

Regulatory Analysis

Notice of Intended Action to be published: 61—Chapter 39
“National Opioid Settlement Distribution”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 12.51 and 13

State or federal law(s) implemented by the rulemaking: Iowa Code section 12.51 and chapter 13

Public Hearing

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

March 10, 2026
3 p.m.

Second Floor
Hoover State Office Building
Des Moines, Iowa

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Attorney General no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Dan Breitbarth
Iowa Attorney General’s Office
1305 East Walnut Street
Des Moines, Iowa 50319
Phone: 515.281.5164
Email: dan.breitbarth@ag.iowa.gov

Purpose and Summary

This proposed rulemaking is intended to implement division I of 2025 Iowa Acts, House File 1038, by proposing rules to outline the Office of the Attorney General’s responsibilities in the distribution of funds from the State of Iowa’s Opioid Settlement Fund.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

• **Classes of persons that will bear the costs of the proposed rulemaking:**

There are no costs to any classes of persons noted for this proposed rulemaking. The entities that manufactured, marketed, sold, distributed, dispensed, or promoted opioids and made payments to settle claims arising from the manufacturing, marketing, selling, distributing, dispensing, or promoting of opioids paid the money that is allocated to the Opioid Settlement Fund created in Iowa Code section 12.51. The Opioid Settlement Fund will cover anticipated administrative costs associated with administering the fund pursuant to Iowa Code section 12.51(2)“b”(6).

• **Classes of persons that will benefit from the proposed rulemaking:**

Individuals struggling with opioid addiction will ultimately benefit from the programs supported by funds as disbursed pursuant to these proposed rules. Additionally, organizations, businesses, and governmental subdivisions focused on abating the opioid crisis may benefit.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

• **Quantitative description of impact:**

The financial impact of the proposed rulemaking will be the distribution of millions of dollars to combat the opioid crisis in the State of Iowa. How this funding will be utilized remains to be determined, but the Office of the Attorney General is focused on providing funding to impactful programs that will help people dealing with this crisis statewide, with the program lasting until June 30, 2030. Additionally, there will be administrative costs incurred by the Office of the Attorney General in administering the disbursement of funds. The exact costs are not easily identifiable, but these costs have been provided for in Iowa Code section 12.51(2)“b”(6).

- **Qualitative description of impact:**

This proposed rulemaking will help the Department of Justice successfully distribute funding to eligible groups across Iowa and ensure proper management of funds and programs. The Office of the Attorney General is seeking to fund services and activities that achieve intended outcomes, such as prevention of opioid-related deaths, reduction of opioid misuse, and increased public awareness of the dangers of opioid addiction.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

The Attorney General’s office will incur personnel and other administrative costs associated with implementing this proposed rulemaking, which has been provided for in Iowa Code section 12.51(2)“b”(6).

- **Anticipated effect on State revenues:**

There is no anticipated effect on State revenues.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

The proposed rulemaking is required by division I of 2025 Iowa Acts, House File 1038.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

There are no less costly alternatives. The rulemaking is required by division I of 2025 Iowa Acts, House File 1038.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

There are no plausible alternatives to the proposed rulemaking.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

The proposed rulemaking is required by division I of 2025 Iowa Acts, House File 1038.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking’s compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

There is no anticipated impact on small business.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** 61—Chapter 39:

CHAPTER 39
NATIONAL OPIOID SETTLEMENT DISTRIBUTION

61—39.1(12.51) Definitions. As used in this chapter, the following definitions apply:

“*Applicant*” means a person or entity that applies for funding from the department.

“*Application process*” means the set of rules, requirements, and procedures outlined in the notice of funding opportunity on the department’s website that applicants must follow to apply for opioid settlement funding.

“*Department*” means the department of justice and Iowa attorney general’s office.

“*Eligible projects*” means projects that fall within the national opioid settlement’s listed core strategies and approved uses.

“*Fund*” means the state of Iowa’s opioid settlement fund established in 2025 Iowa Acts, House File 1038, and set forth in Iowa Code section 12.51.

“*Intended outcomes*” means the specific goals, impacts, or measurable results that a proposed project or program aims to achieve. These outcomes include but are not limited to prevention of opioid-related deaths, reduction of opioid misuse, and increased access to opioid-use disorder medications and services.

“*Notice of funding opportunity*” means the department’s solicitation for proposals for the use of opioid settlement dollars to support eligible projects.

“*Request*” means applications for funding submitted to the department by applicants.

61—39.2(12.51) Funding.

39.2(1) Requests. Requests containing eligible projects shall be submitted to the department in accordance with the notice of funding opportunity and application process. Each request shall include the intended outcomes of the project or projects. The department may request additional information not listed on the notice of funding opportunity or application process from the applicants as required.

39.2(2) Awards. The department reserves the right to award funds to applicants, partially award funds to applicants, or withhold distribution of opioid settlement funds from applicants.

39.2(3) Individual contract requirement. Any applicant selected as a potential recipient of opioid settlement funds must execute an agreement with the department to complete the award. Any award of opioid settlement funds will be subject to any terms and conditions the department sets forth in that agreement. The failure to agree to contractual terms will result in no award.

39.2(4) Notification. The department is not required to notify each applicant regarding the approval or denial of the applicant’s funding request.

61—39.3(12.51) Reporting and evaluation. Each applicant selected for an award is required to submit reports and other performance indicators following the instructions and methods requested by the department. At a minimum, each applicant selected for an award is required to submit an annual report on July 1 of each year that specifies if the moneys awarded have achieved or are achieving the intended outcomes.

These rules are intended to implement Iowa Code section 12.51.