Regulatory Analysis

Notice of Intended Action to be published: 261—Chapter 30
"Empower Rural Iowa Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 15.106A

State or federal law(s) implemented by the rulemaking: 2021 Iowa Acts, House File 871; 2022 Iowa Acts, House File 2564; and 2023 Iowa Acts, Senate File 559

Public Hearing

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

December 20, 2024	1963 Bell Avenue
1:15 to 1:30 p.m.	Des Moines, Iowa

Public Comment

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

Lisa Connell
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 30 and adopt a new chapter in lieu thereof. The chapter describes the eligible uses of funds appropriated to the Empower Rural Iowa program by 2021 Iowa Acts, House File 871; 2022 Iowa Acts, House File 2564; and 2023 Iowa Acts, Senate File 559.

The updated chapter will remove references to task forces associated with the Empower Rural Iowa initiative that were consolidated by Executive Order 11 (October 19, 2023). The implementation sentence will be updated to include 2023 Iowa Acts, Senate File 559; 2024 Iowa Acts, Senate File 2432; and Executive Order 11 (October 19, 2023).

Analysis of Impact

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

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

None.

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

Persons interested in understanding the activities supported by the Empower Rural Iowa initiative will benefit from the proposed 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:**

None.

- **Qualitative description of impact:**

The proposed rulemaking will provide clarity about the activities supported by the Empower Rural Iowa initiative.

3. **Costs to the State:**

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

Pursuant to Executive Orders 3 (July 18, 2018) and 11 (October 19, 2023), Authority staff time is required to provide staffing and administrative assistance for the Empower Rural Iowa initiative and its associated task force as well as to administer funds.

- **Anticipated effect on state revenues:**

The proposed rulemaking has no anticipated effect on state revenues. 2024 Iowa Acts, Senate File 2432, appropriated $700,000 to the Empower Rural Iowa program.

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

The proposed rulemaking does not impose any additional costs compared to the existing Chapter 30.

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 methods or less intrusive methods for administering the Empower Rural Iowa funds.

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 alternative methods.

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

The Authority did not consider any alternative methods because the Authority did not identify a less costly or less intrusive method.

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. The rules do not establish design or operational standards.

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 30 and adopt the following **new** chapter in lieu thereof:

CHAPTER 30
EMPOWER RURAL IOWA PROGRAM

261—30.1(90GA,SF559,SF2432) Purpose. The empower rural Iowa initiative was created by Executive Order 3 (July 18, 2018), which directed the authority to provide staffing and administrative assistance for the initiative and its associated task forces. Executive Order 11 (October 19, 2023) amended and superseded Executive Order 3 (July 18, 2018) and restructured the initiative.

261—30.2(90GA,SF559,SF2432) Definitions. As used in this chapter unless the context otherwise requires:

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

"Director" means the director of the authority.

"Empower rural Iowa initiative" or *"initiative"* means the initiative created by Executive Order 3 (July 18, 2018) and Executive Order 11 (October 19, 2023).

"Rural community" means either an Iowa city with a population of 20,000 or less and that is not contiguous to a city with a population of 40,000 or greater, or an Iowa county that is one of the 88 least populous counties in the state.

261—30.3(90GA,SF559,SF2432) Eligible uses of funds.

30.3(1) Funds appropriated to the authority for the empower rural Iowa program shall be used to address the challenges and opportunities of rural communities. Uses of funds shall be approved by the director.

30.3(2) Eligible uses of funds include the following:

a. The rural housing needs assessment grant program administered pursuant to 261—Chapter 28;

b. The rural innovation grant program administered pursuant to 261—Chapter 29;

c. Support for entrepreneurship and cooperative business models for businesses in rural communities;

d. Leadership development training for representatives of rural communities;

e. Education and training opportunities relating to succession planning for businesses in rural communities;

f. Promotion of e-commerce opportunities for businesses in rural communities; and

g. Implementation of additional recommendations identified by the empower rural Iowa task force.

These rules are intended to implement 2023 Iowa Acts, Senate File 559; 2024 Iowa Acts, Senate File 2432; and Executive Order 11 (October 19, 2023).