**ARC 0291D**

# REVENUE DEPARTMENT[701]

**Adopted and Filed**

**Rulemaking related to special order barrel program**

The Department of Revenue hereby amends Chapter 1001, "Alcohol Product Management and Warehousing," Iowa Administrative Code.

*Legal Authority for Rulemaking*

This rulemaking is adopted 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 rulemaking is to update a subrule related to management of special order barrel program products available for sale by the Department. The amendment to subrule 1001.9(4) allows 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 adopted in response to a petition for rulemaking submitted by two alcoholic liquor suppliers.

*Public Comment and Changes to Rulemaking*

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on March 18, 2026, as **ARC 0129D**. A public hearing was held on the following date(s):

- April 7, 2026

No one attended the public hearing. No public comments were received. No changes from the Notice have been made.

*Adoption of Rulemaking*

This rulemaking was adopted by the Department on April 22, 2026.

*Fiscal Impact*

The fiscal impact for this rulemaking is unable to be determined. In fiscal year 2025, there were $2,511,684.43 in sales for special order 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).

*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).

*Effective Date*

This rulemaking will become effective on June 17, 2026.

The following rulemaking action is adopted:

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.

[Filed 4/22/26, effective 6/17/26]
[Published 5/13/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 5/13/26.