

House File 718 - Introduced

HOUSE FILE 718
BY WILLS

A BILL FOR

1 An Act establishing processes for delay, rescission, and approval
2 of certain administrative rules based on fiscal impact and
3 including applicability provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 17A.4, subsection 4, Code 2025, is amended
2 to read as follows:

3 4. Any rule filed pursuant to this section or section 17A.5
4 that necessitates additional annual expenditures of at least one
5 hundred thousand dollars or combined expenditures of at least
6 five hundred thousand dollars within five years by all affected
7 persons, including the agency itself, shall be accompanied by a
8 fiscal impact statement outlining the expenditures. The agency
9 shall ~~promptly deliver a copy of~~ file the statement ~~to~~ with
10 the legislative services agency along with the rule filed with
11 the administrative rules coordinator and the administrative code
12 editor pursuant to this section or section 17A.5. To the
13 extent feasible, the legislative services agency shall analyze
14 the statement and provide a summary of that analysis to the
15 administrative rules review committee. If the agency has made
16 a good-faith effort to comply with the requirements of this
17 subsection, the rule shall not be invalidated on the ground that
18 the contents of the statement are insufficient or inaccurate.

19 Sec. 2. NEW SECTION. 17A.25 Delay, rescission, and approval
20 of rules — fiscal impact.

21 1. a. If the fiscal impact statement prepared by an agency
22 pursuant to section 17A.4, subsection 4, for a rule adopted
23 pursuant to section 17A.5 indicates the rule will necessitate
24 additional annual expenditures of at least one million dollars,
25 or combined expenditures of at least five million dollars
26 within five years, by all affected persons, including the agency
27 itself, the effective date of the rule shall be delayed until
28 the adjournment of the next regular session of the general
29 assembly that convenes after the rule is published in the Iowa
30 administrative bulletin. The agency shall note the delay in
31 its filing submitted to the administrative rules coordinator and
32 administrative code editor pursuant to section 17A.5, subsection
33 1. The administrative code editor shall publish notice of the
34 delay in the Iowa administrative bulletin. The agency shall
35 not adopt such a rule pursuant to section 17A.5, subsection

1 2, paragraph "b", unless the rule was also adopted pursuant to
2 section 17A.4, subsection 3.

3 b. Upon the adjournment of the regular session of the general
4 assembly specified in paragraph "a", a rule delayed pursuant to
5 paragraph "a" is rescinded and shall not become effective. As
6 soon as practicable after such rescission, the administrative
7 code editor shall publish notice of the rescission in the Iowa
8 administrative bulletin and, no sooner than two weeks after such
9 publication, remove the rule from the Iowa administrative code.

10 c. During the period of a delay pursuant to paragraph "a",
11 the agency may do any of the following:

12 (1) Engage in further rulemaking that will amend or repeal
13 a rule subject to the delay. However, any rule that amends or
14 repeals a rule subject to a delay, and that will become effective
15 during the delay, shall be subject to that delay as though it
16 were included in the initially delayed rule.

17 (2) Submit a notice of rescission that rescinds the rule to
18 the administrative rules coordinator and the administrative code
19 editor for publication in the Iowa administrative bulletin. Upon
20 publication of the notice of rescission, if the rule has not
21 already become effective or been rescinded, the rule is rescinded
22 and shall not become effective. As soon as practicable, but no
23 sooner than two weeks after such publication, the administrative
24 code editor shall remove the rule from the Iowa administrative
25 code.

26 d. If the effective date of a rule adopted by an agency that
27 would otherwise be subject to a delay pursuant to subsection 1
28 may occur after the adjournment of the regular session of the
29 general assembly specified in paragraph "a", such rule shall be
30 deemed to be delayed pursuant to subsection 1 and subject to this
31 section.

32 e. This section shall not apply to a rule adopted pursuant to
33 section 17A.4, subsection 3.

34 2. The general assembly may, by a joint resolution approved
35 by the governor, approve a rule delayed pursuant to subsection 1

1 prior to its rescission pursuant to subsection 1. Upon approval
2 of the joint resolution by the governor, the rule shall not be
3 rescinded and shall become effective upon the date of approval of
4 the joint resolution by the governor, or another date specified
5 in the joint resolution. This subsection shall not be construed
6 to prohibit the general assembly from enacting other legislation
7 relating to a rule delayed pursuant to subsection 1, including
8 but not limited to a joint resolution to nullify the rule.

9 3. For purposes of this section, "*additional annual*
10 *expenditures*" includes expenditures by political subdivisions
11 or agencies, and entities which contract with political
12 subdivisions, to provide services as described in section 25B.6,
13 subsection 1. "*Additional annual expenditures*" does not include
14 an expenditure of funds by the agency that adopted a rule if
15 the funds were appropriated to the agency for the purpose of the
16 agency program or other function implemented by the rule.

17 Sec. 3. APPLICABILITY. This Act applies to rules adopted by
18 agencies pursuant to section 17A.5 on or after July 1, 2026.

19 EXPLANATION

20 The inclusion of this explanation does not constitute agreement with
21 the explanation's substance by the members of the general assembly.

22 This bill establishes processes for delay, rescission, and
23 approval of certain administrative rules (rules) based on fiscal
24 impact statements prepared by agencies as required under Code
25 section 17A.4, subsection 4.

26 The bill provides that if the fiscal impact statement
27 prepared by an agency for an adopted rule indicates the rule
28 will necessitate additional annual expenditures of at least
29 \$1 million, or combined expenditures of at least \$5 million
30 within five years, by all affected persons, including the agency
31 itself, the effective date of the rule shall be delayed until
32 the adjournment of the next regular session of the general
33 assembly that convenes after the rule is published in the Iowa
34 administrative bulletin (bulletin).

35 The bill provides that upon the adjournment of the specified

1 regular session of the general assembly, a rule delayed in this
2 manner is rescinded and shall not become effective.

3 The bill authorizes an agency, during the period of a delay,
4 to engage in further rulemaking that will amend or repeal a rule
5 subject to the delay. However, any rule that amends or repeals a
6 rule subject to a delay, and that will become effective during
7 the delay, shall be subject to that delay as though it were
8 included in the initially delayed rule.

9 The bill authorizes an agency, during the period of a delay,
10 to submit a notice of rescission for publication in the bulletin
11 that rescinds the rule. Upon publication of the notice, if the
12 rule has not already become effective or been rescinded, the rule
13 is rescinded and shall not become effective.

14 The bill provides that the general assembly may, by a joint
15 resolution approved by the governor, approve a rule delayed in
16 this manner prior to its rescission. Upon approval of the joint
17 resolution by the governor, the rule shall not be rescinded and
18 shall become effective upon the date of approval of the joint
19 resolution by the governor, or another date specified in the
20 resolution. The bill shall not be construed to prohibit the
21 general assembly from enacting other legislation relating to a
22 delayed rule, including but not limited to a joint resolution to
23 nullify the rule.

24 For purposes of the bill, "additional annual expenditures"
25 includes expenditures by political subdivisions or agencies, and
26 entities which contract with political subdivisions, to provide
27 services as described under current law, but does not include
28 an expenditure of funds by the agency that adopted a rule if
29 the funds were appropriated to the agency for the purpose of the
30 agency program or other function implemented by the rule.

31 The bill addresses how the procedures provided in the bill
32 apply to rules adopted pursuant to Code section 17A.4, subsection
33 3, and Code section 17A.5, subsection 2, paragraph "b" (emergency
34 rules).

35 Under current law, a fiscal impact statement that is required

1 for a noticed or adopted rule must be promptly delivered to
2 the legislative services agency. The bill provides that the
3 statement must be included with a rule when it is filed.

4 The bill applies to rules adopted by agencies on or after July
5 1, 2026.

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