

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

<b>Department Name:</b>	IEDA	<b>Date:</b>	6/30/25	<b>Total Rule Count:</b>	7
<b>IAC #:</b>	261	<b>Chapter/ SubChapter/ Rule(s):</b>	Chapter 106	<b>Iowa Code Section Authorizing Rule:</b>	15.411(3)
<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 106 is to describe the policies and procedures applicable to the Small Business Innovation Research and Technology Transfer Outreach Program, known as America's Seed Fund, established pursuant to Iowa Code section 15.411. The program provides technical and financial assistance for applicants for federal grant and contract awards.

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

Yes. The authority is able to effectively award and administer 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. Recipients of financial assistance 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. 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. Authority staff also provide technical assistance through the program.

### 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 incited.

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.

Rules 106.1 and 106.2 are unnecessary and can be rescinded.

Rule 106.3 should be updated to incorporate definitions that will add clarity throughout the chapter.

Rule 106.4 should be updated to be more concise and to reflect current program policies and procedures.

Rule 106.5 is unnecessary and can be rescinded.

Rule 106.6 should be updated to be clearer and more concise. The rule should be renumbered as rule 106.2 to provide clarity in other rules in the chapter.

Rule 106.7 should be updated to be clearer and more concise. Current policies for the disbursement of funds should be incorporated into the rule.

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

106.1  
106.2  
106.5

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

CHAPTER 106  
SMALL BUSINESS INNOVATION RESEARCH AND TECHNOLOGY  
TRANSFER OUTREACH PROGRAM (AMERICA'S SEED FUND)

**261—106.1(15) Definitions.** As used in this chapter, unless the context otherwise requires:

*“Applicant”* means a business applying to the authority for assistance under the program.

*“Assistance”* means technical and financial assistance available under the program.

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

*“Award”* means SBIR/STTR grant, or contract funds awarded by federal agencies.

*“Board”* means the members of the economic development authority appointed by the governor and in whom the powers of the authority are vested pursuant to Iowa Code section 15.105.

*“Committee”* means the technology commercialization committee established by the board pursuant to Iowa Code section 15.116.

*“Corporation”* means the bioscience development corporation established pursuant to Iowa Code section 15.107.

*“Eligible applicant”* means a business meeting the criteria in rule 261—106.2(15).

*“Financial assistance”* means assistance provided only from the funds, rights, and assets legally available to the authority and includes but is not limited to assistance in the form of grants, loans, forgivable loans, and royalty agreements.

*“Phase II award”* means an award that provides funding to continue research and development funded with a prior award.

*“Innovative business”* means the same as defined in Iowa Code section 15E.52(1) “c.”

*“Program”* means the small business innovation research and technology transfer outreach program established pursuant to Iowa Code section 15.411 and this chapter.

*“SBIR/STTR”* means the federal Small Business Innovation Research and Small Business Technology Transfer Programs known as America's seed fund.

**261—106.2(15) Eligibility requirements.** To be eligible for the program, an applicant must meet the following requirements:

1. Meet the small business requirements defined by Small Business Administration (SBA).
2. Be an innovative business;
3. Have a reasonable likelihood of receiving an award;
4. Be likely to stimulate subsequent investment by industry, venture capital, and other sources; and
5. Be likely to commercialize promising technology.

**261—106.3(15) Program benefits, application procedures, and delegation of functions.**

**106.3(1) Technical assistance.**

a. Technical assistance provided by the authority under the program may include the following:

- (1) Detailed outlines and other tools to facilitate drafting of a proposal and gathering accompanying documentation.
- (2) Reviews and critiques of proposal drafts.
- (3) Evaluation of budgets and budget justifications.
- (4) Assistance with the electronic registrations and the application submission process.

b. To facilitate technical assistance, applicants shall submit pre-proposal documents to the authority that demonstrate a customized strategy for application for an award consistent with the requirements for the relevant rules and regulations of each applicable federal agency.

**106.3(2) Application for financial assistance and award procedures.** Eligible applicants may submit applications to the authority for financial assistance. Authority staff will confirm program eligibility before forwarding an application to the committee for a recommendation on financial assistance. The committee will provide its recommendation to the board. The board may approve, deny, or defer each application for financial assistance. The board will consider applications for financial assistance on a first-come, first-served basis. The board may award up to \$75,000 in financial assistance, to be disbursed as indicated in subrule 106.4(3).

**106.3(3) Delegation of certain administrative functions to the corporation.** The authority may delegate certain administrative functions of the program to the corporation.

**106.3(4) Administrative functions not delegated.** The authority will retain, and not delegate, the performance of the following functions: (1) the final determination as to whether to approve, deny, or defer an award of financial assistance; (2) the disbursement of moneys provided for in an award of financial assistance; and (3) the final determination as to whether there is a default in the terms of an agreement entered into under the program, including all decisions regarding appropriate remedies for such a default.

**261—106.4(15) Agreement and report information required.**

**106.4(1) *Agreement required.*** An applicant awarded financial assistance under the program shall enter into an agreement with the authority that includes all terms and conditions for receipt of funds. The authority will make the final determination as to compliance with the terms of the agreement and as to whether and when to disburse funds to the applicant.

**106.4(2) *Reporting information required.*** An applicant may be required to submit all information necessary for the authority to compile a report on the results of the program.

**106.4(3) *Disbursement.*** Up to \$50,000 in financial assistance may be disbursed to an eligible applicant upon receipt of an award. Up to \$25,000 in financial assistance may be disbursed to an eligible applicant at the time the eligible applicant submits a proposal for a phase II award.

These rules are intended to implement Iowa Code section 15.411.

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

**METRICS**

<b>Total number of rules repealed:</b>	<b>3</b>
<b>Proposed word count reduction after repeal and/or re-promulgation</b>	<b>555</b>
<b>Proposed number of restrictive terms eliminated after repeal and/or re-promulgation</b>	<b>17</b>

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

Yes, section 15.411 should be updated to clarify the current name of the federal program associated with the state's technical and financial assistance (America's Seed Fund).