



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

August 17, 2021

Iowa Code section [17A.4\(4\)](#) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at www.legis.iowa.gov/publications/fiscal/adminRulesFiscalImpact.

With each rule summary, the rulemaking type is indicated in parentheses following the ARC number. The acronyms have the following meanings: Notice of Intended Action (**NOIA**), Amended Notice of Intended Action (**ANOIA**), Notice of Termination (**NOT**), Adopted and Filed Emergency (**AFE**), Filed Emergency After Notice (**FEAN**), and Adopted and Filed (**AF**).

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Department of Human Services

ARC 5809C (AF)

Rule Summary Implements the Individual Placement and Support (IPS) Supported Employment (SE) evidence-based model within the Home- and Community-Based Services (HCBS) Habilitation Supported Employment services. Establishes the provider qualifications and implementation criteria applicable to the IPS SE providers and implements an outcome-based reimbursement methodology for IPS SE.

State or Federal Law Implemented: Iowa Code section [249A.4](#).

Fiscal Impact **Agency Response:** The fiscal impact cannot be determined because the degree to which providers/members will transition to IPS is not known. The initial cost for only IPS recipients is estimated at \$33,000 total (\$13,000 for the State share) but could grow to \$1.1 million total (\$420,000 for the State share) if all those currently receiving the traditional SE model transition to IPS. Based on the above, the annual State share cost is expected to be between \$13,000 and \$420,000, and likely closer to the low end at initial implementation.

LSA Response: The LSA concurs.

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Department of Revenue

ARC 5788C (NOIA)

Rule Summary Requires tobacco tax on sales of tobacco products by a manufacturer to a distributor to be calculated on the wholesale sales price exclusive of any discount or other reduction including a pre-priced price or discounted price.

State or Federal Law Implemented: Iowa Code section [453A.42](#).

Fiscal Impact **Agency Response:** The proposed rule is estimated to increase tobacco tax revenue by \$324,000 for FY 2022, \$327,000 for FY 2023, \$331,000 for FY 2024, and \$334,000 for FY 2025. These revenues are deposited in the Health Care Trust Fund.

LSA Response: The LSA concurs.

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Iowa Finance Authority

ARC 5793C (NOIA)

Rule Summary Amends the Housing Trust Fund allocation plan for the Local Housing Trust Fund. Iowa Code section 16.181 requires the Local Housing Trust Fund to provide a local match that is approved by the Iowa Finance Authority (IFA) but does not specify the amount of match. The allocation plan currently requires that Local Housing Trust Funds provide a match of 25.0% of the amount requested from the Fund. The IFA proposes to reduce the local match requirement in fiscal year (FY) 2022 to as low as 10.0% for 40.0% of the grant award and gradually increase it to 25.0% by FY 2025.

Updates the IFA's website address and strikes an outdated requirement to deposit program applications and related documents with the Administrative Rules Coordinator and at the State Law Library.

State or Federal Law Implemented: Iowa Code section 16.181 and 2021 Iowa Acts, SF 619.

Fiscal Impact **Agency Response:** No fiscal impact.

LSA Response: The LSA concurs in part. Reducing the effective local match rate for Local Housing Trust Funds through FY 2024 will reduce the amount of capital necessary for local organizations to access the enhanced funding that will be transferred into the State Housing Trust Fund from the real estate transfer tax. This will increase the likelihood that Local Housing Trust Funds in rural areas can access these funds and that the entire \$7.0 million transferred to the State Housing Trust Fund is expended each fiscal year.

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