



Fiscal Services Division

ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

August 13, 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.

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 8161C (AF)

Rule Summary Describes the Department of Revenue's interpretation of underlying statutes to aid the public in understanding the application of sales and use tax statutes that are primarily applicable to taxpayers engaged in construction activity. Clarifies and removes language that is obsolete, unnecessary, and duplicative of statute.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, and 423.6 and 2008 Iowa Acts, chapter 1191 (Standing Appropriations and Salaries 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 701 IAC 281.3, which has been the applied rate since the enactment of 2008 Iowa Acts, chapter 1191, section 64.

ARC 8165C (AF)

Rule Summary Readopts rules relating to the Department of Revenue'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.

LSA Response: The LSA concurs. This rulemaking has a minimal fiscal impact to the State. The Department of Revenue collected \$14,300 in fees 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

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change is due to a reallocation of fees between the Flood Mitigation Program and the Reinvestment Districts Program.

ARC 8166C (AF)

Rule Summary Readopts rules relating to the Department of Revenue'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 \$6,300 in fees 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.

LSA Staff Contact: Evan Johnson (515.281.6301) evan.johnson@legis.iowa.gov

Department of Education

ARC 8147C (AF)

Rule Summary Updates provisions related to age-appropriate instruction; requirements for library programs, including library materials and online availability of library catalogs; and parental rights for accurate information regarding their children's gender identity. Contains new enforcement mechanisms in addition to those currently in existence.

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

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

LSA Response: The LSA concurs in part. The LSA estimates that there will be little or no fiscal impact to the Department of Education as a result of this rulemaking. The **Fiscal Note** for Senate File 496 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.

LSA Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov

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Board of Nursing

ARC 8114C (FEAN)

Rule Summary Creates rules for the licensure and regulation of certified professional midwives. Sets out requirements for certified professional midwives to obtain a license in the State of Iowa, including initial licensure, renewal, and reactivation.

State or Federal Law Implemented: Iowa Code chapter 148I and 2023 Iowa Acts, House File 265 (Midwives, Licensure Act).

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

LSA Response: The LSA concurs in part. The **Fiscal Note** for HF 265 estimated that the initial start-up costs of establishing a new licensing board would require an estimated \$149,000 in the first fiscal year. Of this amount, \$94,000 is attributable to database modification costs, \$25,000 is for administrative and staffing costs, and \$30,000 is for support costs paid to the Attorney General's Office. The Department of Inspections, Appeals, and Licensing (DIAL) estimates ongoing costs to be \$43,000 annually.

LSA Staff Contact: Xavier Leonard (515.725.0509) xavier.leonard@legis.iowa.gov
