



## Fiscal Services Division

### ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

June 13, 2023

Iowa Code section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at [www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact](http://www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact).

With each rule summary, the rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (**NOIA**), Amended Notice of Intended Action (**ANOIA**), Notice of Termination (**NOT**), Adopted and Filed Emergency (**AFE**), Filed Emergency After Notice (**FEAN**), and Adopted and Filed (**AF**).

Table of Contents	
Agency	Page
Department of Revenue	1
Department of Education	1

#### Department of Revenue

#### **ARC 7019C (AF)**

**Rule Summary** Implements a new excise tax on electricity used to fuel a vehicle (electric fuel), enacted by the Iowa Legislature in 2019 Iowa Acts, chapter 151 (HF 767 — Motor Vehicle Fees and Taxes Act), which takes effect July 1, 2023. Provides guidance as to what entities need to obtain a license to sell or dispense electric fuel as a user, dealer, or both. Requires that all administration of this excise tax — license registration, return filing, tax payments, and claims for refunds — be handled electronically. The rules take effect on July 1, 2023, in conjunction with the effective date of the excise tax on electric fuel. The rulemaking also renumbers, without modification, 701 IAC 262 (Administration of Marijuana and Controlled Substances Stamp Act) as 701 IAC 269.

Subsequent to the Notice of Intended Action (ARC 6921C), the proposed rules were revised to incorporate changes required in HF 666 (2023 Department of Agriculture and Land Stewardship (DALs) Administration Act). The changes require the DALs to inspect electric fuel dispensers every two years.

**State or Federal Law Implemented:** 2019 Iowa Acts, chapter 151, and 2023 Iowa Acts, HF 666.

**Fiscal Impact** **Agency Response:** The **Fiscal Note** for HF 767 concluded that for the initial fiscal year of the new excise tax (FY 2024), the excise tax is projected to increase Road Use Tax Fund revenues by \$160,000 and reduce General Fund sales tax revenues by \$37,000.

**LSA Response:** The LSA concurs.

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#### Department of Education

#### **ARC 7023C (NOIA) & ARC 7024C (AFE)**

**Rule Summary** Provides definitions, sets eligibility requirements and application procedures, and provides for administration and accountability for the education savings account program created by House File 68 (Students First Act).

**State or Federal Law Implemented:** 2023 Iowa Acts, HF 68.

## Administrative Rules — Fiscal Impact Summaries

June 13, 2023

2

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### Fiscal Impact

**Agency Response:** This rule making has a fiscal impact to the State of Iowa, as described in the ***Fiscal Note*** for HF 68, which was attached to the filed Notice.

**LSA Response:** The LSA concurs. This rulemaking has no fiscal impact to the State of Iowa beyond the legislation it seeks to implement. The ***Fiscal Note*** for HF 68 estimates an overall cost to the General Fund of \$878.8 million from FY 2024 to FY 2027.

- FY 2024 — \$106.9 million
- FY 2025 — \$132.3 million
- FY 2026 — \$294.7 million
- FY 2027 — \$344.9 million

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