Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 211
"Community Attraction and Tourism (CAT) Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15F, subchapter II
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 15F, subchapter II

Public Hearing

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

October 21, 2025	1963 Bell Avenue
10:15 to 10:30 a.m.	Des Moines, Iowa

Public Comment

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

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Iowa Economic Development Authority
1963 Bell Avenue, Suite 200
Des Moines, Iowa 50315
Email: lisa.connell@iowaeda.com

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 211 and adopt a new chapter in lieu thereof. The chapter describes the policies and procedures applicable to the Community Attraction and Tourism Program provided by the Authority pursuant to Iowa Code chapter 15F, subchapter II. The program provides grants to assist projects that provide recreational, cultural, entertainment, and educational attractions.

The updated chapter will be more concise throughout. Unnecessary definitions, language that duplicates statute, and language that is duplicated within the chapter will be eliminated. Changes to the program in 2024 Iowa Acts, Senate File 2385, and 2025 Iowa Acts, House File 975, will be incorporated.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

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

Entities interested in applying for or receiving assistance through the program will bear the costs of the rulemaking.

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

Entities interested in applying for or receiving assistance through the program will benefit from the rulemaking.

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:**

Entities interested in applying for financial assistance may require staff time to complete an application for financial assistance. Recipients of financial assistance may similarly incur costs to administer the award, including requests for disbursement. Some applicants/recipients may choose to rely on an external service provider to complete these tasks, such as a grant writer. The amount of the costs will vary depending on the compensation of staff or service providers involved.

- **Qualitative description of impact:**

The program supports projects that provide recreational, cultural, entertainment, and educational attractions.

3. **Costs to the State:**

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

Authority staff time is required to review and approve applications, draft and execute program contracts, disburse funds, and communicate with program applicants and recipients.

- **Anticipated effect on State revenues:**

The rules have no anticipated impact on State revenues. 2025 Iowa Acts, Senate File 645, appropriated $10 million for the program.

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

Only the entities that will potentially benefit from financial assistance bear the costs of the rulemaking. The costs to the State to administer the program are proportional to the activities supported by financial assistance.

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

The Authority has not identified any less costly or less intrusive methods for administering the program.

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

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

The Authority did not consider any other methods.

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

The Authority did not consider any other methods.

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?

The proposed rules do not have a substantial impact on small business. The rules do not establish compliance or reporting requirements for businesses. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 211 and adopt the following **new** chapter in lieu thereof:

CHAPTER 211
COMMUNITY ATTRACTION AND TOURISM (CAT) PROGRAM

261—211.1(15F) Definitions. When used in this chapter unless the context otherwise requires:

"Attraction" means a permanently located recreational, cultural, educational, or entertainment activity that is available to the general public.

"Authority" means the economic development authority created in Iowa Code section 15.105.

"Board" means the same as defined in Iowa Code section 15.102.

"CAT" means community attraction and tourism.

"CAT review committee" means the committee established by Iowa Code section 15F.203(2) as amended by 2025 Iowa Acts, Senate File 975.

"Economic development organization" means an entity organized to position a community to take advantage of economic development opportunities and strengthen a community's competitiveness as a place to work and live.

"Local support" means endorsement by local individuals, organizations, and political subdivisions that have a substantial interest in a project.

"Nonfinancial support" may include but is not limited to the value of labor and services. Real property and personal property donated for purposes of the project are considered financial support at their fair market value.

"Public organization" means a not-for-profit economic development organization or other not-for-profit organization, including one that sponsors or supports community or tourism attractions and activities.

"Recipient" means the entity under contract to receive CAT funds and undertake the funded activity.

"School district" means a school corporation organized under Iowa Code chapter 274.

"Vertical infrastructure" means the same as defined in Iowa Code section 15F.203(3).

261—211.2(15F) Eligible applicants. Eligible applicants for CAT funds include cities, counties, public organizations, and school districts in cooperation with a city or county. Any eligible applicant may apply individually or jointly with another eligible applicant or other eligible applicants. A school district must apply jointly with a city or county.

261—211.3(15F) Eligible projects.

211.3(1) Eligible projects provide recreational, cultural, entertainment, and educational opportunities. Funded projects must position a community to take advantage of economic development opportunities in tourism and strengthen a community's competitiveness as a place to work and live. Completed projects must be open to the public for general use.

211.3(2) Eligible CAT projects must be primarily vertical infrastructure projects.

261—211.4(15F) Ineligible projects.

211.4(1) The board shall not approve an application for assistance under this program to refinance an existing loan.

211.4(2) A recipient may not receive more than one CAT award for a single project. However, previously funded projects may receive an additional award(s) if the applicant demonstrates that the funding is to be used for a significant expansion of the project or a new project.

211.4(3) The board shall not approve an application for assistance in which the combination of CAT funds plus other state funds would constitute more than 50 percent of the total project costs.

211.4(4) Work completed and costs incurred, except the acquisition of real estate, prior to the date of a potential CAT award are ineligible for funding under the CAT programs.

261—211.5(15F) Application requirements. Applications for the program must contain all the information identified in Iowa Code section 15F.202(2).

261—211.6(15F) Application procedure. Authority staff will review applications for completeness and eligibility and as described in subrule 211.7(1). A review, analysis, and evaluation from the authority staff will be submitted to the CAT review committee, which will then make a final recommendation to the board for final approval, denial, or deferral.

211.6(1) Applicants must submit a notice of intent to apply on a form provided by the authority. The authority will send standard application forms to those applicants who have submitted a notice of intent to apply. The notice of intent to apply form will be available on the authority's website. The authority can waive this requirement for good cause.

211.6(2) Authority staff may provide technical assistance as necessary. Authority staff and board members may conduct on-site evaluations of proposed projects.

211.6(3) Incomplete or ineligible applications will not be forwarded to the CAT review committee or board for review.

261—211.7(15F) Application review.

211.7(1) Authority staff will review each application for the following information:

a. Whether the application documents local support for the proposed activity.

b. Whether the proposed project is primarily a vertical infrastructure project.

c. Whether at least 65 percent of the funds needed to complete the proposed project have been raised or pledged. Other state funds cannot be counted as match until the applicant can document that at least 50 percent of the funds have been raised. Moneys raised at any time and not yet spent may be considered as local match. Up to 25 percent of the local match may be nonfinancial support.

211.7(2) The CAT review committee shall consider, at a minimum, the criteria identified in Iowa Code section 15F.203(3).

261—211.8(15F) Administration.

211.8(1) *Administration of awards.*

a. A contract shall be executed between the recipient and authority. The authority and the board reserve the right to negotiate terms and conditions of the contract.

b. The recipient must execute and return the contract within 45 days of transmittal of the final contract. Failure to do so may be cause for the board to terminate the award.

c. Certain projects may require that permits or clearances be obtained from other state or local agencies before the project may proceed. Awards may be conditioned upon the timely completion of these requirements.

d. Awards may be conditioned upon commitment of other sources of funds necessary to complete the project.

e. Awards may be conditioned upon the authority's receipt and board approval of an implementation plan for the funded project.

211.8(2) *Disbursement of funds.* Recipients shall submit requests for funds in the manner and on forms prescribed by the authority. Individual requests for funds shall be made in an amount equal to or greater than $1,000 per request, except for the final draw of funds.

211.8(3) *Recordkeeping and retention.* The recipient shall retain all financial records, all supporting documents, and all other records pertinent to the funded CAT project for three years after contract closeout. Representatives of the authority or its designees shall have access to all records belonging to or in use by recipients pertaining to CAT funds.

211.8(4) *Performance reports and reviews.* Upon request of the authority or the board, recipients shall submit performance reports in the manner and on forms prescribed by the authority. Reports

shall assess the use of funds and progress of activities. The authority may perform any reviews or site visits necessary to ensure each recipient's performance.

211.8(5) *Amendments to contracts.* Any substantive change to a contract shall be considered an amendment. Substantive changes include time extensions, budget revisions and significant alterations of the funded project that change the scope, location, objectives or scale of the approved project. Amendments must be requested in writing by the recipient and are not considered valid until approved by the board and confirmed in writing.

211.8(6) *Contract closeout.* Upon project completion, the authority shall initiate contract closeout procedures.

211.8(7) *Compliance with state and local laws and regulations.* Recipients shall comply with all applicable federal, state or local laws, rules or regulations, including but not limited to these rules, any provisions of the Iowa Code governing the program, or the recipient's project or operations.

211.8(8) *Remedies for noncompliance.* At any time before contract closeout, the authority may, for cause, find that a recipient is not in compliance with the requirements of this program. Remedies for noncompliance may include penalties up to and including the return of program funds. Reasons for a finding of noncompliance include but are not limited to the recipient's use of funds for activities not described in the contract, the recipient's failure to complete funded projects in a timely manner, the recipient's failure to comply with applicable federal, state or local laws, rules or regulations, or the lack of a continuing capacity of the recipient to carry out the approved project in a timely manner.

261—211.9(15F) Allocation of funds. Funds shall be allocated in accordance with Iowa Code section 15F.204(5) through 15F.204(8).

These rules are intended to implement Iowa Code chapter 15F, subchapter II as amended by 2025 Iowa Acts, Senate File 975.