

ECONOMIC DEVELOPMENT AUTHORITY[261]

Adopted and Filed

Rule making related to building block chemicals

The Economic Development Authority hereby amends Chapter 81, “Renewable Chemical Production Tax Credit Program,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code sections 15.108 and 15.321.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code section 15.316.

Purpose and Summary

Under the renewable chemical production tax credit, Iowa Code section 15.316 provides that the term “building block chemical” includes a prescribed list of chemicals “or such additional molecules as may be included by the authority by rule after consultation with appropriate experts from Iowa state university, including but not limited to the Iowa state university center for biorenewable chemicals.” In accordance with Iowa Code section 15.316 and the procedures set forth in rule 261—81.8(15), the Authority is adding five chemicals to the definition of “building block chemical”: butanoic acid, hexanoic acid, octanoic acid, pentanoic acid, and heptanoic acid. Brent Shanks, Director for the Center for Biorenewable Chemicals (CBiRC) at Iowa State University, has recommended approval of all five chemicals, and the Authority concurs.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on September 25, 2019, as **ARC 4669C**. No public comments were received. One change from the Notice has been made to correct the spelling of pentanoic acid.

Adoption of Rule Making

This rule making was adopted by the Economic Development Authority Board on November 22, 2019.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa.

Jobs Impact

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

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Authority for a waiver of the discretionary provisions, if any, pursuant to 261—Chapter 199.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or

group, review this rule making 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 rule making will become effective on April 15, 2020.

The following rule-making action is adopted:

Amend rule **261—81.2(15)**, definition of “Building block chemical,” as follows:

“Building block chemical” means a molecule converted from biomass feedstock as a first product or a secondarily derived product that can be further refined into a higher-value chemical, material, or consumer product. “Building block chemical” includes but is not limited to high-purity glycerol, oleic acid, lauric acid, methanoic or formic acid, arabonic acid, erythronic acid, glyceric acid, glycolic acid, lactic acid, 3-hydroxypropionate, propionic acid, malonic acid, serine, succinic acid, fumaric acid, malic acid, aspartic acid, 3-hydroxybutyrolactone, acetoin, threonine, itaconic acid, furfural, levulinic acid, glutamic acid, xylonic acid, xylaric acid, xylitol, arabitol, citric acid, aconitic acid, 5-hydroxymethylfurfural, lysine, gluconic acid, glucaric acid, sorbitol, gallic acid, ferulic acid, nonfuel butanol, nonfuel ethanol, benzene, toluene, xylene, ethylbenzene, butanoic acid, hexanoic acid, octanoic acid, pentanoic acid, and heptanoic acid, or such additional molecules as may be included by the authority following the procedure in rule 261—81.8(15).

[Filed 2/12/20, effective 4/15/20]

[Published 3/11/20]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 3/11/20.