



## Fiscal Services Division

### ADMINISTRATIVE RULES — FISCAL IMPACT SUMMARIES

March 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 Insurance and Financial Services — Banking Division

##### ARC 7576C (NOIA)

**Rule Summary** Sets by rule administrative fees that the Iowa Division of Banking (IDOB) of the Department of Insurance and Financial Services (DIFS) has adopted for banks when filing certain corporate applications.

**State or Federal Law Implemented:** Iowa Code sections 524.213, 524.312, 524.314, 524.802A, 524.1405, 524.1410, 524.1413, 524.1415, 524.1505, 524.1508, and 524.1509.

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

**LSA Response:** The LSA concurs. According to the IDOB, the proposed fees are identical to the fees that the IDOB currently charges for the specified applications but that have not previously been adopted by rule.

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#### Department of Insurance and Financial Services — Insurance Division

##### ARC 7644C (NOIA)

**Rule Summary** Establishes rules and procedures for implementation and administration of captive companies. Sets forth the financial, reporting, recordkeeping, and other requirements that the Commissioner of Insurance deems necessary for the regulation of captive companies.

**State or Federal Law Implemented:** Iowa Code section 521J.26; 2023 Iowa Acts, Senate File 549 (Captive Insurance Act); and 2023 Iowa Acts, Senate File 557 (Administration and Regulation Appropriations Act).

**Fiscal Impact** **Agency Response:** The Captive Insurance Program will incur costs associated with captive companies over the next five years in terms of personnel and implementation costs. The introduction of captive companies to the State and the tax on premiums of captive insurance will increase General Fund revenue; however, the amount cannot be

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determined. The Iowa Insurance Division anticipates that there will be an annual request for additional staffing and resources necessary to fully implement the Program.

**LSA Response:** The LSA concurs. This rulemaking has no fiscal impact to the State beyond that of the legislation it is intended to implement. The **Fiscal Note** for SF 549 estimated that the annual cost associated with the hiring of full-time equivalent (FTE) positions and promoting the captive insurance industry would be between \$403,000 and \$681,000. Senate File 557 appropriated \$450,000 from the General Fund and 2.0 FTE positions for FY 2024 to the Department of Insurance and Financial Services for the purposes of implementing the Captive Insurance Program.

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## Department of Health and Human Services

### **ARC 7651C (NOIA)**

**Rule Summary** Amends Chapter 170, which implements the Child Care Assistance (CCA) Program. Updates the family income limit from 145.0% to 160.0% of the federal poverty level (FPL). Updates the minimum hours of participation from 28 to 32 for families who do not have a special needs child. Revises the CCA family fee chart to update annual FPL changes.

**State or Federal Law Implemented:** 2023 Iowa Acts, House File 707 (Child Care Assistance Eligibility Act).

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

**LSA Response:** The LSA concurs. This rulemaking has no fiscal impact to the State beyond that of the legislation it is intended to implement. The **Notes on Bills and Amendments** for HF 707 estimated an increased cost to the Department of Health and Human Services (HHS) of \$25.7 million annually. The HHS anticipated that the fiscal impact could be absorbed by the surplus within the Child Care Development Fund.

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## Department of Revenue

### **ARC 7625C (AF)**

**Rule Summary** 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. This rulemaking has no fiscal impact to the State beyond that of 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.

### **ARC 7627C (AF)**

**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

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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 Incentive Act).

### Fiscal Impact

**Agency Response:** No fiscal impact.

**LSA Response:** The LSA concurs. This rulemaking has no fiscal impact to the State beyond that of 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

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