended licenses approved. As of May 26 there were 11,568 active licenses which was a .4% increase since February. In terms of on-premises

versus off-premises, just over 60% are on-premises compared to 38% off-premises. The change between February and May was an overall .9% gain in these license types. Iowa appears to be following the nationwide trend of seeing decreases in the number of alcoholic beverage manufacturers in the state. The only area that gained since May 2025 was spirits manufacturing. For special events licensing, there have been 37 less issued through May 2026 compared to the same time period in 2025. There was an increase in the number of 5 day retail licenses issued to native manufacturers through May 2026 compared with the same time period in 2025. There has been a consistent uptick in the number of special events licenses issued from March 2026 through May 2026. The last item talked about was the spatial distribution of manufacturing licenses around Iowa. It is hoped to have a similar map of all licenses in the future to have a visual of where licensees are located.

Legislative Liaison Tyler Ackerson began his section of the update by letting the commissioners know that at the end of the legislative session only two alcohol related bills received final passage. Both were department bills. HF2200 was introduced to lift some of the restrictions that had been placed on employees and commissioners. Employees are now able to hold office, help candidates raise money as long as it is in the employee's personal capacity and be employed at a business that holds an alcohol license. There is now a recusal standard in place for them to not work on any issue with regards to that license. For commission members, they can hold other offices while serving on the commission and help candidates raise money as long as it is in the commissioner's personal capacity. The bill also offers greater clarity on what is considered a prohibited interest for not more than two commission members. There was a section added to the bill to allow for cross-tier ownership interest for authorized non-institutional investors. The person cannot have more than a 5% ownership interest in either business and cannot be engaged as a director, officer, employee, broker or agent of either business. Anyone that meets these qualifications will need to disclose the ownership interest each year to the department.

HF2780 codified the decision from the Buckel Wine case, in which a Colorado winery sued the State to be able to obtain a class "A" wine permit and self distribute in the same way a native winery can. Nonnative wine manufacturers can now obtain a class "A" wine permit and self-distribute their wine to Iowa wine retailers. The added section to this bill formally allows cities to create social districts where alcoholic liquor, wine and beer are allowed to be carried

and consumed on public streets, sidewalks and other public spaces within the district boundaries. Cities will be responsible for designating all parts of these areas and there are no changes to licensing requirements or other provisions of Iowa Code chapter 123.

The Director completed the update by mentioning that the department is working on developing educational materials and talking points about what the alcohol division is and what they do within the state. There was a bill in the last session that was brought up to change Iowa to a license state instead of a control state. Although this bill died at the end of the general assembly, it brought forth the fact that there needs to be education and outreach done across all parts of state government since there will be a new governor as well as new legislative members.

NEW BUSINESS/NEXT MEETING DATE

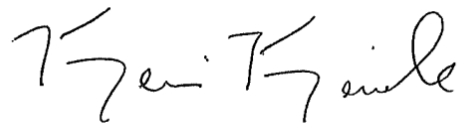
Commissioner Winkleman offered a motion for the election of officers to continue as in previous years with promotion based on seniority. Commissioner Winkleman would be elected Chairperson, Commissioner Kimle Vice Chairperson and Commissioner Fevold Secretary. Commissioner Fevold seconded the motion. A roll call vote was taken and all commissioners voted in favor of the motion.

The next Commission meeting date 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 Kimle to adjourn the meeting. The motion was approved unanimously.

The meeting adjourned at 2:01 PM.

A handwritten signature in black ink, appearing to read "Kevin Kimle". The signature is written in a cursive, flowing style.

Commissioner Kevin Kimle, Secretary