



## Fiscal Services Division

### ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

**February 9, 2026**

*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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#### Economic Development Authority

#### **ARC 0003D (AF)**

**Rule Summary**     Establishes policies and procedures for the Seed Investor Tax Credit Program.

**State or Federal Law Implemented:** 2025 Iowa Acts, 2025 Iowa Acts, Senate File 657, (Economic Development Programs and Credits Act).

**Fiscal Impact**     **Agency Response:** No fiscal impact beyond that of the legislation it is intended to implement.

**LSA Response:** The LSA concurs. The **Fiscal Note** for SF 657 estimated that the creation of the Seed Investor Tax Credit Program would decrease revenue to the General Fund by the following amounts:

- FY 2026 = \$2.6 million
- FY 2027 = \$3.1 million
- FY 2028 = \$3.4 million
- FY 2029 = \$3.4 million
- FY 2030 = \$3.5 million

Senate File 657 also allows the Iowa Economic Development Authority (IEDA) to establish a qualifying business application fee for the Seed Investor Tax Credit Program. The fee is set in the rulemaking at \$200 and is estimated to increase revenue to the IEDA by an average of \$600 each year.

#### **ARC 0004D (AF)**

**Rule Summary**     Repeals policies and procedures for the Investments in Qualifying Businesses Tax Credit, also known as the Angel Investor Tax Credit.

**State or Federal Law Implemented:** 2025 Iowa Acts, Senate File 657 (Economic Development Programs and Credits Act).

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

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**LSA Response:** The LSA concurs in part. This rulemaking has no fiscal impact beyond the legislation it is intended to implement. The **Fiscal Note** for SF 657 estimated an increase to General Fund Revenue by the following amounts:

- FY 2027 = \$1.3 million
- FY 2028 = \$1.6 million
- FY 2029 = \$1.7 million
- FY 2030 = \$1.7 million
- FY 2031 = \$1.7 million

The **Fiscal Note** also estimated an increase to income surtax revenue for schools by the following amounts:

- FY 2027 = \$29,000
- FY 2028 = \$35,000
- FY 2029 = \$37,000
- FY 2030 = \$38,000
- FY 2031 = \$39,000

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## Department of Administrative Services

### **ARC 9972C (NOIA)**

**Rule Summary** Allows certain State employees in their first four years of employment who do not use sick leave during a full month of employment to convert that month's sick leave for one-half day of additional vacation time. Provides that a State employee parent who gives birth or adopts a child is entitled to four weeks of paid leave. Provides that a State employee parent who does not give birth is entitled to one week of paid leave.

**State or Federal Law Implemented:** 2025 Iowa Acts, House File 889 (State Employees, Paid Parental Leave Act).

**Fiscal Impact** **Agency Response:** It is unknown how many State employees will either convert sick leave to vacation time or take paid parental leave. The Department does not anticipate a fiscal impact, but costs would be funded through agency budgets.

**LSA Response:** The LSA concurs.

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## Department of Health and Human Services

### **ARC 9952C (AF)**

**Rule Summary** Removes a disenrollment grace period for late Healthy and Well Kids in Iowa (Hawki) program premium payments to comply with federal legislation.

**State or Federal Law Implemented:** Iowa Code chapter 514I and the Consolidated Appropriations Act of 2023.

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

**LSA Response:** The LSA concurs in part. The Consolidated Appropriations Act requires Iowa to comply with mandatory continuous eligibility for children in the Children's Health Insurance Program (CHIP) and Medicaid. The Iowa Department of Health and Human Services (HHS) submitted a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services to make changes. The HHS has historically maintained continuous eligibility for children in Medicaid but not CHIP. The SPA included an estimated cost increase of approximately \$9.0 million in fiscal year

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2025 to provide 12-month continuous eligibility to children enrolled in Hawki. Of this amount, the State portion is approximately \$2.3 million and the federal portion is approximately \$6.7 million. These changes became effective April 1, 2024.

<b>Rule Summary</b>	<b>ARC 9953C (AF)</b> Requires the Department of Health and Human Services (HHS) to investigate alleged cases of student abuse involving a public or nonprofit school employee.
	<b>State or Federal Law Implemented:</b> 2025 Iowa Acts, <u>Senate File 659</u> (FY 2026 Standing Appropriations Act).
<b>Fiscal Impact</b>	<b>Agency Response:</b> The HHS estimates a fiscal impact of \$129,000 for FY 2026 and \$126,000 annually thereafter.
	<b>LSA Response:</b> The LSA concurs.

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### Department of Public Health

<b>Rule Summary</b>	<b>ARC 9942C (NOIA)</b> Provides the foundation for the primary funding source that supports the work of the Iowa Office of the State Medical Examiner (IOSME). Increases the amount of an autopsy fee by \$1,900 to \$2,100 and 2.0% annually thereafter to account for annual adjustments for salaries of pathologists and increasing costs associated with performing autopsies.
	<b>State or Federal Law Implemented:</b> Iowa Code sections <u>331.802</u> , and <u>331.805</u> , <u>691.6</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> This proposed chapter sets the amount of fees for service that can be collected by the IOSME. This includes fees related to autopsies, the cost of requesting autopsy reports, court preparation time, tissue recovery, and cremation permit fees. The Department of Health and Human Services (HHS) is increasing the amount of the autopsy fee by \$200 and 2.0% annually thereafter to account for annual adjustment costs for salaries of pathologists and increasing costs associated with performing autopsies. The autopsy fee increase is estimated to increase revenues to the IOSME by \$400,000 in FY 2027 and \$484,000 in FY 2028.
	<b>LSA Response:</b> The LSA concurs. The HHS estimates that approximately 2,000 autopsies occur per year.

<b>Rule Summary</b>	<b>ARC 9948C (NOIA)</b> Describes how the Department of Health and Human Services (HHS) will install, maintain, and operate the system of vital statistics throughout the State. Refers definitions to the Iowa Code and eliminates redundant language. Increases certified copy fees for birth, marriage, and death certificates from \$15 to \$20 and modifies how the revenues are distributed. Provides an increase in the distribution that supports the Iowa Office of the State Medical Examiner (IOSME).
	<b>State or Federal Law Implemented:</b> Iowa Code chapter <u>144</u> .
<b>Fiscal Impact</b>	<b>Agency Response:</b> The vital records fees collected not only fund the Bureau of Vital Statistics but also contribute to the General Fund. For FY 2025 (through August 11, 2025), the HHS collected over \$3.7 million and contributed over \$1.8 million to the General Fund. Although the HHS is increasing the fees for certified copies of birth, death, and marriage certificates from \$15 to \$20, those fee increases will be directed to the IOSME. The fee increases are estimated to increase revenues to the IOSME by

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\$1.7 million annually beginning in FY 2027. There is no impact on the portion of fees directed to the General Fund.

**LSA Response:** The LSA concurs. The HHS estimates that approximately 165,000 death certificate copies may be issued and charged a fee per year.

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### Department of Revenue

#### **ARC 0028D (AF)**

**Rule Summary** Allows financial institutions subject to the franchise tax to elect to file combined Iowa franchise tax returns with investment subsidiaries. Permits financial institutions that make an election to combine tax returns with an investment subsidiary to not add back expenses allocable to an investment subsidiary on their Iowa tax return. Makes conforming amendments to rules implementing the franchise tax credit.

**State or Federal Law Implemented:** 2024 Iowa Acts, Senate File 2442 (Individual Income Tax Rate Act), Division III.

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

**LSA Response:** The LSA concurs in part. The **Fiscal Note** for Senate File 2442 notes that a fiscal impact could not be determined due to a lack of information, as the Iowa Department of Revenue believes the law may result in either less or more franchise tax revenue to the General Fund, dependent on taxpayer actions that cannot be predicted.

Senate File 2442 allows the deduction of expenses allocable to investment in an investment subsidiary when calculating the franchise tax. When this provision was previously eliminated in 1995 Iowa Acts, chapter 193 (Franchise Tax on Financial Institutions Act), the estimated fiscal impact was a gain in tax revenue of approximately \$8.0 million annually to the General Fund.

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