



## Fiscal Services Division

### ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

January 8, 2024

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](http://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 Revenue

#### **ARC 7154C (NOIA)**

**Rule Summary**      Readopts Chapter 277, which provides the process for taxpayers to obtain a refund of sales or use tax paid by biodiesel producers. Removes portions of the chapter that the Department determined were unnecessary and duplicative of statutory language. Extends the repeal date for the Biodiesel Production Tax Credit from the end of calendar year (CY) 2025 to the end of CY 2027. Increases the tax credit rate from 2.0 cents per gallon of biodiesel produced to 4.0 cents.

**State or Federal Law Implemented:** Iowa Code section 423.4(9) and Division VI of 2022 Iowa Acts, House File 2128 (Renewable Fuels Incentives Act).

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

**LSA Response:** The LSA concurs in part. This rulemaking has no fiscal impact to the State beyond the legislation it is intended to implement. The **Fiscal Note** for HF 2128 estimated a reduction in General Fund revenue by the following amounts:

- FY 2024 — \$4.2 million
- FY 2025 — \$4.2 million
- FY 2026 — \$8.4 million
- FY 2027 — \$8.4 million
- FY 2028 — \$8.4 million

#### **ARC 7184C (NOIA)**

**Rule Summary**      Readopts Chapter 272, which consists of rules relating to the Department's role in the administration of the Flood Mitigation Program. Clarifies and removes portions of the chapter that the Department has determined are unnecessary, obsolete, and duplicative of statutory language. Clarifies the administrative fee authorized under Iowa Code section 423.2A(3) that the Department retains from the amount it would otherwise distribute for the Flood Mitigation Program.

**State or Federal Law Implemented:** Iowa Code chapter 418 and sections 423.2A(2) and 423.2A(3).

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

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**LSA Response:** The LSA concurs. This rulemaking has a minimal fiscal impact to the State. The Department of Revenue collected fees totaling \$14,300 in FY 2022 and \$8,200 in FY 2023 related to the Flood Mitigation Program. In future fiscal years, it is estimated that the annual amount of fees collected will range from \$14,000 to \$20,000. This change is due to a reallocation of fees between the Flood Mitigation Program and the Reinvestment Districts Program.

**Rule Summary** **ARC 7185C (NOIA)**  
Readopts Chapter 273, which consists of rules relating to the Department's role in the administration of the Reinvestment Districts Program. Clarifies and removes portions of the chapter that the Department has determined are unnecessary, obsolete, and duplicative of statutory language. Clarifies the administrative fee authorized under Iowa Code section 423.2A(3) that the Department retains from the amount it would otherwise distribute to the Reinvestment Districts Program.

**State or Federal Law Implemented:** Iowa Code chapter 15J and sections 423.2A(2) and 423.2A(3).

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

**LSA Response:** The LSA concurs. This rulemaking has a minimal fiscal impact to the State. The Department of Revenue collected fees totaling \$6,300 in FY 2022 and \$7,600 in FY 2023 related to the Reinvestment Districts Program. In future fiscal years, it is estimated that the annual amount of fees collected will range from \$1,000 to \$2,000. This change is due to a reallocation of fees between the Reinvestment Districts Program and the Flood Mitigation Program.

**Rule Summary** **ARC 7186C (NOIA)**  
Readopts Chapter 275, which consists of rules relating to and interpreting sales and use tax rebates granted to sanctioned automobile racetrack facilities, baseball and softball complexes, and raceway facilities. Clarifies and removes portions of the chapter that the Department has determined are unnecessary and duplicative of statutory language. Extends the date that sales tax receipts collected on sales of tangible personal property or services furnished by retailers at an eligible raceway facility can be rebated to an eligible raceway facility from June 30, 2025, to June 30, 2030.

**State or Federal Law Implemented:** Iowa Code sections 423.2A and 423.4, and 2023 Iowa Acts, House File 660 (Raceway Facility Sales Tax Rebate, Extension Act).

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

**LSA Response:** The LSA concurs in part. This rulemaking has no fiscal impact to the State beyond the legislation it is intended to implement. The **Fiscal Note** for HF 660 estimated a decrease in revenue to the General Fund of approximately \$575,000 in total between FY 2026 and FY 2030.

**Rule Summary** **ARC 7201C (NOIA)**  
Readopts Chapter 219, which describes sales and use taxes that are applicable to construction activities. Clarifies and removes language that is obsolete, unnecessary, and duplicative of statute. Moves and revises 701 IAC 281.3 regarding mobile homes and manufactured housing to 701 IAC 219.7.

**State or Federal Law Implemented:** Iowa Code sections 423.2, 423.3, 423.4(1), 423.5, 423.6, and 2008 Iowa Acts, chapter 1191 (FY 2009 Standing Appropriations Act).

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

**LSA Response:** The LSA concurs. The rate change to use tax charged for mobile and manufactured housing in 701 IAC 219.7(3)"b"(1) conforms to the existing provision of

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701 IAC 281.3 which has been the applied rate since the enactment of 2008 Iowa Acts, chapter 1191, section 64.

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## Department of Education

### **ARC 7169C (NOIA)**

**Rule Summary** Establishes enforcement mechanisms related to age-appropriate instruction; requirements for library programs, including library materials and online availability of library catalogs; compliance with Iowa Code provisions related to instruction on gender identity or sexual orientation; and provisions related to parental rights for accurate information regarding their children's gender identity.

**State or Federal Law Implemented:** 2023 Iowa Acts, Senate File 496 (Education, Parental Rights, and School Transparency Act).

**Fiscal Impact** **Agency Response:** The fiscal impact to the Iowa Department of Education is unknown. The estimated fiscal impact for districts was set out in the **Fiscal Note** for SF 496.

**LSA Response:** The LSA concurs in part. The LSA estimates little or no fiscal impact on the Department of Education as a result of this rulemaking. The ***Fiscal Note*** for SF 496 was published before the General Assembly made substantive amendments, and its analysis does not reflect the final version of the Act, for which the LSA did not find a fiscal impact. It is possible districts may incur a cost related to removing non-age-appropriate materials from libraries, but this cost cannot be accurately estimated and may vary by school district.

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