

## Red Tape Review Rule Report (Due: September 1, 2025)

<b>Department Name:</b>	IEDA	<b>Date:</b>	11/6/24	<b>Total Rule Count:</b>	6
<b>IAC #:</b>	261	<b>Chapter/ SubChapter/ Rule(s):</b>	Chapter 38	<b>Iowa Code Section Authorizing Rule:</b>	15E.321
<b>Contact Name:</b>	Lisa Connell	<b>Email:</b>	Lisa.connell@iowaeda.com	<b>Phone:</b>	(515) 348-6163

**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

**What is the intended benefit of the rule?**

The intended benefit of chapter 38 is to describe the policies and procedures applicable to regional sports authority districts.

**Is the benefit being achieved? Please provide evidence.**

Yes. The authority is able to effectively select districts and award and administer grants through the program.

**What are the costs incurred by the public to comply with the rule?**

Entities interested in applying for the program may require staff time to complete an application to be designated as a districts and receive an award. Recipients of grants may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants/recipients may choose to rely on an external service provider to complete these tasks, such as a grant writer or other consultant. The amount of the costs will vary, depending on the compensation of staff or service providers involved. The application and reports require minimal time to complete.

**What are the costs to the agency or any other agency to implement/enforce the rule?**

IEDA staff time is required to review and prepare applications for approval, draft and execute program contracts, disburse funds, review reports, and communicate with program applicants and recipients.

**Do the costs justify the benefits achieved? Please explain.**

Yes. Only entities that will potentially benefit from the program incur any costs. The costs to the state to administer the program are proportional to the activities incented.

**Are there less restrictive alternatives to accomplish the benefit?**  YES  NO

If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.

The application and administrative requirements of the rules are no more than necessary to implement the purposes of the program.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]

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Yes.

Rule 38.1 will be updated for clarity, to be more concise, and to eliminate language that is duplicative of statutory language.

Rule 38.2 should be eliminated. Some rule text will be added to other rules throughout the chapter.

Rule 38.3 will be updated to be more concise and to eliminate language that is duplicative of statutory language.

Rule 38.4 will be updated to be more concise and to eliminate specific point values assigned to scoring criteria. A description of how the authority may utilize additional application rounds will be eliminated.

Rule 38.5 will be updated to be more concise.

**RULES PROPOSED FOR REPEAL (list rule number[s]):**

**261.38.2**

**\*RULES PROPOSED FOR RE-PROMULGATION\* (list rule number[s] or include text if available):**

CHAPTER 38  
REGIONAL SPORTS AUTHORITY DISTRICTS

**261—38.1(15E) Definitions.** For purposes of this chapter unless the context otherwise requires:

“*Actively promote*” or “*active promotion*” means to regularly undertake specific identifiable actions that encourage greater participation in an activity or that make an activity more visible and accessible. Active promotion includes the planning, organizing, advertising, marketing, managing, hosting, and sponsoring of a nonprofessional sporting event.

“*Applicant*” means a CVB that has submitted an application to the authority for certification of a proposed district. “Applicant” may include more than one CVB and one or more communities located within the proposed district.

“*Authority*” means the economic development authority created in Iowa Code section 15.105.

“*Board*” means a regional sports authority district governing board consisting of members of the local communities served by an applicant.

“*Convention and visitors bureau*” or “*CVB*” means an organization engaged primarily in the marketing and promotion of a local community or communities to businesses and to leisure travelers interested in the area’s facilities. Such organizations are typically engaged in a wide range of activities including but not limited to assisting businesses and leisure travelers in identifying meeting locations and convention sites; providing maps and other travel information; providing information on local attractions, lodging, and restaurants; and organizing tours of local historical, recreational, and cultural attractions.

“*District*” means the same as defined in Iowa Code section 15E.321.

“*Nonprofessional*” means an activity typically engaged in by amateurs and primarily for pleasure rather than for pecuniary benefit or other reasons indicating a professional interest in the activity.

“*Program*” means the regional sports authority district program authorized under Iowa Code section 15E.321 and the rules in this chapter.

“*Sporting event*” means an athletic activity requiring skill or physical prowess, usually competitive in nature and governed by a set of rules provided by a nationally recognized sanctioning body or by a local organization engaged in the development and active promotion of the athletic activity. A sporting event typically includes the placing of competitors into a fixed order of finish, depending upon their respective athletic performance within the rules provided for that activity. For purposes of this chapter, “sporting event” includes but is not limited to youth sports, high school athletic activities, the Special Olympics, and other nonprofessional athletic activities.

**261—38.2(15E) Program eligibility and application requirements.**

**38.2(1) Eligibility.** To be eligible under the program, an applicant shall meet all of the following requirements:

a. The applicant shall propose to operate a regional sports authority district that is governed by a board that meets the requirements of Iowa Code section 15E.321(5).

b. The board shall propose a program of activities designed to foster the active promotion of one or more nonprofessional sporting events in the district during the fiscal year for which the applicant is applying for funding and intend to oversee such program.

c. The applicant shall demonstrate an amount of local match equal to at least 50 percent of the amount of grant funds to be received by the applicant under the program. The local match shall be in the form of cash.

d. The applicant shall submit a completed application including all of the information described in subrule 38.2(2) by the deadline established by the authority on its website.

**38.2(2) Application requirements.** When submitting an application for grant funds under the program, an applicant shall include all of the following information:

a. The applicant’s name, mailing address, email address, telephone number, contact person, and federal employer identification number.

b. A detailed description of the nonprofessional sporting events the applicant intends to actively promote using funds received under the program.

c. The date each proposed nonprofessional sporting event will be held and the location at which the event will be held.

d. Written documentation establishing the amount and source of the required local cash match.

e. Names and contact information of the board and an indication as to which of the board members are city council members as required by Iowa Code section 15E.321(5).

f. Detailed information and projections sufficient to enable the authority to accurately assess the economic impact of the nonprofessional sporting events described in the application. Such information shall include the estimated number of participants and the estimated number of spectators expected to attend the event. If the applicant has previously held substantially similar events, the information shall include actual attendance figures from past events.

**261—38.3(15E) Application scoring and certification of districts.**

**38.3(1) Scoring process and criteria.** Applications that meet the requirements in rule 261—38.2(15E) will be reviewed and scored by authority staff. The authority may also engage outside reviewers with relevant expertise. The higher an application’s numerical score, the more likely it will receive funding under the program. The authority will certify districts in a manner designed to prioritize those events that provide the greatest total benefit to the state as a whole. The criteria used to score the applications are as follows:

*a. Economic impact:* The authority will consider the amount of economic impact represented by the proposed nonprofessional sporting events and will view favorably events that have a greater economic impact. Economic impact will be determined by estimating the number of hotel room nights generated by each proposed nonprofessional sporting event and multiplying the number of estimated hotel room nights by the average daily room rate for Iowa hotels. The average daily room rate will be provided by the authority based on information obtained from a hotel market data service. Intentionally inflated estimates of attendance or a history of providing inaccurate estimates will negatively affect the scoring of an application.

*b. Leveraged funds ratio:* The authority will consider the proportion of state funds to total funds in the application and will view favorably a greater rate of financial participation from entities other than the state of Iowa.

*c. Novelty and quality:* The authority will consider the novelty and quality of an event and will view favorably nonprofessional sporting events that are new to Iowa or that have been recently improved, enhanced, or enlarged.

*d. Event size and scope:* The authority will consider the size of an event and will view favorably a project with a larger total budget.

*e. Need:* The authority will consider the financial need of an applicant and will recognize the importance of funding events that would not take place without assistance under the program. The authority will also recognize the importance of funding nonprofessional sporting events that have never before been funded under the program or under another state program.

*f. Geographic diversity:* The authority will consider the geographic diversity represented by the pool of applicants.

**38.3(2) Certification process.** The authority will certify not more than ten districts each fiscal year in which funding is available for the program. The authority may certify fewer than ten districts in a fiscal year if fewer than ten completed applications are timely received or if fewer than ten completed applications meet the minimum threshold for certification established for that fiscal year. The authority will award grant funds to each of the certified districts in equal amounts. A district certified in one fiscal year retains its certification only for the duration of that fiscal year and must reapply for certification in each subsequent fiscal year.

**38.3(3) Reallocation of award amounts.** If a certified district fails to hold a nonprofessional sporting event described in the application, then that district may request a contract amendment pursuant to subrule 261—38.4(3) to reallocate the proposed expenses allocated for that event to another event included on the application. If there are no other events included on the application to which the proposed expenses may be allocated or the failure to hold a nonprofessional sporting event materially changes the application’s overall quality in relation to other applications, then the district shall forfeit the amount of proposed expenses and the authority may award that amount to other applicants or districts.

**261—38.4(15E) Contract administration.**

**38.4(1) Notice of approval.** The authority will notify successful applicants in writing of approved requests for certification. Such a notification may include the terms or conditions under which approval is granted.

**38.4(2) Contract required.** Each successful applicant shall enter into a contract with the authority. The contract will describe the nonprofessional sporting events that the applicant will actively promote as part of the certified district and will include the terms and conditions under which the grant funds will be disbursed. The contract will also include the terms and conditions under which grant funds must be repaid or penalties incurred in the event the district does not fulfill all obligations under the contract.

**38.4(3) Contract amendments.** All requests by a district for an amendment to the contract will require the approval of the director of the authority. The director will review each such request and approve or deny it. If a request is approved, the district and the authority will execute a written amendment to the contract. Only a written amendment duly executed by both parties to the contract will be valid and binding.

**38.4(4) Reports required.** Each certified district shall submit a written report to the authority within 90 days of the end of the performance period specified in the contract.

**38.4(5) Record keeping.** Each certified district shall maintain all records necessary for the verification and validation of the proper use of grant funds under the contract and shall submit such records to the authority upon request.

**261—38.5(15E) Expenses, records, and reimbursements.**

**38.5(1) Eligible expenses.** Only expenditures directly related to the active promotion of a nonprofessional sporting event

will be reimbursed under the program. Items that will be considered eligible expenses include but are not limited to bid fees, rights fees, sponsorships, payments to vendors, advertising, marketing, venue rental, equipment rental, promotional materials, production costs, and fees and costs for officiants.

**38.5(2) Ineligible expenses.** Expenses that are not directly related to the active promotion of a nonprofessional sporting event are not eligible for reimbursement. Ineligible expenses include but are not limited to travel costs of applicant staff, solicitation efforts, lobbying fees, meals or dining on occasions other than the dates of the nonprofessional sporting events described in the application, items that are purchased for resale, prizes given to participants, and alcoholic beverages.

**38.5(3) Required records and reimbursements.** A district shall submit any records requested by the authority as documentation of the expenditures incurred for purposes of the grant funds awarded under the program. Such records may include invoices, original itemized receipts, check copies, or other proof of payment. The authority will only accept records submitted in the name of the district that has executed a contract. The authority will not reimburse any expenses included on a receipt that includes both eligible expenses and ineligible expenses.

**38.5(4) Repayments of certain funds.** If the authority reimburses a district for the cost of a refundable bid fee and the applicant is unsuccessful in the effort to win the right to hold that event, then the district shall return the amount of such reimbursement to the authority.

**38.5(5) Reallocation of funds.** If, at the time of a district’s final reporting of expenses, the district cannot adequately document eligible expenses or documents an amount that is less than the awarded amount, the authority may award additional funds to other certified districts. If the authority awards additional funds to already certified districts, such districts shall submit documentation establishing how such funds will be expended, and the authority will execute contract amendments providing for the expenditure of the additional funds.

These rules are intended to implement Iowa Code section 15E.321.

**\*For rules being re-promulgated with changes, you may attach a document with suggested changes.**

#### METRICS

<b>Total number of rules repealed:</b>	<b>1</b>
<b>Proposed word count reduction after repeal and/or re-promulgation</b>	<b>581</b>
<b>Proposed number of restrictive terms eliminated after repeal and/or re-promulgation</b>	<b>8</b>

#### ARE THERE ANY STATUTORY CHANGES YOU WOULD RECOMMEND INCLUDING CODIFYING ANY RULES?

Yes. Iowa Code section 15E.321, subsection 5 should be eliminated so that there is no requirement for a regional sports authority district be governed by a seven member board, including at least three city council members of any city located in the district.