

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

Department Name:	IEDA	Date:	5/31/24	Total Rule Count:	7
IAC #:	261	Chapter/ SubChapter/ Rule(s):	Chapter # 102	Iowa Code Section Authorizing Rule:	15.106A(1)“m”
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 102 is to describe the policies and procedures applicable to the entrepreneur investment awards program. The program supports providers of technical and financial assistance to entrepreneurs and start-up companies seeking to create, locate, or expand a business in the state.

Is the benefit being achieved? Please provide evidence.

Yes, IEDA is able to efficiently administer the program.

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

Entities interested in applying for financial assistance may require staff time to complete an application. Recipients may similarly incur costs to comply with reporting and monitoring requirements of the program. Some applicants may choose to rely on an external service provider to complete these tasks. The amount of the costs will vary, depending on the compensation of staff or service providers involved.

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

IEDA staff time is required to review and approve applications, 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 supported by financial assistance.

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 thoroughly evaluate applications and administer financial assistance.

Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language?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 261.102.1 is unnecessary and should be rescinded.

Rule 261.102.2 should be updated to be more concise.

Rule 261.102.3 should be updated to remove language that is duplicative of statutory language and to be more concise.

Rule 261.102.4 should be updated to remove language that is redundant or that is duplicative of statutory language.

Rule 261.102.5 is unnecessary and duplicative of statutory language. The rule should be rescinded.

Rule 261.102.6 should be updated for clarity and to remove language that is duplicative of statutory language.

Rule 261.102.7 should be updated for clarity and to include information about eligible uses of funds.

Rules throughout the chapter should be renumbered due to elimination of rules 261.102.1 and 261.102.5.

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

261.102.1
261.102.5

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

CHAPTER 102
ENTREPRENEUR INVESTMENT AWARDS PROGRAM

261—102.1(15E) Purpose and funding. The entrepreneur investment awards program supports providers of technical and financial assistance to entrepreneurs and start-up companies seeking to create, locate, or expand a business in the state. Moneys for financial assistance under the program will be awarded from the moneys in the entrepreneur investment awards program fund created pursuant to Iowa Code section 15E.363. The amount deposited in the fund each year depends on the amount allocated for such purposes pursuant to Iowa Code section 15.335B.

261—102.2(15E) Definitions. As used in this chapter, unless the context otherwise requires:

“*Applicant*” means provider applying to the authority for financial assistance under the program.

“*Authority*” means the same as defined in Iowa Code section 15.102.

“*Board*” means the same as defined in Iowa Code section 15.102.

“*Business development services*” means the same as defined in Iowa Code section 15E.362.

“*Committee*” means a committee of application reviewers appointed by the director.

“*Deliverables*” means the performance of duties or other obligations required for the receipt of financial assistance under the program.

“*Director*” means the same as defined in Iowa Code section 15.102.

“*Financial assistance*” means the same as defined in Iowa Code section 15.327.

“*Program*” means the same as defined in Iowa Code section 15E.362.

“*Provider*” means an eligible entrepreneurial assistance provider as that term is defined in Iowa Code section 15E.362.

261—102.3(15E) Application procedures. Providers may be invited to submit applications to the authority. The authority will review applications to confirm program eligibility pursuant to Iowa Code section 15E.362(3). Eligible applications will be sent to the committee to develop a recommendation on funding pursuant to rule 261—102.4. The committee will provide its recommendation to the board for a final determination on funding. The amount of financial assistance awarded to a provider is within the discretion of the authority as determined by the board.

261—102.4(15E) Evaluation and recommendation process.

102.4(1) Eligibility. To be eligible for financial assistance under the program, an applicant must meet all the requirements in Iowa Code section 15E.262(3), in addition to all of the following requirements:

a. The applicant must have its principal place of operations in Iowa.

b. The applicant must be actively providing business development services in the state.

102.4(2) Competitive scoring criteria. In addition to the considerations identified in Iowa Code section 15.362(8), the committee will develop its recommendations for funding based on the following criteria:

a. The extent to which the applicant’s project addresses an unmet need of entrepreneurs in the state; and

b. The extent to which the applicant has identified adequate resources to sustain its project following the provision of financial assistance by the authority.

102.4(3) Committee recommendation. The evaluation and recommendation of the committee will be summarized in a report to the board for its use in making a final determination. The committee may recommend applicable terms and conditions of financial assistance.

261—102.5(15E) Administration of financial assistance.

102.5(1) Contract required. An applicant awarded financial assistance under the program shall enter into a contract with the authority for the receipt of such funds. The provider shall maintain all eligibility requirements for the duration of a contract. The contract may include such deliverables and other terms and conditions as the authority deems necessary. The authority will make the final determination as to compliance with the terms of the contract and will make the final determination as to whether and when to disburse funds to the applicant.

102.5(2) Use of funds. Funds shall be used consistent with the requirements in Iowa Code section 15.362(9). For the purposes of determining whether funds have been used consistent with section 15.362(9), “operating costs” means the expenses associated with administering a provider’s activities on a day-to-day basis. “Operating costs” includes both fixed costs and variable costs. “Operating costs” does not include expenses associated with non-operating activities such as interest expenses, repayment of principal, or moneys invested by the provider in clients’ businesses or in other ventures.

102.5(3) Reporting. An applicant receiving assistance under the program shall submit any information reasonably requested by the authority in sufficient detail to permit the authority to prepare any reports required by the authority, the board, the general

assembly or the governor's office.

These rules are intended to implement Iowa Code sections 15E.362 and 15E.363.

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

METRICS

Total number of rules repealed:	2
Proposed word count reduction after repeal and/or re-promulgation	786
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	16

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

No.