

**REVENUE DEPARTMENT[701]**

**Notice of Intended Action**

**Proposing rulemaking related to special order barrel program  
and providing an opportunity for public comment**

The Department of Revenue hereby proposes to amend Chapter 1001, “Alcohol Product Management and Warehousing,” Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is proposed under the authority provided in Iowa Code section 123.10.

*State or Federal Law Implemented*

This rulemaking implements, in whole or in part, Iowa Code section 123.10(3).

*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.

*Regulatory Analysis*

A Regulatory Analysis for this rulemaking was published in the Iowa Administrative Bulletin on February 4, 2026. A public hearing was held on the following date(s):

- February 24, 2026

No public comments on the Regulatory Analysis were received in writing. Two representatives from Diageo Americas, Inc., attended the hearing and commented on items outside of the scope of the rulemaking. No changes have been made since publication of the Regulatory Analysis.

*Fiscal Impact*

The fiscal impact for this proposed rulemaking is unable to be determined. In fiscal year 2025, there were \$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.

*Jobs Impact*

After analysis and review of this rulemaking, no impact on jobs has been found.

*Waivers*

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to rule 701—3.7(99G,123,421,17A).

*Public Comment*

Any interested person may submit written or oral comments concerning this proposed rulemaking, which must be received by the Department no later than 4:30 p.m. on April 7, 2026. Comments should be directed to:

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

*Public Hearing*

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

April 7, 2026  
2 to 2:30 p.m.

Via videoconference call  
[meet.google.com/uqa-wbwu-veg](https://meet.google.com/uqa-wbwu-veg)

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 and advise of specific needs.

*Review by Administrative Rules Review Committee*

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

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.