

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

Department Name:	IEDA	Date:	11/4/24	Total Rule Count:	6
IAC #:	261	Chapter/ SubChapter/ Rule(s):	Chapter 42	Iowa Code Section Authorizing Rule:	15.108
Contact Name:	Lisa Connell	Email:	Lisa.connell@iowaeda.com	Phone:	(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 42 is to describe the policies and procedures applicable to the Iowa tourism grant program. The program supports tourism-related projects.

Is the benefit being achieved? Please provide evidence.

Yes. The authority is able to effectively 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 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Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language?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]

PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

Yes.

Rule 42.2 will be updated for clarity.

Rule 42.3 will be updated for clarity and to be more concise.

Rule 42.4 will be updated for clarity and to be more concise.

Rule 42.5 will be updated to be more concise and to specify that records will be maintained by grantees for three years following grant closeout.

Rule 42.6 will be updated for clarity and to be more concise.

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

None.

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

CHAPTER 42
IOWA TOURISM GRANT PROGRAM

261—42.1(15) Definitions. For purposes of this chapter unless the context otherwise requires:

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

“*Collaborative application*” means an application in which multiple partners are providing monetary support for the project.

“*Head applicant*” means the applicant on a collaborative application that is both the recipient of the funds and the administrator of the project.

“*Marketing*” means planning for or implementing efforts to publicize a community, event or destination using a range of strategies, tools and tactics.

“*Meetings and events*” means the acquisition of regional or national tourism-related meetings and conventions or execution of local festivals or similar tourism events that positively impact local and state economies.

“*Project*” means a tourism-related marketing initiative, meeting or event that benefits both state and local economies.

“*Tourism*” means a site or event that attracts people from beyond a 50-mile radius or people who spend the night away from home to visit a site or event.

261—42.2(15) Program description.

42.2(1) The authority will accept competitive applications for tourism-related projects in each fiscal year in which funding is available. The authority will award grants to projects based on the criteria described in subrule 42.4(1), and the authority will award grants to projects in a manner designed to prioritize those projects that provide the greatest benefit to state and local economies.

42.2(2) The authority will establish a maximum grant award per application and a minimum grant award per application for each fiscal year in which funding is available.

42.2(3) The authority will make awards based on the total amount of funding available each fiscal year. Funds will be awarded for expenditures that are directly related to the implementation of an eligible project.

42.2(4) An applicant may submit one application each fiscal year. If the application submitted by the applicant is a collaborative application, it will be counted as the head applicant’s application for the fiscal year.

42.2(5) An applicant that has received an Iowa tourism grant award in the prior fiscal year cannot submit an application for a substantially similar project in the following fiscal year. If an applicant does submit an application for a substantially similar project in the following fiscal year, the application will be deemed ineligible. Whether a project is substantially similar will be determined by the authority.

261—42.3(15) Program eligibility and application requirements.

42.3(1) Eligibility. To be eligible under the program, an applicant shall meet all of the following requirements:

a. The applicant must be a tourism-related entity based in the state of Iowa, including a nonprofit or for-profit organization, city, county, or regional government or planning entity.

b. The applicant shall demonstrate an amount of local match equal to at least 20 percent of the total project costs to be incurred by the applicant. The local match shall be in the form of cash. Other state sources of funds shall not qualify as local match. The local match must be spent on eligible expenses as described in rule 261—42.6(15).

c. The applicant shall submit a completed application, including all of the information described in subrule 42.3(2) by the deadline established by the authority on its website.

42.3(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. If the application is a collaborative application, the head applicant shall identify itself and provide the names of all partner applicants.

b. A detailed description of the project.

c. Written documentation of the project costs, including but not limited to advertising rate sheets, bids, quotes, and invoices.

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

e. Detailed information sufficient to enable the authority to accurately assess the impact and quality of the project.

261—42.4(15) Application scoring and approval process.

42.4(1) Scoring process and criteria. Applications that meet the requirements and deadlines of rule 261—42.3(15). An

application meeting the requirements in rule 261—42.3(15) 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 criteria used to score the applications are as follows:

a. Project description: The applicant will explain the project, the time line for its creation and implementation and how state funds will support the project. The authority will view favorably information that clearly articulates the project, sets forth a reasonable time line for the project's creation and implementation, and fully describes how state funds will be used to support the project.

b. Economic impact and ability to promote tourism industry growth: The authority will consider how the project supports the mission of the Iowa tourism office and is part of the applicant's broader marketing strategy to increase the economic impact of tourism locally and in the state of Iowa.

c. Sustainability: The authority will view favorably applications that illustrate capacity to implement and sustain the project upon completion.

d. Need: The authority will consider the financial need of an applicant.

e. Innovation: The authority will consider the innovative quality of an event or marketing initiative and how the project will expand upon existing marketing tactics or resources.

f. Budget: The authority will view favorably budgets that are well-developed and relevant to the project and that provide documentation of planned project expenses during the grant period.

g. Collaboration: The authority will view favorably applications that either represent a collaboration of multiple entities or show the benefit of the project to multiple entities within the tourism industry, or both.

42.4(2) Approval process. The authority will assign scores based on the criteria described in rules 261—42.3(15) and 261—42.4(15) to determine successful applicants. The authority may recommend partial funding of any or all applicants.

261—42.5(15) Contract administration.

42.5(1) Notice of approval. The authority will notify successful applicants in writing of an approved request for funding. Such a notification may include the terms or conditions under which approval is granted.

42.5(2) Contract required. Each successful applicant that accepts the recommended award amount shall enter into a contract with the authority. The contract will describe the project that the applicant will institute as described in the application 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 grantee does not fulfill all obligations under the contract.

42.5(3) Contract amendments. All requests by a grantee 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 grantee and the director 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.

42.5(4) Reports required. Each grantee shall submit a written report to the authority within 60 days of the end of the contract period.

42.5(5) Record keeping. Each grantee shall maintain all records necessary for the verification and validation of the proper use of grant funds under the contract for three years following grant agreement closeout and shall submit such records to the authority upon request.

261—42.6(15) Expenses, records, and reimbursements.

42.6(1) General. Each grantee shall at all times incur expenses only as described in this chapter or in a contract executed hereunder. The authority may deny payment of grant funds for any expenditure not directly related to the implementation of a tourism-related marketing initiative, meeting or event.

42.6(2) Eligible expenses. Only expenditures directly related to the implementation of a tourism-related marketing initiative, meeting or event and approved by the authority at the time of application are eligible expenses under the program. Examples of eligible expenses include the following:

a. The costs associated with all phases of the execution of marketing tactics and strategies, including planning and design and production of tools such as advertising, print materials, digital tools and exhibits for consumer-focused tradeshows.

b. The costs associated with acquiring a regional or national tourism-related meeting, including but not limited to bid fees, rights fees, sponsorships, payments to vendors, venue rental, and equipment rental.

c. The costs associated with executing a local event or festival, including but not limited to payments to vendors, payments to speakers or entertainers, venue rental, and equipment rental for new events or existing events in Iowa in order to augment the event.

42.6(3) Ineligible expenses. Expenses that are not directly related to the implementation of a tourism-related marketing

initiative, meeting or event will be deemed ineligible. Ineligible expenses include but are not limited to vertical infrastructure; staff salaries and wages; equipment and software; solicitation efforts; lobbying fees; items that are purchased for resale; prizes given to participants or event/festival attendees; alcoholic beverages; internships; all travel, meal and lodging costs of applicant staff or the applicant's contractor; projects that receive funding from the authority's regional sports authority district program; or marketing programs already subsidized by the authority including, but not limited to, advertising in the Iowa travel guide or participation in the cooperative partnership program.

42.6(4) Required records. A grantee shall submit any records requested by the authority as documentation of the expenditures incurred for implementation of the project. Such records may include invoices, original itemized receipts, check copies, or other proof of payment.

42.6(5) Repayments of certain funds. If the authority approves grant funds for the cost of a refundable bid fee and the grantee is unsuccessful in the effort to win the right to hold that event, then the grantee shall return the amount funds paid for such bid fee to the authority.

42.6(6) Reallocation of funds. If, at the time of a grantee's final reporting of expenses, the grantee cannot adequately document eligible expenses or documents an amount that is less than the awarded amount, the authority may reduce the grant amount or require repayment of grant funds received.

These rules are intended to implement Iowa Code section 15.108.

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

METRICS

Total number of rules repealed:	0
Proposed word count reduction after repeal and/or re-promulgation	506
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	7

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

No.