

Purpose and Summary

Pursuant to Executive Order 10, the Authority proposes to rescind Chapter 307 and adopt a new chapter in lieu thereof. The chapter describes the Art Project Grant Program. The program provides financial support for high-quality and publicly accessible art projects in Iowa.

The updated chapter implements the consolidation of arts appropriations and programs in 2025 Iowa Acts, House File 975. The legislation authorized creation of an Arts and Culture Enhancement Fund, which will be utilized for broad purposes related to the arts, including the program.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

- **Classes of persons that will bear the costs of the proposed rulemaking:**

The proposed rulemaking does not impose any costs.

- **Classes of persons that will benefit from the proposed rulemaking:**

Persons who apply and are approved for program grants may benefit from the improved clarity of the chapter.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- **Quantitative description of impact:**

The proposed rulemaking does not impose any costs.

- **Qualitative description of impact:**

Persons who apply and are approved for program grants may benefit from the improved clarity of the chapter.

3. Costs to the State:

- **Implementation and enforcement costs borne by the agency or any other agency:**

Authority staff time is required to administer the program covered in the chapter.

- **Anticipated effect on State revenues:**

The proposed rulemaking has no anticipated impact on State revenues. In addition to moneys available in the Arts and Culture Enhancement Fund established pursuant to Iowa Code section 15.436, funding from the National Endowment for the Arts may also be used for the purposes described in the chapter.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The proposed rulemaking has no anticipated effect on State revenues.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

The Authority has not identified any less costly or less intrusive methods.

6. Alternative methods considered by the agency:

- **Description of any alternative methods that were seriously considered by the**

agency:

The Authority did not consider any other methods.

- **Reasons why alternative methods were rejected in favor of the proposed**

rulemaking:

The Authority did not consider any other methods.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.

- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.

- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.

- Establish performance standards to replace design or operational standards in the rulemaking for small business.

- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rulemaking does not have a substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 261—Chapter 307 and adopt the following **new** chapter in lieu thereof:

CHAPTER 307

ART PROJECT GRANT PROGRAM

261—307.1(15) Purpose. The art project grant program (program) provides financial support for high-quality and publicly accessible art projects in Iowa.

261—307.2(15) Definitions. The definitions listed in 261—Chapter 305 apply to this chapter.

261—307.3(15) Eligible applicants. To be eligible for program funding, an applicant must qualify either as an eligible entity under subrule 307.3(1) or as an eligible individual under subrule 307.3(2) and otherwise meet the requirements of rule 261—305.4(15).

307.3(1) Entities applying for an award must fall into one of the following categories:

a. Active Iowa nonprofit organization registered with the Iowa secretary of state, exempt from federal taxes under Internal Revenue Code §501(c)(3), and physically located within the state of Iowa.

b. Nonprofit organization physically located within a border city and meeting the requirements of 261—subrule 305.4(2).

c. Nonprofit organization that has not yet achieved federal tax-exempt status, but otherwise meets the eligibility requirements in these rules, that is applying through a project partner.

d. Educational institution, educational organization, or K-12 school whose primary orientation, mission, and purposes are education, awarding academic credits, or both.

e. Unit of local, county, state, or federally recognized tribal government physically located in Iowa.

307.3(2) Individuals applying for an award must meet the definition of “artist” in rule 261—305.1(15) by creating, practicing, or producing work as a visual or performing artist, filmmaker, musician, or creative writer and must otherwise meet the requirements of rule 261—305.4(15).

261—307.4(15) Funding priorities. Priority will be given to first-time applicants and applicants who have not received funding from any authority arts program in the two fiscal years prior to the application date. The authority places a high priority on projects that include artistic excellence; involve an arts experience, arts learning activity, or arts professional development activity; and are of public value to Iowans through deliberate public engagement and access to project activities.

261—307.5(15) Eligible projects. Applicants must demonstrate broad-based community engagement and programming surrounding their projects. Types of eligible projects include community events, performances, exhibitions, festivals, conferences, or workshops dedicated to arts-related activities. Projects may represent a phase of a larger project with a longer timeline, but all project activities must have a beginning and end date during the program funding period.

These rules are intended to implement Iowa Code sections 15.436 and 15.467.