

CHAPTER 38
REGIONAL SPORTS AUTHORITY DISTRICTS

Chapter rescission date pursuant to Iowa Code section 17A.7: 7/2/30

261—38.1(15E) Definitions. For the purposes of this chapter, unless the context otherwise requires, the following definitions apply:

“Actively promote” or *“active promotion”* means to regularly undertake specific, identifiable actions that encourage greater participation in an activity or that make an activity more visible and accessible. Active promotion includes planning, organizing, advertising, marketing, managing, hosting, and sponsoring a nonprofessional sporting event.

“Applicant” means a CVB that has submitted an application to the authority for certification of a proposed district. “Applicant” may include more than one CVB and one or more communities located within the proposed district.

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

“Board” means a regional sports authority district governing board consisting of members of the local community or communities served by an applicant.

“Convention and visitors bureau” or *“CVB”* means an organization engaged primarily in the marketing and promotion of a local community or communities to businesses and to leisure travelers interested in the area’s facilities. Such organizations are typically engaged in a wide range of activities, including but not limited to assisting businesses and leisure travelers in identifying meeting locations and convention sites; providing maps and other travel information; providing information on local attractions, lodging, and restaurants; and organizing tours of local historical, recreational, and cultural attractions.

“District” means the same as defined in Iowa Code section 15E.321.

“Nonprofessional” means an activity typically engaged in by amateurs and primarily for pleasure rather than for pecuniary benefit or other reasons indicating a professional interest in the activity.

“Program” means the regional sports authority district program authorized under Iowa Code section 15E.321 and the rules in this chapter.

“Sporting event” means an athletic activity requiring skill or physical prowess, usually competitive in nature and governed by a set of rules provided by a nationally recognized sanctioning body or by a local organization engaged in the development and active promotion of the athletic activity. A sporting event typically includes the placing of competitors into a fixed order of finish, depending on their respective athletic performance within the rules provided for that activity. For the purposes of this chapter, “sporting event” includes but is not limited to youth sports, high school athletic activities, the Special Olympics, and other nonprofessional athletic activities.

[ARC 9302C, IAB 5/28/25, effective 7/2/25]

261—38.2(15E) Program eligibility and application.

38.2(1) Eligibility. To be eligible under the program, an applicant shall meet all of the following requirements:

a. The applicant shall propose to operate a regional sports authority district that is governed by a board that meets the requirements of Iowa Code section 15E.321(5).

b. The applicant shall propose a program of activities designed to foster the active promotion of one or more nonprofessional sporting events in the district during the fiscal year for which the applicant is applying for funding. Such program shall be overseen by the board as required by paragraph 38.2(1)“a.”

c. The applicant shall demonstrate an amount of local match equal to at least 50 percent of the amount of grant funds to be received by the applicant under the program. The local match shall be in the form of cash.

d. The applicant shall submit a completed application including all of the information described in subrule 38.2(2) by the deadline established by the authority on its website.

38.2(2) Application. When submitting an application for grant funds under the program, an applicant shall include all of the following information:

- a. The applicant's name, mailing address, email address, telephone number, contact person, and federal employer identification number.
- b. A detailed description of the nonprofessional sporting events the applicant intends to actively promote using funds received under the program.
- c. The date each proposed nonprofessional sporting event will be held and the location at which the event will be held.
- d. Written documentation establishing the amount and source of the required local cash match.
- e. Names and contact information of the board and an indication as to which of the board members are city council members as required by Iowa Code section 15E.321(5).
- f. Detailed information and projections sufficient to enable the authority to accurately assess the economic impact of the nonprofessional sporting events described in the application. Such information shall include the estimated number of participants and the estimated number of spectators expected to attend the event. If the applicant has previously held substantially similar events, the information shall include actual attendance figures from past events.
- g. Any additional information requested by the authority.

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261—38.3(15E) Application scoring and certification of districts.

38.3(1) *Scoring process and criteria.* Applications that meet the requirements in rule 261—38.2(15E) will be reviewed and scored by authority staff. The authority may also engage outside reviewers with relevant expertise. The higher an application's numerical score, the more likely it is that the applicant will receive funding under the program. The authority will certify districts in a manner designed to prioritize those events that provide the greatest total benefit to the state as a whole. The criteria used to score the applications are as follows:

- a. **Economic impact:** The authority will consider the amount of economic impact represented by the proposed nonprofessional sporting events and will view favorably events that have a greater economic impact. Economic impact will be determined by estimating the number of hotel room nights generated by each proposed nonprofessional sporting event and multiplying the number of estimated hotel room nights by the average daily room rate for Iowa hotels. The average daily room rate will be provided by the authority based on information obtained from a hotel market data service. Intentionally inflated estimates of attendance or a history of providing inaccurate estimates will negatively affect the scoring of an application.
- b. **Leveraged funds ratio:** The authority will consider the proportion of state funds to total funds in the application and will view favorably a greater rate of financial participation from entities other than the state of Iowa.
- c. **Novelty and quality:** The authority will consider the novelty and quality of an event and will view favorably nonprofessional sporting events that are new to Iowa or that have been recently improved, enhanced, or enlarged.
- d. **Event size and scope:** The authority will consider the size of an event and will view favorably a project with a larger total budget.
- e. **Need:** The authority will consider the financial need of an applicant and will recognize the importance of funding events that would not take place without assistance under the program. The authority will also recognize the importance of funding nonprofessional sporting events that have never before been funded under the program or under another state program.
- f. **Geographic diversity:** The authority will consider the geographic diversity represented by the pool of applicants.

38.3(2) *Certification process.*

- a. Applications and scores will be referred to the director with a recommendation as to whether to approve certification and funding. The director will make the final decision on each application, taking into consideration the amount of available funding, scores, and recommendations. The director may approve, deny, or defer any application.
- b. The authority will certify not more than ten districts each fiscal year in which funding is available for the program. The authority may certify fewer than ten districts in a fiscal year if fewer than ten

completed applications are timely received or if fewer than ten completed applications meet the minimum threshold for certification established for that fiscal year. The authority will award grant funds to each of the certified districts in equal amounts. A district certified in one fiscal year retains its certification only for the duration of that fiscal year and must reapply for certification in each subsequent fiscal year.

38.3(3) *Reallocation of award amounts.* If a certified district fails to hold a nonprofessional sporting event described in the application, then that district may request a contract amendment pursuant to subrule 38.4(3) to reallocate the proposed expenses allocated for that event to another event included on the application. If there are no other events included on the application to which the proposed expenses may be allocated or the failure to hold a nonprofessional sporting event materially changes the application's overall quality in relation to other applications, then the district shall forfeit the amount of proposed expenses to be reimbursed and the authority may award that amount to other applicants or districts.

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261—38.4(15E) Contract administration.

38.4(1) *Notice of approval.* The authority will notify successful applicants in writing of approved requests for certification. Such a notification may include the terms or conditions under which approval is granted.

38.4(2) *Contract required.* Each successful applicant shall enter into a contract with the authority. The contract will describe the nonprofessional sporting events that the applicant will actively promote as part of the certified district. The contract will also include the terms and conditions under which the grant funds will be disbursed and under which the grant funds must be repaid or penalties incurred in the event the district does not fulfill all obligations under the contract.

38.4(3) *Contract amendments.* All requests by a district for an amendment to the contract will require the approval of the director of the authority. The director will review each such request and approve or deny it. If a request is approved, the district and the authority will execute a written amendment to the contract. Only a written amendment duly executed by both parties to the contract will be valid and binding.

38.4(4) *Reports required.* Each certified district shall submit a written report to the authority within 90 days of the end of the performance period specified in the contract.

38.4(5) *Recordkeeping.* Each certified district shall maintain all records necessary for the verification and validation of the proper use of grant funds under the contract and shall submit such records to the authority upon request.

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261—38.5(15E) Expenses, records, and reimbursements.

38.5(1) *Eligible expenses.* Only expenditures directly related to the active promotion of a nonprofessional sporting event will be reimbursed under the program. Items that will be considered eligible expenses include but are not limited to bid fees, rights fees, sponsorships, payments to vendors, advertising, marketing, venue rental, equipment rental, promotional materials, production costs, and fees and costs for officiants.

38.5(2) *Ineligible expenses.* Expenses that are not directly related to the active promotion of a nonprofessional sporting event are not eligible for reimbursement. Ineligible expenses include but are not limited to travel costs of applicant staff, solicitation efforts, lobbying fees, meals or dining on occasions other than the dates of the nonprofessional sporting events described in the application, items that are purchased for resale, prizes given to participants, and alcoholic beverages.

38.5(3) *Required records and reimbursements.* A district shall submit any records requested by the authority as documentation of the expenditures incurred for purposes of the grant funds awarded under the program. Such records may include invoices, original itemized receipts, check copies, or other proof of payment. The authority will only accept records submitted in the name of the district that has executed a contract. The authority will not reimburse any expenses included on a receipt that includes both eligible expenses and ineligible expenses.

38.5(4) *Repayments of certain funds.* If the authority reimburses a district for the cost of a refundable bid fee and the applicant is unsuccessful in the effort to win the right to hold that event, then the district shall return the amount of such reimbursement to the authority.

38.5(5) *Reallocation of funds.* If, at the time of a district's final reporting of expenses, the district cannot adequately document eligible expenses or documents an amount that is less than the awarded amount, the authority may award additional funds to other certified districts. If the authority awards additional funds to already certified districts, such districts shall submit documentation establishing how such funds will be expended and the authority will execute contract amendments providing for the expenditure of the additional funds.

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