

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

Department Name:	IEDA	Date:	3/6/24	Total Rule Count:	10
IAC #:	261	Chapter/ SubChapter/ Rule(s):	Chapter 54	Iowa Code Section Authorizing Rule:	Chapter 73, subchapter III
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PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE

What is the intended benefit of the rule?

The intended benefit of chapter 52 is to describe the targeted small business (TSB) procurement program. State agencies and other entities are required by the Target Small Business Procurement Act (Iowa Code chapter 73, subchapter III) to purchase goods and services from TSBs, set purchasing goals, and complete reports to IEDA.

Is the benefit being achieved? Please provide evidence.

No. IEDA intends to include relevant information about IEDA's role in TSB procurement in 261—Chapter 52 regarding TSB certification.

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

Rule 54.5 requires primary contractors to make a good faith effort to provide TSBs with opportunities to bid for subcontracts. The rule also permits departments, agencies, and education institutions to require primary contractors to document such efforts. Such efforts may require contractors to incur additional costs. The amount of the costs would vary greatly dependent on the nature of the contract. IEDA could not identify statutory authority for these portions of the rule and proposes to eliminate them.

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

IEDA staff time is required to collect and review reports as required by Iowa Code chapter 73, subchapter III. Other agencies require staff time to ensure compliance with the requirements in Iowa Code chapter 73, subchapter III regarding TSB purchasing, goal setting, tracking, and reporting.

Do the costs justify the benefits achieved? Please explain.

Describing the TSB procurement program and IEDA's role does not impose any costs. These portions of the chapter will be added to 261—Chapter 52 regarding TSB certification. The portions of the chapter relating to subcontractor requirements described above will not be retained.

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.

A description of the TSB procurement program and IEDA's role will offer helpful information to TSBs and entities subject to Iowa Code chapter 73, subchapter III.

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. The chapter as a whole is unnecessary. IEDA intends to include relevant information about IEDA's role in TSB procurement in 261—Chapter 52 regarding TSB certification.

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

54.1
54.2
54.3
54.4
54.5
54.6 (previously transferred)
54.7 (previously transferred)
54.8 (previously transferred)
54.9 (previously transferred)
54.10
54.11 (previously rescinded)
54.12
54.13
54.14
54.15

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

IEDA intends to propose to add the following new rule to 261—Chapter 52 to address the portions of chapter 54 that are relevant to retain:

261—52.6(15) TSB procurement.

52.6(1) TSB directory and purchases. The authority compiles and regularly updates a TSB directory that contains a listing of targeted small businesses that have been certified by authority. Entities required to make purchases from TSBs pursuant to the act utilize the directory to identify TSBs for purchases. By certifying a business, the authority does not represent that the business can perform any contract entered by the business.

52.6(2) Authority administration. The authority may conduct a review of entities subject to the act where there is

evidence of little or no progress toward reaching its established TSB goal. The purpose of the review will be to identify the barriers encountered, evaluate the efforts taken to reach the goal, and provide available assistance.

52.6(3) Reporting requirements. The director of each state agency or department shall submit quarterly reports of TSB purchases to the authority in the format and by the due date specified by the authority. Reports provided to the department of education by community colleges, area education agencies, and school districts pursuant to Iowa Code section 73.17(2) shall be forwarded to the authority. Pursuant to Iowa Code section 73.17, the authority may require modifications from the agencies and departments based on the information reported pursuant to that section and this rule.

52.6(3) Maintenance of records. Entities subject to the act shall develop a record-keeping system that identifies and assesses TSB contract awards and progress in achieving a TSB goal. Records should demonstrate procedures adopted to comply with Iowa code chapter 73 and this chapter and awards to TSBs. Records shall be available upon the request of the authority or the state auditor.

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

METRICS

Total number of rules repealed:	10
Proposed word count reduction after repeal and/or re-promulgation	2346
Proposed number of restrictive terms eliminated after repeal and/or re-promulgation	48

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

Yes. IEDA's role is unclear regarding TSB procurement by other entities as required by Iowa Code chapter 73, subchapter III.